



# ESTIMATES OF NATIONAL EXPENDITURE GUIDELINES | 2020

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**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



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## **1. INTRODUCTION**

Government sets out its spending plans in a three-year medium-term expenditure framework (MTEF), which is updated annually. The 2020 Estimates of National Expenditure (ENE) publications will set out government's spending plans for 2020/21 to 2022/23.

The ENE publications provide explanatory information on government's expenditure as presented in annual appropriation legislation. The Appropriation Bill itemises national government spending by vote and main economic classification<sup>1</sup>. A vote specifies the total amount of money appropriated to a national government department. The transfers and subsidies from the vote to other institutions are also included. Through the Appropriation Bill, the executive seeks Parliament's approval and adoption of its spending plans for national government votes. The Appropriation Bill, when enacted, is the legal instrument for the appropriation of funds from the National Revenue Fund for the first year of the three-year MTEF period.

The ENE publications must include information on how government institutions have spent their budgets in previous years and how they intend to use their allocations over the medium term to achieve their goals, including the outputs and outcomes spending is expected to lead to.

The publications include tables depicting non-financial performance indicators and targets, departmental receipts, and detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and for other selected public institutions<sup>2</sup>. Brief explanatory narratives set out the institution's purpose (and that of its programmes), mandate, programme-level objectives and descriptions of subprogrammes. A more in-depth narrative must provide analyses of the institution's expected expenditure over

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<sup>1</sup> Allocations are made by economic classification. The main categories of economic classification are: current payments (payments made for operational requirements such as those for compensation of employees and goods and services); transfers and subsidies; payments for capital assets (assets that can be used for more than one year); and payments for financial assets (loans or equity investments in public corporations).

<sup>2</sup> Other public institutions include public entities, trading entities, government components and/or constitutional institutions.

the MTEF period.

In addition, for each vote, a more detailed e-publication will be made available online<sup>3</sup>. Each e-publication contains programme personnel data tables for the vote and a brief summary of all other public institutions within it. The summary tables with historic main and adjusted appropriation, goods and services, infrastructure, conditional grants, public-private partnerships and site service expenditure information will be made available online.

The 2020 ENE publications largely retain the scope of information presented in the 2019 ENE publications. This includes information for departments that have undergone structural changes by receiving or transferring a function through the 2019 national macro organisation of government process, as approved by the Department of Public Service and Administration (DPSA) and National Treasury, respectively.

It is vital that officials from the finance, human resources, planning, programme and other divisions within an institution work collaboratively to compile the ENE.

## **2. DEADLINES**

Institutions must submit a fully completed ENE database/s in the prescribed format. Shortly thereafter, institutions must submit the accompanying ENE e-publication in the format set out in these guidelines. The completed e-publication must be accompanied by a separate endorsement letter signed by the accounting officer, and in the case of public entities, either by the chief executive officer or accounting authority. This letter must also state the **name** and **contact details** of **departmental** and **entity officials** that will **be available** to deal with ENE-related queries **during December 2019** and early **January 2020**.

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<sup>3</sup> The online publications will be made on [www.treasury.gov.za](http://www.treasury.gov.za) and on [www.vulekamali.gov.za](http://www.vulekamali.gov.za)

**Table 1: 2020 ENE: Critical dates**

<b>ITEM</b>	<b>DUE DATE</b>
<b>ENE guidelines issued to institutions</b>	<b>October 2019</b>
2020 ENE databases issued to departments and other public institutions	October 2019
Preliminary allocation letters issued to institutions	01 November 2019
Departments submit first draft ENE database, including Appropriation Bill and human resource budget planning inputs Departments submit electronic copies of their 2018/19 annual reports	08 November 2019
Entities submit board-approved <sup>1</sup> budgets to National Treasury in the database Entities submit electronic copies of their 2018/19 annual reports	08 November 2019
Departments submit first draft ENE chapter to National Treasury	20 November 2019
Departments and other public institutions receive comments on first draft ENE submissions	27 November 2019
Cabinet-approved final allocation letters distributed to departments	29 November 2019
Departments and other public institutions with changes emanating from final allocation letters submit revised databases, including Appropriation Bill inputs	06 December 2019
Departments and entities submit: - second draft ENE chapter - entities annual reports (those that have not yet submitted)	December 2019
Departments and other public institutions receive various comments on second draft ENE submissions with stipulated return date requirements	December 2019
Departments submit responses to comments on second draft and subsequent drafts of ENE chapters and databases	December 2019 – January 2020
Departments sign off ENE e-publication and the Appropriation Bill	February 2020
<b>Budget tabled in Parliament</b>	<b>February 2020</b>

1. The accounting authority for a public entity must submit a budget of estimated revenue and expenditure for that financial year to the executive authority responsible for that public entity, at least six months before the start of the financial year.

