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# OVERVIEW

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## PURPOSE AND SCOPE

### Objectives of the National Expenditure Survey

The National Expenditure Survey is a further step forward in improving the transparency of the Budget and the accountability of Government to Parliament and the public.

#### **Giving effect to Government's policies**

Since 1994, extensive changes have occurred in the policies and programmes of the national Government. New legislation has been enacted and departments have conducted comprehensive reviews of policy, frequently involving wide public consultation and publication of formal policy documents. The outcome has been a major reprioritisation of spending programmes, aimed at delivery of more and better services to the public.

#### **Linking spending to service delivery**

Government is accountable to Parliament and the public for how it spends the revenue collected from taxpayers. Supplementing the information published in the formal *Estimate of Expenditure to be defrayed from the National Revenue Fund*, the National Expenditure Survey provides a descriptive account of the services Government has delivered and intends to deliver over the next three years. The survey looks not just at what Government spends but at what Government does. By linking spending proposals to changes in policy and indicators of service delivery, Government aims to contribute to more effective use of public money. Selected information on the gender implications of government expenditure and redistribution of services in favour of the poor further serves to draw attention to outputs and outcomes of government expenditure.

The 1998 Budget for the first time included three year spending plans. The 1999 National Expenditure Survey reports on spending outcomes over the past three years, in addition to describing forward estimates for the years to 2001/02.

### Scope and contents

The National Expenditure Survey draws on information provided by national departments in response to the Medium Term Expenditure Survey questionnaire sent to departments in August 1998.

#### **Quantification and description of output**

The survey provided all government departments with the opportunity to identify, quantify and describe services delivered and provide outputs, linking medium term expenditure trends to policies and programmes.

The 1999 questionnaire also requested information on agencies, trading accounts, funds and public enterprises outside the departmental public service. Public sector agencies associated with Government departments are often important vehicles in delivering services to the public. Large capital spending plans are undertaken outside the budget by parastatals such as Eskom, Telkom, Transnet and the South African National Roads Agency. Public enterprises are also largely responsible for infrastructure investment such as electrification, building of dams, providing of telephone lines and upgrading of airports. Social security funds provide an important range of benefits to the unemployed or people injured at work as well as insurance to people involved in road accidents. The survey summarises the activities of many of these extra-departmental agencies.

The Survey provides information on each national vote on the following:

- ◆ Revised expenditure estimate for 1995/96 to 1998/99 by programme and economic classification.
- ◆ Medium term expenditure estimates for 1999/00 to 2001/02 by programme and economic classification.
- ◆ Policy development and expenditure implications.
- ◆ Trends in output and services rendered.
- ◆ Discussion of programmes together with adjustments to 1998 expenditure estimates and forward estimates.
- ◆ Extra-budgetary accounts and funds.

Explanatory notes on data and details of the 1999 questionnaire are set out in more detail at the end of this overview.

## OVERVIEW OF TRENDS IN EXPENDITURE

### The Medium Term Expenditure Framework

#### **Three year spending plans**

Three-year rolling budgets have now become a permanent feature of the budgetary process. The 1999 Budget is the second in which Government is publishing three-year spending plans for consideration by Parliament. The 1999 Budget includes 1999/00 allocations and forward estimates of spending plans for 2000/01 and 2001/02. These are summarised below together with spending for the past three years. Changes relative to the estimates published in the 1998 Budget are indicated.

#### **Guideline allocations for the 2000 Budget**

The forward estimates set out in the 1999 Budget provide the initial guideline allocations within which government departments will prepare next year's budget estimates.

**Table 1 National budget expenditure 1995/96 to 2001/02**

R million	Outcomes			Preliminary outcomes	Medium term estimates		
	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
National spending share	120 489	142 258	150 958	78 537	78 733	81 101	84 489
Donor-financed expenditure	123	269	170	651	750	750	750
Skills development levy-grant scheme	–	–	–	–	–	1 000	2 000
State debt costs	29 337	34 100	39 479	43 413	48 222	49 820	52 609
Provincial equitable shares <sup>1</sup>	–	–	–	81 537	86 302	92 071	96 822
Local government equitable share <sup>1</sup>	–	–	–	1 024	1 673	2 480	2 580
Contingency reserve				–	1 100	3 500	8 000
Recovery from pension funds <sup>2</sup>	- 1 023	- 335	–	- 870	–	–	–
<b>National budget expenditure</b>	<b>151 829</b>	<b>176 291</b>	<b>190 607</b>	<b>204 292</b>	<b>216 780</b>	<b>230 722</b>	<b>247 250</b>
<i>per cent of GDP</i>	30,5%	31,7%	31,4%	31,2%	30,6%	30,1%	29,8%
<i>per cent increase</i>		16,1%	8,1%	7,2%	6,1%	6,4%	7,2%

<sup>1</sup> The provincial and local government equitable shares were introduced in 1998/99. The provincial share shown here includes a preliminary share of the amount available for improvements in conditions of service in 1999/00

<sup>2</sup> In keeping with actuarial advice, the employer's contribution to government pension funds has been reduced in recent years.

