

# ENE 2018 GUIDELINES

**GUIDELINES FOR  
THE PREPARATION  
OF THE ESTIMATES  
OF NATIONAL  
EXPENDITURE 2018**

OCTOBER 2017

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**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



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## **1. INTRODUCTION**

The Estimates of National Expenditure (ENE) publications describe in detail the planned spending in all national government votes over three financial years, referred to as the medium term expenditure framework (MTEF) period.

The ENE publications comprise a consolidated version containing an abridged chapter for each vote as well as separate, more detailed e-publications for each vote.

The abridged ENE publication is the explanatory memorandum to the Appropriation Bill and is tabled with it on Budget Day by the Minister of Finance. The Appropriation Bill itemises national government spending for the first financial year of the MTEF period. The Appropriation Bill allocates expenditure by vote. Generally a vote specifies the total amount of money appropriated to a single national government department, however a vote may contain more than one national government department. Through the Appropriation Bill, the executive seeks Parliament's approval and adoption of its national government vote spending plans. 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.

All ENE publications provide comprehensive information on how institutions have spent their budgets in the past three years, as well as how institutions plan to spend the resources allocated to them over the upcoming MTEF period. Each chapter in the abridged ENE publication has a summary table showing expenditure on infrastructure. The ENE e-publications provide more detailed information than the relevant chapter in the abridged ENE, including on goods and services, transfers and subsidies, as well as programme specific personnel expenditure. The ENE e-publications also have tables containing conditional grants to provinces and municipalities, departmental public private partnerships, and donor funding. Budget information is also provided for all entities that are not discussed in detail in the abridged publication. In some e-publications, more detailed information at the level of site service delivery is also included.

Key performance indicators included for each department and entity reporting to the same executive authority, need to show what the institution aims to achieve by spending its

budget allocations in a particular manner. Performance information should be based on government's 2014-2019 medium term strategic framework (MTSF), particularly as it is expressed in institutional strategic and annual performance plans, and in annual reports. The information is intended to help Parliament and the public to exercise effective institutional oversight; therefore, indicators published should be directly linked to the substantial and core functions of each institution.

The 2018 ENE publications largely retain the scope of information presented in the 2017 ENE publications. It is vital that officials from the finance, human resources, planning, programme and other divisions within an institution work collaboratively to compile their ENE publication. The 2018 ENE guidelines give direction to institutions for completing their ENE publication.

## **2. DEADLINES**

Institutions must submit a fully completed ENE database in the prescribed format. Shortly thereafter, institutions must also submit an 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 **officials** that will **be available** to deal with **departmental** and **entity** ENE-related queries **during December 2017** and early **January 2018**.

Table 1: 2018 ENE: Critical dates

| ITEM                                                                                                                                 | DATE                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| <b>ENE guidelines issued to institutions</b>                                                                                         | <b>24 October 2017</b>                                |
| Budget Planning Baseline tool issued to Entities <sup>1</sup>                                                                        | 24 October 2017                                       |
| Information sessions with institutions on 2018 ENE guidelines and databases                                                          | 24 October 2017 – 02 November 2017                    |
| Preliminary allocation letters issued to institutions                                                                                | 27 October 2017                                       |
| 2018 ENE database issued to departments                                                                                              | 27 October 2017                                       |
| Departments submit first draft ENE database, including Appropriation Bill inputs and electronic copies of the 2016/17 annual reports | 10 November 2017                                      |
| Entities submit the board approved budget to National Treasury in the Budget Planning Baseline tool                                  | 10 November 2017                                      |
| Departments submit first draft ENE chapter to National Treasury                                                                      | 14 November 2017                                      |
| Departments and entities receive comments on first draft ENE submissions                                                             | 21 November 2017                                      |
| Cabinet approved final allocation letters distributed to departments                                                                 | 01 December 2017                                      |
| Departments and entities submit revised databases, including Appropriation Bill inputs                                               | 06 December 2017                                      |
| Departments and entities submit:<br>- second draft ENE chapter<br>- entities annual reports (those which have not yet submitted)     | 11 December 2017                                      |
| Departments and entities receive various comments on second draft ENE submissions with stipulated return date requirements           | 13 December 2017 or a date provided by Public Finance |
| Departments submit responses to comments on second draft and subsequent drafts of ENE chapters and databases                         | December 2017 – January 2018                          |
| Departments sign off ENE e-publication and the Appropriation Bill                                                                    | February 2018                                         |
| <b>Budget tabled in Parliament</b>                                                                                                   | <b>February 2018</b>                                  |

1. Entities include public entities, trading entities, government components and constitutional institutions.

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

#### 3.1 Text style

In the narrative sections of the chapter, institutions should write out programme names, subprogramme names and conditional grants names in full and italicise them.