### **3. TEXT STYLE, NUMBERS STYLE AND DATABASE TEMPLATE**

#### **3.1 Text style**

In the narrative sections of the chapter:

- Programme and subprogramme names should be written in full, in italics, with each word beginning with a capital letter except the conjunctions, which must be written in all small letters.
- Conditional grants names should be written in full, in italics, in all small letters.

#### **3.2 Numbers style**

Institutions should present numbers in the chapter text as follows:

- Use a space to separate the last three digits if the number is below one million.
- Use a full stop to separate a number from the decimal number denoting the fraction of the number. Numbers should be rounded off to the first decimal place.
- In text, write out “per cent” instead of the “%” symbol.
- Use the non-breaking space (created by pressing control, shift and spacebar simultaneously) to ensure that numbers are kept together.

#### **Examples**

R75 000 (75 thousand rand)

R10.2 billion (10 billion and 200 million rand)

#### **3.3 Database**

The 2020 ENE databases will be distributed to institutions, for them to complete the detailed information pertaining to the Cabinet-approved reallocations.

Institutions must ensure that the information completed in databases **corresponds** to the **allocation letters** issued. At this stage, institutions may only make item-level budget realignment changes – which must **NOT** exceed 2 per cent of a programme’s indicative baseline. Substantial changes cannot be effected at this stage as they should have been included in the budget approval process for Cabinet’s endorsement.

Data on **revised expenditure estimates** for 2019/20 should be based on the 2019 Adjustments Budget and on expenditure as at 30 September 2019, extrapolated to provide a realistic projection for the full financial year. **Departments should note that estimated overspending represents unauthorised expenditure and must not be reflected in the databases.**

Information for all other institutions must be submitted for inclusion in the ENE e-publications. Of these, the **public institutions** listed in **Annexure A** have been selected for publication in the abridged ENE. Electronic copies of the 2018/19 annual reports for all other public institutions must be submitted with the first-draft database submissions.

**Annexure B** provides instructions for the accurate completion of the database, for it to inform the **Appropriation Bill**. The information for the Appropriation Bill is extracted directly from the database and must be suitable for enactment.

Further guidance on completing the database worksheets is included in the database itself and should be read before completing the database.

For general enquiries regarding the completion of the chapter or the database, please refer to the relevant contact people listed on the cover sheet of the database.

## 4. INFORMATION ON COMPLETING THE CHAPTER

# [Vote number]

## [Name of vote]

### Budget summary

R million	2020/21					2021/22	2022/23
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Administration							
Programme name							
<b>Subtotal</b>							
Direct charge against the National Revenue Fund							
Item							
<b>Total expenditure estimates</b>							
Executive authority	Minister						
Accounting officer	Director-General / Chief Operating Officer						
Website address	www.domain.gov.za						

The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about transfers and subsidies, personnel and other public institutions. Additional tables in excel format can be found on [www.treasury.gov.za](http://www.treasury.gov.za) and on [www.vulekamali.gov.za](http://www.vulekamali.gov.za).

### Vote purpose

The purpose of the vote captures a department's mandate, objectives or administrative functions, as stated in the 2020 Appropriation Bill.

### Mandate

The institution's mandate must be captured, as contained in the relevant act(s) or policy document(s) that govern(s) the department's establishment and its operations.

### Selected performance indicators

The performance indicators included for each department and other public institutions reporting to the same executive authority must show what the institution aims to achieve by spending its budget allocations in a particular manner. Performance information is intended to help Parliament and the public exercise effective institutional oversight. The table should contain only the **selection** of the key performance indicators that represents the substantial and core functions of an institution, allowing the reader to see the institution's measures of achievement of its main goals, as well as whether its historical performance has been in line with achieving these main goals.