<sup>3</sup> The reduction was implemented through a recovery from pension funds in 1995/96, 1996/97 and 1998/99, prior to finalising agreement on the lower contribution in the relevant public service bargaining chambers.

### Total expenditure estimates

Table 1 shows national budget expenditure for 1995/96 to 2001/02. The introduction of the provincial and local government equitable shares in 1998/99 is indicated, resulting in an offsetting reduction in the national expenditure level. National departmental votes now include several conditional grant programmes that supplement the provincial and local government equitable shares of revenue. Table 2 provides a summary of conditional grants to provinces while Annexure A provides detailed information on the various grants and the conditions imposed.

### Growth in expenditure

National budget expenditure increased by 16,1 per cent in 1996/97, driven by an acceleration of reconstruction and development spending and strong growth in personnel spending. Expenditure growth slowed to 8,1 per cent and 7,2 per cent over the next two years, and is projected to increase by an average of 6,6 per cent over the MTEF period.

### Changes in national budget expenditure estimates since the 1998 Budget

#### Revised macroeconomic projections

As noted in the November 1998 Medium Term Budget Policy Statement, the budget framework has been revised since the publication of medium term projections in the March 1998 Budget. Lower economic growth than anticipated has required a downward adjustment in the overall expenditure level for the next two years, partially offset by delaying the reduction in the budget deficit to 3,0 per cent of GDP to 2000/01.

The required downward adjustments in expenditure have mainly been accommodated in the national share in 1999/00.

**Table 2 Conditional grants to provinces<sup>1</sup>**

<b>R millions</b>	<b>1998/99<sup>2</sup></b>	<b>1999/00</b>	<b>2000/01</b>	<b>2001/02</b>
<b>Health</b>				
Central hospitals	3 021	3 075	3 112	3 221
Training and research	1 060	1 118	1 174	1 215
Redistribution of specialised services	53	112	176	182
Hospital rehabilitation programme	–	200	400	500
Durban Academic Hospital	200	247	273	103
Umtata Regional Hospital	100	64	-	-
Primary school nutrition programme	526	555	582	603
<b>Finance</b>				
Supplementary grant	2 800	2 500	2 212	2 000
Contingency transfer to provinces for debt relief	1 000	–	–	–
<b>Education</b>				
Financial management and quality enhancement	200	111	272	283
Classroom backlogs	50			
KwaZulu-Natal peace initiative	81			
Textbook grant	200	–	–	–
<b>Housing</b>				
Capacity Building	10	10	10	10
<b>State Expenditure</b>				
Financial and personnel management	100	20	100	140
<b>Welfare</b>				
Financial management of social security systems	100	50	50	–
<b>Labour</b>				
Training centres in former Bophuthatstwana	52	56		
<b>Other conditional grants</b>	15	0	–	–
	<b>9 568</b>	<b>8 118</b>	<b>8 361</b>	<b>8 257</b>
<b>Grants to provinces for local government</b>				
<b>Department of Constitutional Development</b>				
R293 Staff	951	463	–	–
R293 transfer cost assistance grant	-	40	-	-
Local Government support grant <sup>3</sup>	181	140	-	-
	<b>1 132</b>	<b>643</b>		
<b>Total</b>	<b>10 700</b>	<b>8 761</b>	<b>8 361</b>	<b>8 257</b>

<sup>1</sup> Improvements in conditions of service is appropriated as a conditional grant in 1998/99 and 1999/00 but will become part of the equitable share in 2000/01. The amounts to provinces for 1998/99 and 1999/00 are R2 419 million and R2 100 million respectively.

<sup>2</sup> Some conditional grants have not yet been allocated to provinces.

<sup>3</sup> This grant was called the Local government transition grant in 1998/99.