#### 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.

##### Examples

R75 000 (75 thousand rand)

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

#### 3.3 Database workbook

The 2018 ENE database will be distributed to institutions, for them to complete the detailed information pertaining to the Cabinet approved reallocations and allocations.

Institutions **must** ensure that the information completed in databases **corresponds** to **allocation letters** issued. Institutions may then at this stage, make lower-level budget realignment changes. These changes must, however, be confined to technical budget changes of a small magnitude that do **NOT** exceed 2 per cent of a programme budget. More substantial changes cannot be effected at this stage as they require Cabinet endorsement and should thus have been included in the budget approval process.

Data on **revised expenditure estimates** for the 2017/18 financial year should be based on the 2017 Adjustments Budget and on expenditure as at 30 September 2017, extrapolated to provide a realistic projection for the full financial year. Any estimated underspending reflected in the database must be supported by clear reasoning. **Departments should note that estimated overspending represents unauthorised expenditure and will not be allowed for publication.**

The **entities** listed in **Annexure A** have been selected for publication in the abridged ENE.

Information for all entities will however be included in the ENE e-publications. Signed PDF electronic copies of the 2016/17 annual reports for all entities must be submitted with the first-draft database submissions.

**Annexure B** provides instructions for 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 workbook itself and should be read before completing the database.

For general enquiries regarding the completion of the chapter and for database completion enquiries, 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                                       | 2018/19                                    |                  |                         |                             |                               | 2019/20 | 2020/21 |
|-------------------------------------------------|--------------------------------------------|------------------|-------------------------|-----------------------------|-------------------------------|---------|---------|
|                                                 | Total                                      | Current payments | Transfers and subsidies | Payments for capital assets | Payments for financial assets | Total   | Total   |
| MTEF allocation                                 |                                            |                  |                         |                             |                               |         |         |
| Administration                                  |                                            |                  |                         |                             |                               |         |         |
| Programme name                                  |                                            |                  |                         |                             |                               |         |         |
| Subtotal                                        |                                            |                  |                         |                             |                               |         |         |
| Direct charge against the National Revenue Fund |                                            |                  |                         |                             |                               |         |         |
| Item                                            |                                            |                  |                         |                             |                               |         |         |
| Total expenditure estimates                     |                                            |                  |                         |                             |                               |         |         |
| 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 goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of site service delivery, where appropriate.

### Vote purpose

*The purpose of the vote captures a department's mandate, objectives or administrative functions, as stated in the Appropriation Bill, 2018.*

### 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

Institutional performance indicators selected for inclusion in the 2018 ENE should be informed by ongoing discussions, held during the 2018 MTEF allocation decision-making process with the Department of Planning, Monitoring and Evaluation (DPME) and the National Treasury. Changes in policy, mandate or strategy of departments and entities which will result in substantive amendments to performance indicators or targets in the 2018 Annual Performance Plan, should already be included in the draft ENE chapters. Accordingly, final updates and agreement with DPME on key performance indicators being reported in the ENE must be made prior to the submission of ENE chapters to the National Treasury.

The table should only contain 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 indicators, which are aligned to strategic and Annual Performance Plans, as **informed** by the 2014-2019 MTSF and Ministerial delivery agreements. Wording of the performance indicators and targets must correspond to those contained in the planning documents, such that the reader can reference these documents to obtain further information, if required.



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. Stand-alone percentages will only be permitted for future targets, in cases where the absolute value cannot be predetermined.