The selection should contain mostly outcome and output performance indicators aligned with strategic and annual performance plans. The indicators must be consistent with the departments' significant spending items and priorities, and their wording must correspond with what is contained in the planning documents so that the reader can reference these documents to obtain further information, if required.

Institutional performance indicators selected for inclusion in the 2020 ENE should be informed by ongoing discussions, held during the 2020 MTEF allocation decision-making process with the Department of Planning, Monitoring and Evaluation (DPME) and National Treasury. Changes in the policy, mandate or strategy of departments and entities that will result in substantive amendments to performance indicators or targets in their 2020 annual performance plans should already be included



in the draft ENE chapters. Accordingly, final updates and agreement with the DPME on key performance indicators being reported in the ENE must be made prior to the submission of ENE chapters to National Treasury.

Quantitative and qualitative indicators and targets must reflect trends and achievements over a period of time. As a general rule, quantitative indicators must have targets that are absolute values/numbers. Where percentages are used for performance targets, they must be accompanied by the absolute values that form the basis of the calculation. Standalone percentages will be permitted only for future targets, in cases where the absolute value cannot be predetermined. Any significant fluctuations in targets over years should be concisely explained in a footnote. If these fluctuations are present in projections for the MTEF period and will have considerable bearing on expenditure, they should be further elaborated upon in the expenditure analysis.

**Table X.1 Performance indicators by programme and related outcome**

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23

## Expenditure analysis

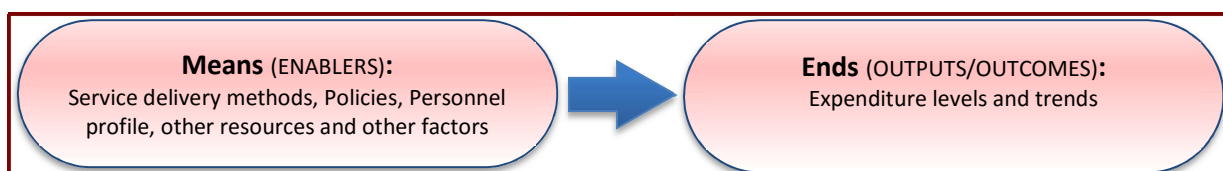
This section is in the form of a narrative discussion that must outline what an institution aims to achieve over the medium term and how it plans to spend its budget in support of this. The expenditure analysis section is limited to two pages.

The discussion should centre on the institution’s primary focus areas, including its policy and spending focus over the period, as contained in strategic planning documents. The discussion should generally be **forward** looking, providing information as forecast for the 2020 MTEF period, for which the growth rate is calculated from 2020/21 to 2022/23. Historical spending and performance trends should be included if they have a significant bearing on what the institution aims to accomplish over the 2020 MTEF period. Information should be set out in a **succinct** and **concise** manner, explaining the **main** trends in the data tables as well as the **links** between the different tables presented in **this section** and **elsewhere** in the **chapter**.

The complexity of this section does not allow a formula to be imposed, but the logic of it follows a structure that typically flows from broader policy to the institution’s primary focus areas, and then details spending in relation to those focus areas.

**Significant** increases or decreases in expenditure, in the past or over the 2020 MTEF period, must be explained in terms of the institution’s underlying performance outcomes, service delivery methods, policies, personnel profiles, and any other applicable factors. When monetary amounts are stated, they should be contextualised relative to spending totals. Personnel, as a major spending area, should be integrated into the narrative.

**Figure 2: For a particular purpose/outcome: The link between means and ends**



As demonstrated in figure 2 above, in the write-up of this section, institutions must **consider** the link between purpose/type of expenditure as the means and performance as the end, as they apply to their **unique** circumstances to illustrate the institutional outcomes and expenditure plans. Institutions must also present how they plan to achieve those outcomes using financial and human resources.

These must include key Cabinet-approved changes to baseline budgets, the reallocation of budgets and their impact on key performance targets, any applicable key infrastructure projects, and any other pertinent explanatory factors.