### **Adjustments to the budget estimates**

The 1999 Budget includes several additional changes relative to the 1998 medium term estimates:

- ◆ Adjustments have been made to national and provincial allocations for a reduction in the employer's contribution to pension funds from 17 per cent to 15 per cent, reflected in the 1998 Budget framework as a recovery from pension funds.

- ◆ Provision for debt interest costs has been increased relative to the 1998 Budget projections, reflecting higher borrowing costs than anticipated in 1998/99.
- ◆ Contingency reserve allocations have been revised downwards.
- ◆ Provision is now made for the introduction of a skills development levy-grant scheme in 2000/01, to be financed through a payroll-based levy on employers.
- ◆ The estimates now include projected spending to be financed through grants received in terms of international co-operation agreements.
- ◆ The local government equitable share has been reduced in 1999/00 to accommodate continued provincial expenditure on municipal functions in several towns.

### 1999 Budget estimates of expenditure

Table 3 sets out the 1999/00 to 2001/02 “first print” estimates and additional amounts included in the medium term budget.

**Table 3 National budget medium term expenditure estimates**

R million	1999/00	2000/01	2001/02
Printed Estimate (February 1999)	213 829	224 162	234 900
Standing appropriations <sup>1</sup>	50	60	100
Supplementary allocations:			
Provision for border posts	51	50	
Poverty relief and infrastructural employment	1 000	1 200	1 500
Skills development programme		1 000	2 000
Donor financed expenditure	750	750	750
Contingency reserve	1 100	3 500	8 000
<b>Total expenditure</b>	<b>216 780</b>	<b>230 722</b>	<b>247 250</b>

<sup>1</sup> Claims on guarantees, subscriptions to the International Development Association and the International Bank for Reconstruction and Development and valuation payments to the International Monetary Fund.

#### Supplementary amounts

The following supplementary amounts have been set aside for allocation to departments later in the year:

- ◆ R51 million in 1999/00 and R50 million in 2000/01 for improvement of border posts, to contribute to improved customs administration and border policing.
- ◆ R1,0 billion in 1999/00, increasing to R1,5 billion in 2001/02, for poverty relief and infrastructural employment programmes.

#### Poverty relief and employment

Poverty relief and infrastructural employment allocations will include:

- ◆ The “working for water” programme of the Department of Water Affairs and Forestry.

- ◆ Developmental welfare projects co-ordinated by the Department of Welfare.
- ◆ The community based public works programme of the Department of Public Works.
- ◆ Nutrition and health-related projects of the Department of Health.
- ◆ Investment in rural infrastructure by the Department of Agriculture.
- ◆ Support for the skills development strategy of the Department of Labour.
- ◆ Various initiatives arising from the 1998 Jobs Summit.

**Donor financed expenditure**

Total expenditure on the budget is expected to include about R750 million a year over the next three years financed through grants associated with international co-operation agreements. A further R400 million in spending by foreign donors is expected to be routed directly to projects or beneficiaries.

**Skills development levy-grant programme**

With effect from 2000/01, a new levy will be imposed on private sector employers to finance a skills development programme. Eighty per cent of funds collected will be channelled to sectoral education and training authorities to support industrial training schemes. Twenty per cent of receipts will accrue to the National Skills Fund for support of training for the unemployment and other special training needs. The levy will be introduced at a rate of 0,5 per cent of remuneration paid, to increase to 1,0 per cent in 2001/02. Expenditure will be recorded as a direct charge on the National Revenue Fund to the credit of the National Skills Fund and sectoral education and training authorities.

**Provision for contingencies**

An amount of R1,1 billion is set aside for contingencies in 1999/00. Allocations from this reserve may be made in the Adjustments Estimate later in the year. The contingency reserve is R3,5 billion in 2000/01 and R8,0 billion in 2001/02.

Actual expenditure by departments for the period 1995/96 to 1997/98 as well as projected expenditure for 1998/99 and forward estimates for the MTEF years are set out in Table 4. Departmental votes include allocations for public works.

**Spending trends since 1995/96**

**Changing priorities**

Government has implemented a far-reaching reprioritisation of spending programmes since 1994. National department spending trends since 1995/96 reflect significant shifts in priority:

- ◆ Spending on the Water Affairs and Forestry vote has increased from R1,2 billion to R2,9 billion in 1998/99, as water supply programmes have extended into historically neglected areas.
- ◆ Spending on the Housing vote has grown from R1,0 billion to R3,7 billion in 1998/99, reflecting the maturing of the national housing subsidy programme.