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

| Indicator | Programme | MTSF outcome | Past    |         |         | Current | Projections |         |         |
|-----------|-----------|--------------|---------|---------|---------|---------|-------------|---------|---------|
|           |           |              | 2014/15 | 2015/16 | 2016/17 |         | 2018/19     | 2019/20 | 2020/21 |
|           |           |              |         |         |         |         |             |         |         |

## Expenditure analysis

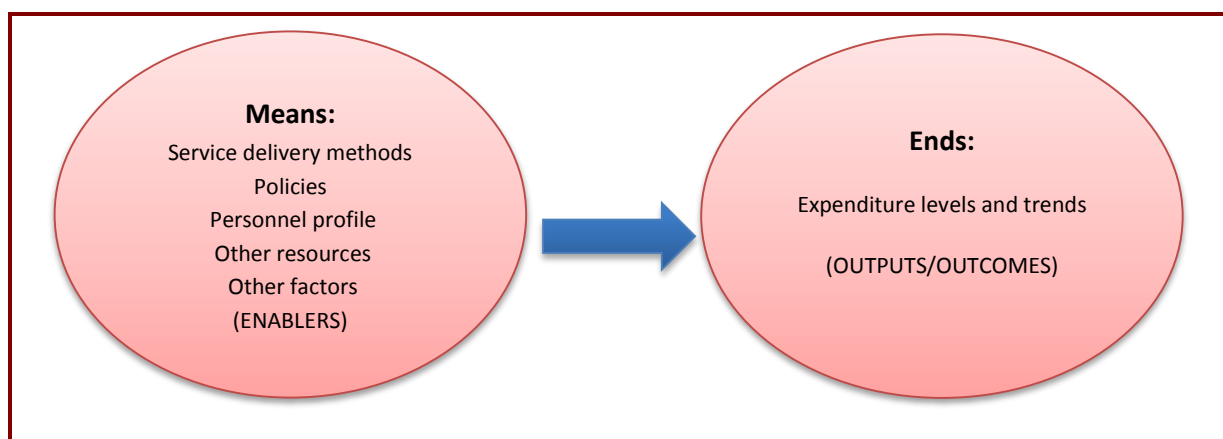
This section is in the form of a narrative discussion that must outline what an institution aims to achieve over the medium term and how it is planning to spend its budget in support of this. The expenditure analysis section is limited to two pages.

The discussion should centre on the institution's primary focus areas, including its policy and spending focus over the period, as contained in planning documents. A summary must be provided of how the institution's objectives and spending items are aligned with the objectives of the national development plan (NDP), as set out in the 2014-2019 MTSF outcomes. A summary of key Cabinet approved changes to the vote's baseline budget must also be provided.

The discussion should generally be **forward** looking, providing information as forecast for the 2018 MTEF period. Historical spending and performance trends should however be highlighted if they have a significant bearing on what the institution aims to accomplish over the 2018 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**.

**Significant** increases or decreases in expenditure, in the past or over the 2018 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.

**Figure 1: For a particular purpose/outcome: The link between means and ends**



In a nutshell: in the write-up of this section, institutions need to **consider** the following elements, as they apply to their **unique** circumstances, to illustrate the institutional outcomes and expenditure plans and, how institutions plan to achieve those outcomes using financial and human resources:

- The link between purpose / type of expenditure as the means and performance as the end, as shown in Figure 1 above;

- The linkages between the expenditure, personnel, and performance dimensions form the pivotal content of the expenditure analysis discussion;
- The alignment between institutional objectives, policies, the largest spending items by programme / subprogramme / economic classification, and the 2014-2019 MTSF priorities as informed by the NDP. Significant cost drivers should thus be highlighted;
- Key Cabinet approved changes to baseline budgets, including the reallocation and allocations of budgets and their impact on key performance targets;
- Personnel trends underlying the adherence to the Compensation of Employees expenditure ceiling;
- Key infrastructure projects;
- Past significant underspending recorded, together with its impact on past performance and how this affects future performance. This should include the reasons for past underspending together with remedies implemented to mitigate potential negative impacts on future performance; and
- Other pertinent explanatory factors.