## Expenditure trends and estimates

**Table X.2 Vote expenditure trends by programme and economic classification**

Programmes											
1. Programme name											
2. Programme name											
3. Programme name											
4. xxxx											
Programme	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2016/17	2017/18	2018/19		2016/17 - 2019/20	Average: Expenditure/Total (%)	2020/21	2021/22	2022/23	2019/20 - 2022/23	Average: Expenditure/Total (%)
R million											
Programme 1											
Programme 2											
Programme 3											
xxxx											
<b>Total</b>											
Change to 2019 Budget estimate											
<b>Economic classification</b>											
<b>Current payments</b>											
Economic classification item											
<b>Transfers and subsidies</b>											
Economic classification item											
<b>Payments for capital assets</b>											
Economic classification item											
<b>Payments for financial assets</b>											
<b>Total</b>											
<b>Proportion of total programme expenditure to vote expenditure</b>											

1. Tables with expenditure trends inclusive of annual budgets, adjusted appropriations and audited outcomes are available online, on [www.treasury.gov.za](http://www.treasury.gov.za) and [www.vulekamali.gov.za](http://www.vulekamali.gov.za).

## Transfers and subsidies expenditure trends and estimates

**Table X.3 Vote transfers and subsidies trends and estimates**

Economic classification item	Audited outcome			Adjusted appropriation 2019/20	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2016/17	2017/18	2018/19		2016/17 - 2019/20	Average: Expenditure/Total (%)	2020/21	2021/22	2022/23	2019/20 - 2022/23	Average: Expenditure/Total (%)
R thousand											
<b>Current/Capital</b>											
Transfer name											
Transfer name											
Transfer name											
Transfer name											
Transfer name											
<b>Economic classification item</b>											
<b>Current/Capital</b>											
Transfer name											
Transfer name											
Transfer name											
Transfer name											
Transfer name											
<b>Total</b>											

## Personnel information

**Table X.4 Vote personnel numbers and cost by salary level and programme<sup>1</sup>**

Programmes													
1. Administration													
2. Programme name													
3. Programme name													
Number of posts estimated for 31 March 2020		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment									Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate			Average growth rate (%)	Average: Salary level/ Total (%)	
		2018/19	2019/20	2020/21	2021/22	2022/23	2018/19 - 2022/23						
		Unit			Unit			Unit					
Department		Number	Cost	cost	Number	Cost	cost	Number	Cost	cost	Number	Cost	cost
Salary level													
1 – 6													
7 – 10													
11 – 12													
13 – 16													
Other													
Programme													
Programme 1													
Programme 2													
Total													

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

## Departmental receipts

**Table X.5 Departmental receipts by economic classification**

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2016/17	2017/18	2018/19					2019/20	2020/21	2021/22		
R thousand												
<b>Departmental receipts</b>												
<b>Economic classification</b>												
<b>Item</b>												
<i>Lower level classification</i>												
<i>Item</i>												
<b>Economic classification</b>												
<b>Item</b>												
<i>Lower level classification</i>												
<i>Item</i>												
<i>Lower level classification</i>												
<i>Item</i>												
<b>Total</b>												

## Programme [number]: [Programme name]

### Programme purpose

The purpose of each programme must be stated as set out in the 2020 Appropriation Bill. The programme purpose outlines the functions and activities of a particular programme, as per the approved budget programme structure. Where approved budget structures remain unchanged from last year's publication, programme purposes should remain unchanged from the Appropriation Act, 2019.

Programme 1 is called "Administration" in all departments. It comprises the administrative functions and activities required to keep the department operating. It includes the ministry, deputy ministry, director-general's office and central corporate services. The purpose of this programme is to: "Provide strategic leadership, management and support services to the department". This standard wording should be used

for the purpose, unless the programme performs functions in addition to this. In this case, the additional functions should either be moved to the relevant service delivery programme and be set out there, or stipulated as part of the programme purpose after the standard description. Except for programme 1, programme purposes may not be duplicated across institutional programmes.

## Objectives

The objectives for each programme should be listed explaining its strategic intent, as well as the specific interventions and progress measures relevant to that objective. Objectives must be broadly aligned with institutional strategic plans and annual performance plans, as informed by ministerial delivery agreements. Departments must, however, include only **selected** relevant strategic objectives from the annual performance plan. Institutions need to include objectives for Programme 1: Administration **only** if the programme includes functions in addition to the standard administrative functions.