Table 4 National budget expenditure: 1995/96 to 2001/02

	1995/96	1996/97	1997/98	1998/99 <sup>1</sup>		1999/00	2000/01	2001/02
R million	Audited		Estimate	Estimate	Adjusted	Medium term estimates		
President	19	27	27	32	32	33	34	36
Executive Deputy President	8	19	26	48	48	36	38	38
Deputy President (Minority Party)	10	7						
Parliament	281	345	332	349	349	342	377	397
Agriculture	812	794	977	738	736	658	700	720
Arts, Culture, Science & Tech.	507	533	648	834	834	845	907	958
Central Economic Advisory Serv.	6	7						
Statistics SA	81	372	175	96	96	143	203	208
Communications				863	862	779	663	547
Constitutional Development	1 189	562	1 111	2 121	2 121	1 528	956	1 048
Correctional Services	2 749	3 425	3 962	5 207	5 179	5 059	5 862	6 213
Defence	11 620	10 984	11 171	10 323	10 258	10 677	10 949	11 381
Education	4 165	5 319	5 975	6 699	6 698	7 028	7 474	7 928
Environmental Affairs & Tourism	326	356	383	406	404	469	496	661
Finance	74 024	87 654	89 431	7272	7 262	6 175	5 770	5 606
<i>of which: SARS</i>		1 107	635	1704	1 695	1 889	1 751	1 760
<i>Post office losses</i>		572	464					
<i>Transfers to provinces</i>	71 996	84 092	84 428					
Foreign Affairs	1 062	1 133	1 149	1 400	1 398	1 276	1 174	1 187
Health	1 291	656	512	5 537	5 536	5 940	6 243	6 379
Home Affairs	384	434	534	1 226	1 222	1 322	962	763
Housing	987	2 070	4 520	3 748	3 748	3530	3 323	3 581
Independent Complaints Direct.			14	23	23	24	25	26
Justice	1 405	1 772	2 211	2 396	2 382	2 545	2 808	2 952
Labour	504	649	633	780	775	825	867	911
Land Affairs	161	277	417	755	752	693	847	889
Minerals and Energy	743	734	825	676	675	615	572	592
Promoting the RDP	563							
Public Enterprises	22	20	44	29	29	31	14	14
Public Service and Administration	5	45	53	40	39	53	54	56
Public Service Commission	63	23	24	28	27	51	53	54
Public Works	2 202	2 457	2 821	2 835	2 832	2875	3 115	3 240
Govt Communication & Info	54	58	36	60	59	49	51	52
SA Management Develop. Ins.		10	12	17	16	18	18	19
SA Police Service	9 818	11 635	12 849	13 877	13 766	14 534	15 079	15 642
Sport and Recreation	63	55	118	94	94	101	55	57
State Expenditure	991	1 134	1 066	1 171	1 170	1 181	1 282	1 340
<i>of which: Secret Services</i>	714	831	764	800	800	850	850	850
Trade and Industry	2 960	3 232	2 470	2 242	2 241	2 065	2 215	2 291
Transport	2 999	3 130	3 604	3 402	3 402	3 497	3 868	4 329
Water Affairs and Forestry	1 200	2 357	2 820	2 920	2 915	2 498	2 597	2699
Welfare	67	67	145	259	259	137	139	73
Plus:								
Amounts still to be allocated				639	639	1 051	1 250	1 500
Donor funded spending						750	750	750
Skills development scheme							1 000	2 000
Accounting adjustment	121	-111						
<b>Votes &amp; statutory amounts</b>	<b>123 461</b>	<b>142 242</b>	<b>151 093</b>	<b>79 143</b>	<b>78 879</b>	<b>79 433</b>	<b>82 791</b>	<b>87 139</b>
Plus:								
State debt costs	29 337	34 100	39 479	43 413	43 413	48 222	49 820	52 609
Provincial equitable share				81 537	80 931	86 302	92 071	96 822
Local government share				1 024	1 024	1 673	2 480	2 580
Standing appropriations	56	284	35	46	46	50	60	100
Contingency reserve						1 100	3 500	8 000
Recovery from pension fund	- 1 023	- 335		- 870				
<b>National budget expenditure</b>	<b>151 831</b>	<b>176 291</b>	<b>190 607</b>	<b>204 293</b>	<b>204 293</b>	<b>216 780</b>	<b>230 722</b>	<b>247 250</b>

Source: Auditor General; Department of State Expenditure; Department of Finance calculations

1. 1998/99 preliminary estimates are adjusted for the reduction in the employer's pension contribution, for purposes of comparison with subsequent years.