## Expenditure trends

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

| Programmes                                                     |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |
|----------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------|
| 1. Administration                                              |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |
| 2. Programme name                                              |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |
| Programme                                                      | Annual budget<br>Adjusted<br>appropriation<br>Audited<br>outcome | Annual budget<br>Adjusted<br>appropriation<br>Audited<br>outcome | Annual budget<br>Adjusted<br>appropriation<br>Audited<br>outcome | Annual budget<br>Adjusted<br>appropriation<br>Revised<br>estimate | Average:<br>Outcome/Annual<br>budget<br>(%) | Average:<br>Outcome: /Adjusted<br>appropriation<br>(%) |
| R million                                                      | 2014/15                                                          | 2015/16                                                          | 2016/17                                                          | 2017/18                                                           | 2014/15 - 2017/18                           |                                                        |
| Programme 1                                                    |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |
| Programme 2                                                    |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |
| <b>Subtotal</b>                                                |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |
| <b>Direct charge against<br/>the National Revenue<br/>Fund</b> |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |
| <b>Total</b>                                                   |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |
| Change to 2017<br>Budget estimate                              |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |
| <b>Economic<br/>classification</b>                             |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |
| <b>Current payments</b>                                        |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |
| Compensation of<br>employees                                   |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |
| Goods and services<br>of which:                                |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |
| Economic classification<br>item                                |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |
| Economic classification<br>item                                |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |
| Economic classification<br>item                                |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |
| Economic classification<br>item                                |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |
| Economic classification<br>item                                |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |
| <b>Transfers and subsidies</b>                                 |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |
| <b>Payments for capital<br/>assets</b>                         |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |
| <b>Payments for financial<br/>assets</b>                       |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |
| <b>Total</b>                                                   |                                                                  |                                                                  |                                                                  |                                                                   |                                             |                                                        |

## Expenditure estimates

**Table X.3 Vote expenditure estimates by programme and economic classification**

| Programmes                                             |                  |                         |                                 |                                  |         |         |
|--------------------------------------------------------|------------------|-------------------------|---------------------------------|----------------------------------|---------|---------|
| 1. Administration                                      |                  |                         |                                 |                                  |         |         |
| 2. Programme name                                      |                  |                         |                                 |                                  |         |         |
| Programme                                              | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |         |         |
| R million                                              | 2017/18          | 2014/15 - 2017/18       |                                 | 2018/19                          | 2019/20 | 2020/21 |
| Programme 1                                            |                  |                         |                                 |                                  |         |         |
| Programme 2                                            |                  |                         |                                 |                                  |         |         |
| <b>Subtotal</b>                                        |                  |                         |                                 |                                  |         |         |
| <b>Direct charge against the National Revenue Fund</b> |                  |                         |                                 |                                  |         |         |
| <b>Total</b>                                           |                  |                         |                                 |                                  |         |         |
| Change to 2017 Budget estimate                         |                  |                         |                                 |                                  |         |         |
| <b>Economic classification</b>                         |                  |                         |                                 |                                  |         |         |
| <b>Current payments</b>                                |                  |                         |                                 |                                  |         |         |
| Compensation of employees                              |                  |                         |                                 |                                  |         |         |
| Goods and services                                     |                  |                         |                                 |                                  |         |         |
| of which:                                              |                  |                         |                                 |                                  |         |         |
| Economic classification item                           |                  |                         |                                 |                                  |         |         |
| Economic classification item                           |                  |                         |                                 |                                  |         |         |
| Economic classification item                           |                  |                         |                                 |                                  |         |         |
| Economic classification item                           |                  |                         |                                 |                                  |         |         |
| Economic classification item                           |                  |                         |                                 |                                  |         |         |
| Economic classification item                           |                  |                         |                                 |                                  |         |         |
| <b>Transfers and subsidies</b>                         |                  |                         |                                 |                                  |         |         |
| <b>Payments for capital assets</b>                     |                  |                         |                                 |                                  |         |         |
| <b>Payments for financial assets</b>                   |                  |                         |                                 |                                  |         |         |
| <b>Total</b>                                           |                  |                         |                                 |                                  |         |         |