## Subprogrammes

The programme's subprogrammes should be listed providing a brief description of the key activities carried out by each subprogramme, with the exception of Programme 1: Administration, **unless** additional functions are performed in that particular subprogramme. Brief explanatory notes must be provided on transfers to entities or partner organisations, and on subsidies, incentives or financial assistance programmes, where applicable.

## Expenditure trends and estimates

**Table X.6 [Administration] expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2016/17	2017/18	2018/19		2019/20	2016/17 - 2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23	Average: Expenditure/ Total (%)
R million											
Subprogramme name											
Subprogramme name											
Subprogramme name											
<b>Total</b>											
Change to 2019											
Budget estimate											
<b>Economic classification</b>											
<b>Current payments</b>											
Economic classification item											
<b>Transfers and subsidies</b>											
Economic classification item											
<b>Payments for capital assets</b>											
Economic classification item											
<b>Payments for financial assets</b>											
<b>Total</b>											
<b>Proportion of total programme expenditure to vote expenditure</b>											

## Personnel information

**Table X.7 [Administration] personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2020		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment										Number		
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate		Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/ total (%)	
		2018/19		2019/20		2020/21		2021/22		2022/23				2019/20 - 2022/23
		Number	Unit Cost cost	Number	Unit Cost cost	Number	Unit Cost cost	Number	Unit Cost cost	Number	Unit Cost cost			
Programme name														
Salary level														
1 – 6														
7 – 10														
11 – 12														
13 – 16														
Other														

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

## Entities

The information requirements for entities are based on the different basis of accounting used. Entities' statements of financial performance, financial position and cash flow are provided.

The categorisation of expenditure in terms of programme/objective/activity should be discussed and agreed upon with National Treasury prior to the submission of the ENE chapter.

### [Name of entity]

## Selected performance indicators

**Table X.8 [Entity name] performance indicators by programme/objective/activity and related MTSF outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections	
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22

Performance indicators listed in the table should be aligned with the institution's annual performance or corporate plans. Only the key indicators, as agreed with the executive authority and National Treasury, that reflect the substantial and core functions of the entity should be presented.

## Entity overview

The expenditure analysis section should outline the entity's legislative mandate as provided in its strategic and annual planning documents. The narrative should briefly detail what the entity does, what it aims to achieve over the medium term and how it plans to spend its budget in support of this.

The narrative should indicate the entity's allocations/transfers over the MTEF period and whether expenditure is expected to increase or decrease, with brief justification. Revenue trends should be discussed for entities that generate their own revenue, and be linked to spending, performance and the achievement of the institution's objectives.

The narrative for entities experiencing liquidity problems may be expanded to include the entity's liquidity and solvency status. In such cases, this narrative should indicate whether the entity may continue to operate as a going concern and include a very brief description of the turnaround plan approved by the accounting authority.

## Programmes/Objectives/Activities

**Table X.9 [Entity name] expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate 2019/20	Average growth rate (%)		Average: Expenditure/ Total (%)			Medium-term expenditure estimate			Average growth rate (%)		Average: Expenditure/ Total (%)	
	2016/17	2017/18	2018/19		2016/17 - 2019/20	2019/20	2020/21	2021/22	2022/23	2018/19 - 2021/22	2018/19	2021/22				
Programme/objective/activity name																
Programme/objective/activity name																
Programme/objective/activity name																
<b>Total</b>																