- ◆ Spending on Justice has increased from R1,4 billion to R2,4 billion in 1998/99, including a significant extension of civil justice and human rights functions.
- ◆ Spending on Correctional Services has grown from R2,7 billion to R5,2 billion, in response to increased prisoner numbers and improved standards of detention and care in prisons.
- ◆ Spending on the Constitutional Development vote has increased from R1,2 billion to R2,1 billion as support for municipal services and infrastructure development has increased.

Over the 1995/96 to 1998/99 period Defence spending fell from R11,6 billion to R10,3 billion, and Trade and Industry expenditure was reduced from R3,0 billion to R2,2 billion.

### Changes to MTEF allocations

#### Departmental allocations

Forward estimates for the MTEF years provide departments with more certainty about their resource envelope in the medium term and so enhance planning for service delivery. Changes in forward estimates will generally reflect changes in policy or priorities.

#### Increased allocations

Reprioritisation is evident in a number of programme allocations for 1999/00 which differ significantly from the MTEF forward estimates published in 1998:

- ◆ The programme *Science, technology and information* on the vote Arts, Culture, Science and Technology increases by R45 million mainly for support for innovative applied scientific research projects.
- ◆ In the programme *Population census* an additional R230 million over three years is made available to Statistics SA to prepare for the 2001 census.
- ◆ The Department of Environmental Affairs receive R50 million more per year for the programme *Promotion of tourism*, to support international tourism marketing, in partnership with the private sector.
- ◆ R157 million is added in 1999/00 on the programme *Regulations services and programmes* on the national Health vote, mainly to expand the immunisation programme, support vaccine production and to support Government's Aids Action Plan.
- ◆ An additional R250 million has been provided for the Independent Electoral Commission on the Home Affairs vote.
- ◆ An increase of R120 million a year is made on the programme *Technology enhancement in industry* of the Trade and Industry vote.
- ◆ An increase of nearly R300 million is added to the *Special Defence Account*.
- ◆ An increase of R226 million on the *Fiscal transfers* programme of the Department of Finance provides for increased transfers to the South African Revenue Services and the National Development Agency.



These adjustments reflect Government's commitment to strengthening primary health care delivery, to provide increased economic opportunities to its citizens and to build our democracy.

### Reduced MTEF allocations

Reduced allocations, compared to the 1998 forward estimates, include:

- ◆ *Human resource development* on the Labour vote, in view of the introduction in 2000/01 of the separate skills development levy-grant financing arrangement.
- ◆ *Investment support and trade facilitation* on the Trade and Industries vote, in view of the rationalisation of export incentives and slower than anticipated participation in regional industrial development initiatives.
- ◆ Phasing out of the subsidisation of postal services on the Communications vote.
- ◆ Provision for *land reform* implementation on the Land Affairs vote in 1999/00 and 2000/01, as the full momentum of spending on these initiatives is only expected to be reached in the following year.
- ◆ Capital works on the Correctional Services vote, in view of the envisaged construction of prisons by private sector investors which will have the effect of shifting costs to the fiscus of these projects into the future.

### Significant increases over the MTEF period

A number of departmental programmes show significant increases over the MTEF period (1998/99 to 2001/02):

- ◆ The *Systems and planning* programme in Education grows by nearly 12 per cent per year reflecting the increase in the conditional grant for improving financial management and quality in education. *Higher education* grows by about 8 per cent per year or more than R1 500 million over the period.
- ◆ Under the Correctional Services vote, the programme *Incarceration* grows by R576 million or 6,0 per cent per year.
- ◆ The programme *Crime prevention and response services* in the Department of Safety and Security increases by R1 294 million over the period, or nearly 6 per cent per year.
- ◆ *Administration of justice* and *Administration of the law*, both in the Department of Justice, grow by 6,7 per cent and 12,2 per cent, respectively, over the period.
- ◆ The allocation to the *South African Housing Fund* (Department of Housing) increases by nearly R400 million over the period or at 4,2 per cent per year.
- ◆ The programme *Land Reform and implementation* in the Department of Land Affairs increase by R108 million between 1990/00 and 2001/02 or at 8,1 per cent per year.
- ◆ Capital expenditure undertaken by the Department of Public Works on behalf of national departments is set to grow strongly from R928

million in 1999/00 to R1,3 billion in 2001/02. The largest capital investment programmes are for Correctional Services (R463 million in 1999/00), Justice (R145 million) and the South African Police Service (R125 million).