## Expenditure trends and estimates for significant spending items

**Table X.4 Vote expenditure trends and estimates for significant spending items**

|               | Audited outcome |         |         | Adjusted appropriation | Average growth rate (%) | Expenditure/ Total: Average (%) | Medium-term expenditure estimate |         |         | Average growth rate (%) | Expenditure/ Total: Average (%) |
|---------------|-----------------|---------|---------|------------------------|-------------------------|---------------------------------|----------------------------------|---------|---------|-------------------------|---------------------------------|
|               | 2014/15         | 2015/16 | 2016/17 | 2017/18                | 2014/15 - 2017/18       |                                 | 2018/19                          | 2019/20 | 2020/21 | 2017/18 - 2020/21       |                                 |
| R thousand    |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Spending item |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Spending item |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Spending item |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Spending item |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Spending item |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Spending item |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Spending item |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Spending item |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| <b>Total</b>  |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |

## Goods and services expenditure trends and estimates

Table X.5 Vote Goods and services expenditure trends and estimates

|                         | Audited outcome |         |         | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |         |         | Average growth rate (%) | Average: Expenditure/ Total (%) |
|-------------------------|-----------------|---------|---------|------------------------|-------------------------|---------------------------------|----------------------------------|---------|---------|-------------------------|---------------------------------|
|                         | 2014/15         | 2015/16 | 2016/17 |                        |                         |                                 | 2017/18                          | 2018/19 | 2019/20 |                         |                                 |
| R thousand              | 2014/15         | 2015/16 | 2016/17 | 2017/18                | 2014/15 - 2017/18       |                                 | 2018/19                          | 2019/20 | 2020/21 | 2017/18 - 2020/21       |                                 |
| Goods and services item |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Goods and services item |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Goods and services item |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Goods and services item |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Goods and services item |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Goods and services item |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Goods and services item |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Goods and services item |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Goods and services item |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Goods and services item |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Goods and services item |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |

## Transfers and subsidies expenditure trends and estimates

Table X.6 Vote transfers and subsidies trends and estimates

|                                        | Audited outcome |         |         | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |         |         | Average growth rate (%) | Average: Expenditure/ Total (%) |
|----------------------------------------|-----------------|---------|---------|------------------------|-------------------------|---------------------------------|----------------------------------|---------|---------|-------------------------|---------------------------------|
|                                        | 2014/15         | 2015/16 | 2016/17 |                        |                         |                                 | 2017/18                          | 2018/19 | 2019/20 |                         |                                 |
| R thousand                             |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| <b>Economic classification item</b>    |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| <b>Current / Capital</b>               |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Transfers and subsidies recipient name |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Transfers and subsidies recipient name |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Transfers and subsidies recipient name |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Transfers and subsidies recipient name |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Transfers and subsidies recipient name |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| <b>Economic classification item</b>    |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| <b>Current / Capital</b>               |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Transfers and subsidies recipient name |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Transfers and subsidies recipient name |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Transfers and subsidies recipient name |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Transfers and subsidies recipient name |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Transfers and subsidies recipient name |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| <b>Total</b>                           |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |

## Personnel information

**Table X.7 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 2018 |                                                 |         | 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 (%) |                   |        |
|                                             |                                                 | 2016/17 |                                                                                              |           | 2017/18          |        |           | 2018/19                          |        | 2019/20   |           | 2020/21 |                         |                                 |                   |        |
|                                             |                                                 | Number  | Cost                                                                                         | Unit cost | Number           | Cost   | Unit cost | Number                           | Cost   | Unit cost | Number    | Cost    |                         |                                 | Unit cost         | Number |
| Department                                  |                                                 |         | Number                                                                                       | Cost      | Unit cost        | Number | Cost      | Unit cost                        | Number | Cost      | Unit cost | Number  | Cost                    | Unit cost                       | 2017/18 - 2020/21 |        |
| 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.8 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 (%) |
|----------------------------|---------|---------|---------|-------------------|------------------|-------------------------|----------------------------------|-------------------------------|---------|---------|-------------------------|----------------------------------|
| 2014/15                    | 2015/16 | 2016/17 | 2017/18 |                   |                  | 2014/15 - 2017/18       |                                  | 2018/19                       | 2019/20 | 2020/21 | 2017/18 - 2020/21       |                                  |
| R thousand                 |         |         |         |                   |                  |                         |                                  |                               |         |         |                         |                                  |
| Departmental receipts      |         |         |         |                   |                  |                         |                                  |                               |         |         |                         |                                  |
| Economic classification    |         |         |         |                   |                  |                         |                                  |                               |         |         |                         |                                  |
| Item                       |         |         |         |                   |                  |                         |                                  |                               |         |         |                         |                                  |
| Lower level classification |         |         |         |                   |                  |                         |                                  |                               |         |         |                         |                                  |
| Item                       |         |         |         |                   |                  |                         |                                  |                               |         |         |                         |                                  |
| Economic classification    |         |         |         |                   |                  |                         |                                  |                               |         |         |                         |                                  |
| Item                       |         |         |         |                   |                  |                         |                                  |                               |         |         |                         |                                  |
| Lower level classification |         |         |         |                   |                  |                         |                                  |                               |         |         |                         |                                  |
| Item                       |         |         |         |                   |                  |                         |                                  |                               |         |         |                         |                                  |
| Lower level classification |         |         |         |                   |                  |                         |                                  |                               |         |         |                         |                                  |
| Item                       |         |         |         |                   |                  |                         |                                  |                               |         |         |                         |                                  |
| Total                      |         |         |         |                   |                  |                         |                                  |                               |         |         |                         |                                  |

## Programme [number]: [Programme name]

### Programme purpose

The purpose of each programme must be stated as set out in the Appropriation Bill, 2018. The programme purpose outlines the activities and functions 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, 2017.

Except for programme 1, programme purposes may not be duplicated across institutional programmes. The word 'develop' in the programme purpose will generally only be applicable for a year or two. In subsequent years, it should be replaced with what the programme aims to achieve, given that it has

already 'developed' the relevant function. However, if the permanent purpose of the programme is to 'develop' policies for instance, then it can be retained as such.

Programme 1 is called 'Administration' in all departments and in most entities. It comprises the administrative functions and activities required to keep the department operating. It includes the ministry, deputy ministry; the 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.

## Objectives

List the objectives and for each one, explain the institution's strategic intent, as well as specific interventions and progress measures relevant to that objective. Objectives must be broadly aligned to institutional strategic plans and annual performance plans, as informed by ministerial delivery agreements and the national development plan and articulated in the 2014-2019 MTSF. Departments must however only include **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

List subprogrammes and provide 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.

## Expenditure trends and estimates

**Table X.9 [Administration] expenditure trends and estimates by subprogramme and economic classification**

| Table A15 [Administration] Expenditure trends and estimates by subprogramme and economic classification |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                |
|---------------------------------------------------------------------------------------------------------|---------|---------|---------|------------------------|-------------------------|---------------------------------|----------------------------------|---------|---------|-------------------------|--------------------------------|
| Subprogramme                                                                                            |         |         |         | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |         |         | Average growth rate (%) | Average Expenditure/ Total (%) |
| Audited outcome                                                                                         |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                |
| R million                                                                                               | 2014/15 | 2015/16 | 2016/17 | 2017/18                | 2014/15 - 2017/18       |                                 | 2018/19                          | 2019/20 | 2020/21 | 2017/18 - 2020/21       |                                |
| Subprogramme name                                                                                       |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                |
| Subprogramme name                                                                                       |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                |
| Subprogramme name                                                                                       |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                |
| <b>Total</b>                                                                                            |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                |
| Change to 2017                                                                                          |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                |
| 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>                                    |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                |

The e-publication also contains the following table by programme:

## Personnel information

**Table X.10 [Administration] personnel numbers and cost by salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2018 |                                                 | 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 (%) |                   |  |
|                                             |                                                 | 2016/17                                                                                      |           | 2017/18          |           | 2018/19                          |           | 2019/20     |           | 2020/21     |           |                         |                                | 2017/18 - 2020/21 |  |
|                                             |                                                 | Unit Number                                                                                  | Unit Cost | Unit Number      | Unit Cost | Unit Number                      | Unit Cost | Unit Number | Unit Cost | Unit Number | Unit Cost |                         |                                |                   |  |
| Programme name                              |                                                 | Unit Number                                                                                  | Unit Cost | Unit Number      | Unit Cost | Unit Number                      | Unit Cost | Unit Number | Unit Cost | Unit Number | Unit Cost | Unit Number             | Unit Cost                      |                   |  |
| 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 <sup>1</sup>