## Statements of historical financial performance, cash flow and financial position

**Table X.10 [Entity name] statements of estimates of historical financial performance, cash flow and position**

Statement of financial performance								Average: Outcome/Budget (%)
Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
2016/17	2016/17	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2016/17 - 2019/20
<b>Revenue</b>								
<b>Non-tax revenue</b>								
<i>Economic classification item</i>								
<b>Transfers received</b>								
<b>Total revenue</b>								
<b>Expenses</b>								
<b>Current expenses</b>								
<i>Economic classification item</i>								
<b>Transfers and subsidies</b>								
<b>Total expenses</b>								
<b>Surplus/(Deficit)</b>								
<b>Cash flow statement</b>								
<b>Cash flow from operating activities</b>								
<b>Receipts</b>								
<b>Non-tax revenue</b>								
<i>Economic classification item</i>								
<b>Transfers received</b>								
<b>Total receipts</b>								
<b>Payments</b>								
<b>Current payment</b>								
<i>Economic classification item</i>								
<b>Transfers and subsidies</b>								
<b>Total payments</b>								
<b>Net cash flows from operating activities</b>								
<b>Net cash flow from advancing activities</b>								
<i>Item</i>								
<b>Net cash flow from investing activities</b>								
<i>Item</i>								
<b>Net cash flow from financing activities</b>								
<i>Item</i>								
<b>Net increase / (decrease) in cash and cash equivalents</b>								
<b>Statement of financial position</b>								
<b>Balance sheet item</b>								
<b>Total assets</b>								
<b>Balance sheet item</b>								
<b>Total equity and liabilities</b>								

## Statements of estimates of financial performance, cash flow and financial position

**Table X.11 [Entity name] statements of estimates of financial performance, cash flow and position**

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
					2019/20	2020/21	2021/22		
R million									
<b>Revenue</b>									
Non-tax revenue									
<i>Economic classification item</i>									
Transfers received									
<b>Total revenue</b>									
<b>Expenses</b>									
Current expenses									
<i>Economic classification item</i>									
Transfers and subsidies									
<b>Total expenses</b>									
<b>Surplus/(Deficit)</b>									
<b>Cash flow statement</b>									
Non-tax revenue									
<i>Economic classification item</i>									
Transfers received									
<b>Total receipts</b>									
<b>Payments</b>									
Current payment									
<i>Economic classification item</i>									
Transfers and subsidies									
<b>Total payments</b>									
<b>Net cash flows from operating activities</b>									
<b>Net cash flow from advancing activities</b>									
<i>Item</i>									
<b>Net cash flow from investing activities</b>									
<i>Item</i>									
<b>Net cash flow from financing activities</b>									
<i>Item</i>									
<b>Net increase / (decrease) in cash and cash equivalents</b>									
<b>Statement of financial position</b>									
Balance sheet item									
<b>Total assets</b>									
Balance sheet item									
<b>Total equity and liabilities</b>									

## Personnel information

**Table X.12 Entity name personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2020		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment						Number	
		Actual		Revised estimate		Medium-term expenditure estimate		Average growth rate (%)	Average: Salary level/ Total (%)
Number of funded posts	Number of posts on approved establishment	2018/19	2019/20	2020/21	2021/22	2022/23	2019/20 - 2022/23		
		Unit cost	Unit cost	Unit cost	Unit cost	Unit cost			
Entity name		Number	Cost	Number	Cost	Number	Cost	Number	Cost
Salary level									
1 – 6									
7 – 10									
11 – 12									
13 – 16									

1. Rand million.

## Other entities

Provide a bulleted list including the name and description of each entity, in alphabetical order, for which details will be published only in the ENE e-publications. Each description should detail:

- the **Entity's Name** and mandate, and its total budget for 2020/21.

### **Additional tables**

The following additional tables will be made available online only, on [www.treasury.gov.za](http://www.treasury.gov.za) and [www.vulekamali.gov.za](http://www.vulekamali.gov.za):

- Vote expenditure trends by programme and economic classification
- Vote expenditure estimates by programme and economic classification
- Summary of goods and services expenditure trends and estimates
- Summary of expenditure on infrastructure
- Summary of conditional grants to provinces and municipalities
- Summary of departmental public-private partnership projects
- Summary of donor funding
- Summary of site service expenditure information