## EXPLANATORY NOTES

### Expenditure estimates

#### **Comparability of figures**

To enhance medium term planning and evaluation, comparable figures for different financial years are required. Figures in the Estimates of Expenditure (The “White” and “Blue” books) are not always comparable to earlier years because the amount to be voted does not yet include improvements in conditions of service on departmental votes but rather on the improvements in conditions of service vote. Similarly, amounts to be voted for departments exclude certain amounts for capital expenditure (mostly land and buildings) that are appropriated on the vote of the Department of Public Works.

#### **Improvement in conditions of service in MTEF forward estimates**

To ensure comparability with actual expenditure in previous years and to allow realistic estimates of future expenditure growth, the MTEF forward estimates include in departmental totals an estimate for improvements in conditions of service. These amounts are allocated to Departments on the basis of their proportional share of personnel expenditure. Final outcomes will depend on the level and structure of increases negotiated between Government and public sector unions during the financial year concerned.

#### **Capital expenditure in expenditure outcomes**

The departmental expenditure data and forward estimates in the National Expenditure Survey have been adjusted to include capital expenditure appropriated or voted on the vote of the Department of Public Works. This allows for a more realistic estimate of total departmental services and of the actual cost of delivering services, as well as providing useful information about the contribution of different departments to capital formation.

#### **Government contribution to pension fund**

Based on an actuarial valuation of the funding levels of the Government Employees Pension Fund, Government contributions to the fund were reduced from 17 per cent of salary to 15 per cent in 1998. The 1998 Budget framework reflected this as a recovery from pension funds. The 1998/99 departmental estimates includes pension contributions at the higher rate. The 1999 Budget estimates, in contrast, take account of the adjustments in the contribution rate. In chapter 4 and in table 3 of annexure B of the Budget Review adjustments are made to 1998/99 estimates for comparability with the 1999 Budget figures.

#### **Preliminary outcome for 1998/99**

For 1998/99, the Survey reflects preliminary expenditure outcomes. These estimates are based on cash flow projections given expenditure trends over the past year and differ in some cases from amounts voted to departments. The preliminary outcome figure is an estimate to assist in planning cash flow and to estimate aggregate annual expenditure for fiscal planning purposes. The preliminary outcome estimates do not affect the allocation voted to departments.

## National Expenditure Survey questionnaire

The survey questionnaire requested the following information from departments:

### Departmental aims and objectives

Departmental heads were requested in Part A to confirm the description of each programme as set out in the printed Estimate of Expenditure, and to state the objectives of each programme, indicating measurable outputs and outcomes where appropriate.

### Revised expenditure estimate: 1995/96 – 1998/99

Part B requested details of expenditure by programme and by type of expenditure for the period 1995/96 to 1997/98. Audited expenditure figures for 1995/96 and 1996/97, and the accounting officer's estimate of the outcome for 1997/98 were requested.

Where the scope of a programme had changed or where function shifts had occurred during the years in question, details were requested. Where policy changes had accounted for significant increases or decreases in expenditure, these were also identified.

### Medium term expenditure estimates: 1999/00 – 2001/02

In part C a summary of expenditure by programme and standard item was requested for the 1999/00 to 2000/01 period, consistent with the baseline allocations provided by the national treasury.

Where transfer payments were made to specific organisations, agencies or service-providers, it was required that these should be identified and allocations specified.

Departments were also requested to identify allocations for major capital projects.

### Policy developments and expenditure implications

Part D of the survey questionnaire provided for a brief summary of key policy developments and an account of their expenditure implications.

Details were requested of policy or programme shifts that would contribute to increased pressure on spending and shifts that account for expenditure reductions.

### Trends in outputs and services rendered

Part E requested both quantitative and descriptive information on the services rendered by departments and departmental agencies, trends in the use of services, indicators of the quantity of outputs and, where appropriate, measures of the outcomes of public services.

### Income and expenditure of extra-budgetary accounts and funds

Part F of the survey requested departmental heads to identify all trading accounts, extra-budgetary accounts of funds, departmental enterprises or public entities under the administration or oversight of the Department or Ministry. Financial statements were requested of all entities, for the 1995/96 to 1997/98 year, or nearest financial year, together with income and expenditure and other financial projections for the 1998/99 to 2001/02 years.