## Annexure A: List of selected entities

Department	Entity Name
Communications and Digital Technologies	South African Broadcasting Corporation
	South African Post Office
	State Information Technology Agency
	Sentech
Home Affairs	Electoral Commission
	Government Printing Works
National Treasury	South African Revenue Service
	Development Bank of Southern Africa
	Land and Agricultural Development Bank of South Africa
	South African Special Risks Insurance Association
	Public Investment Corporation
	Government Pensions Administration Agency
Public Works and Infrastructure	Property Management Trading Entity
Higher Education and Training	National Student Financial Aid Scheme
	ZSETAs Consolidation
	National Skills Fund
Health	National Health Laboratory Service
	Medical Research Council of South Africa
Social Development	South African Social Security Agency
Defence	Armaments Corporation of South Africa
Justice and Constitutional Development	Legal Aid South Africa
Agriculture, Land Reform and Rural Development	Agricultural Land Holding Account
	Agricultural Research Council
Economic Development	Industrial Development Corporation of South Africa
Mineral Resources and Energy	Central Energy Fund
	South African Nuclear Energy Corporation
Environment, Forestry and Fisheries	South African National Parks
Employment and Labour	Unemployment Insurance Fund
	Compensation Fund, including Reserve Fund
Science and Innovation	National Research Foundation
	Council for Scientific and Industrial Research
Tourism	South African Tourism
Trade, Industry and Competition	Companies and Intellectual Properties Commission
	Export Credit Insurance Corporation of South Africa
Transport	Road Accident Fund
	South African National Roads Agency
	Passenger Rail Agency of South Africa
	Airports Company of South Africa
	Air Traffic and Navigation Services Company
Water and Sanitation	Water Boards Consolidation
	Rand Water
	Water Trading Entity
	Trans-Caledon Tunnel Authority
	Umgeni Water
Human Settlements	National Home Builders Registration Council

## **Annexure B: Notes on the Appropriation Bill**

The 2020 Appropriation Bill will be presented by vote and main division within a vote (programme). The Budget database will be the only source of Appropriation Bill information. Any items that need to be listed in the Appropriation Bill, including name changes, specifically and exclusively appropriated items, and others, must thus be accurately captured in the database.

### **1. Vote and programme purposes**

The vote's purpose should capture the department's mandate, objectives or administrative functions in a concise manner.

A programme purpose outlines the activities and functions of the particular programme as per the approved budget programme structure.

General guidance:

- Programme names and purposes as contained in the database to be included in the Appropriation Bill should be duplicated in the ENE chapters.
- Where approved budget structures remain unchanged from last year's publication, programme purposes should largely remain unchanged from the Appropriation Act, 2019.
- Programme 1 is called "Administration" in all departments. The purpose of this programme is to: "Provide strategic leadership, management and support services to the department". This standard wording should be used for the purpose, unless the programme performs functions in addition to this. In this case, the additional functions should either be moved to the relevant service delivery programme and set out there, or the additional functions should be stipulated as part of the programme purpose after the standard description.
- Each programme purpose should be unique – the same purpose should not be duplicated across institutional programmes.
- The word "develop" in the programme purpose will generally be applicable only for a year or two. After that, it should be replaced with what the programme aims to achieve once it has "developed" the relevant function. The word "develop" should be retained only if the permanent purpose of the programme is to develop policies, for example.

Programme/item allocations are set out by economic classification, into:

- Current payments, comprising:
  - Compensation of employees
  - Goods and services
  - Interest and rent on land
- Transfers and subsidies
- Payments for capital assets
- Payments for financial assets.

General guidance:

- The classification of budgeted items should be in line with the Standard Chart of Accounts, available at <http://scoa.treasury.gov.za>.
- Herewith is the correct treatment of the following items that are commonly confused:
  - Capitalised compensation of employees (payments to employees working on capital projects) and goods and services (payments to consultants/contractors working on capital projects) are classified as payments for capital assets.
  - Operating leases are classified as goods and services. This item excludes payments in respect of public-private partnership projects.
  - Finance leases, including in respect of public-private partnership projects, are classified as payments for capital assets.
  - Where a department pays an entity to produce current or capital goods or deliver services on its behalf, the payment is classified as goods and services or as a payment for capital assets as opposed to transfers and subsidies.
  - Bursaries for non-employees are classified as transfers to households, whereas bursaries for employees are classified as goods and services.
  - Research projects done for departments by higher education institutions or other government entities are classified as goods and services.
  - The recapitalisation of an entity is classified as a payment for financial assets.

## **2. Transfers and subsidies items specifically listed**

Transfers and subsidies listed under programmes are grouped and listed under specific headings. Headings are Standard Chart of Accounts level 2 items, with the exception of conditional allocations<sup>4</sup> and allocations-in-kind, in which case the heading “Conditional allocation/s to provinces/local government” or “Allocation-in-kind to provinces/local government” is used. A concise description of the purpose of the transfer is indicated after the colon that follows the transfer name, with the exception of conditional allocations and allocations-in-kind, as well as prizes and awards. In the case of conditional allocations and allocations-in-kind, only the name of the allocation is stated, as extensive information pertaining to the purpose of the allocation is contained in the Division of Revenue Bill. The names of conditional allocations and allocations-in-kind should be identical to what has been listed in the corresponding Division of Revenue Bill. In the case of prizes or awards, a purpose need not be stated if the name is descriptive in itself and specifies that it is a gift/s, donation/s, prize/s or award/s, for example: “South Africa Youth Water Prizes”.

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<sup>4</sup> Conditional allocations are commonly referred to as conditional grants, while allocations-in-kind are commonly referred to as indirect grants in budget documentation.

Transfer and/or subsidy names:

- When one institution receives a transfer and/or subsidy, the official name of the entity or institution as listed in the schedules to the PFMA should be listed (abbreviations should not be used).
- When a transfer and / or subsidy is for various institutions, whose names are not yet known or the quantum of funds allocated to each individual institution is not known, “Various institutions” should be used.
- When a category of institutions receives the transfer, the category name should be used.
  - Commonly used categories:
    - University subsidies (higher education and training vote only)
    - International organisations
    - Non-governmental organisations
    - Social assistance transfers
    - Civil pensions
    - National bodies
- The first letter of each word of the transfer or subsidy name should be written in uppercase.

Transfer/subsidy purposes:

- The transfer purpose should describe what the transfer will be used for in a concise brief manner.
  - Commonly used purposes:
    - Operations
    - Membership fee/s
    - Research and development
    - Policy development
    - Subsidy/ies
    - Facilitation of public funds for projects
    - Machinery and equipment (this is applicable if the capital transfer payment is in respect of machinery and equipment)
    - Building and upgrading of infrastructure (this is applicable if the capital transfer payment is in respect of infrastructure)
    - Maintenance of infrastructure (this is applicable if the current transfer payment is in respect of infrastructure)
- When the transfer/subsidy name is “Various institutions”, the purpose will commonly include the project/subprogramme name, for example: Manufacturing development incentives.
- When a category of institutions receives the transfer, a category purpose should be stated after the colon.

- Commonly used category purposes:
  - Membership fees
  - Operations
  - Social grants
  - Civil pensions and benefits
- Category purposes must be followed by a long dash (–), after which the names of the specific institutions or grants should appear.
- The purpose of transferring funding to higher education institutions should distinguish between general subsidy funding and funding that will be used for particular purposes, for example: General subsidies; Subsidies for public economics conference; Subsidies for research chair in transport engineering; and Subsidies for language policy unit.
- The purpose should not merely repeat the transfer name.
- The purpose should not include the words “contribution to”, “payment for”, “transfer to” or words of a similar nature, as this is inherently stated.
- There must be consistency across votes in respect of the wording used for purposes that are essentially the same.
- The first letter of the programme purpose should be in uppercase, with the rest of the words in lowercase.
- Relevant information on the transfer’s governance and rules should be available on request; however, such information is not included in the Appropriation Bill.
- Commonly used transfer names and purposes:
  - Under “Households”:
    - Employee social benefits: Leave gratuity/ies
    - Employee social benefits: Post-retirement benefits
    - Employee social benefits: Severance package/s
    - Employee social benefits: Ex-service benefits
    - Employee social benefits: Injury on duty
    - Bursaries for non-employees: [Specify] (Examples are: heritage studies; studies in cadastral science, surveys and mappings; studies in finance and economics; studies in official statistics; housing scholarship programme)
    - Claims against the state: Civil claims instituted against the department for possible compensation (police vote)
  - Under “Municipal bank accounts”:
    - Vehicle licences: Licence fees paid to municipalities
  - Under “Departmental agencies and accounts”:
    - Communication: Radio and television licences
    - Sector education and training authority: Operations

**3. Specifically and exclusively appropriated items**

Items indicated as being “specifically and exclusively appropriated” in the allocation letter must have an asterisk (\*) next to them in the Appropriation Bill. All conditional grants and allocations for a vote’s spending on compensation of employees are specifically and exclusively appropriated.

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**ESTIMATES OF  
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