The information requirements for an entity are similar to that which is reported on for a department – refer to Selected Performance Indicators and Expenditure Analysis sections above. However, given that the basis of accounting used by entities is different from that used by departments, entities' statements of financial performance and financial position 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]

### Mandate

Describe the entity's legislative mandate, as provided in the entity's strategic and annual planning documents.

### Selected performance indicators

**Table X.11 [Entity name] performance indicators by programme/objective/activity and related MTSF outcome**

| Table A122 [entity name] performance indicators by programme, objective, activity, and related MTR outcome |                               |              |         |         |         |         |             |         |         |
|------------------------------------------------------------------------------------------------------------|-------------------------------|--------------|---------|---------|---------|---------|-------------|---------|---------|
| Indicator                                                                                                  | Programme/Objective/ Activity | MTSF outcome | Past    |         |         | Current | Projections |         |         |
|                                                                                                            |                               |              | 2014/15 | 2015/16 | 2016/17 |         | 2017/18     | 2018/19 | 2019/20 |
|                                                                                                            |                               |              |         |         |         |         |             |         |         |
|                                                                                                            |                               |              |         |         |         |         |             |         |         |

Performance indicators listed in the table should be aligned to the institution's annual performance plan or corporate plan. Only the key indicators that reflect the substantial and core function of the entity should be presented.

<sup>1</sup> This section has been compiled with the latest available information from the entities concerned.

## Expenditure analysis

Pages 2 and 3 of these guidelines specify the format requirements for this section.

Entities which generate their own revenue should also discuss revenue trends and the contribution of revenue to spending, performance and the achievement of institution's objectives. This section is limited to one page.

## Programmes/objectives/activities

**Table X.12 [Entity name] expenditure trends and estimates by programme/objective/activity**

|                                   | Audited outcome |         |         | Revised estimate | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term expenditure estimate |         |         | Average growth rate (%) | Average: Expenditure/Total (%) |
|-----------------------------------|-----------------|---------|---------|------------------|-------------------------|--------------------------------|----------------------------------|---------|---------|-------------------------|--------------------------------|
|                                   | 2014/15         | 2015/16 | 2016/17 | 2017/18          | 2014/15 - 2017/18       |                                | 2018/19                          | 2019/20 | 2020/21 | 2017/18 - 2020/21       |                                |
| R million                         |                 |         |         |                  |                         |                                |                                  |         |         |                         |                                |
| Programme/objective/activity name |                 |         |         |                  |                         |                                |                                  |         |         |                         |                                |
| Programme/objective/activity name |                 |         |         |                  |                         |                                |                                  |         |         |                         |                                |
| Programme/objective/activity name |                 |         |         |                  |                         |                                |                                  |         |         |                         |                                |
| <b>Total</b>                      |                 |         |         |                  |                         |                                |                                  |         |         |                         |                                |

## Statements of historical financial performance and position

**Table X.13 [Entity name] statements of historical financial performance and position**

| Statement of financial performance     |         |                 |         |                 |         |                 |                                  | Average: Outcome/Budget (%) |
|----------------------------------------|---------|-----------------|---------|-----------------|---------|-----------------|----------------------------------|-----------------------------|
|                                        | Budget  | Audited outcome | Budget  | Audited outcome | Budget  | Audited outcome | Budget estimate Revised estimate |                             |
| R million                              | 2014/15 |                 | 2015/16 |                 | 2016/17 |                 | 2017/18                          | 2014/15 - 2017/18           |
| <b>Revenue</b>                         |         |                 |         |                 |         |                 |                                  |                             |
| Non-tax revenue                        |         |                 |         |                 |         |                 |                                  |                             |
| Economic classification item           |         |                 |         |                 |         |                 |                                  |                             |
| Transfers received                     |         |                 |         |                 |         |                 |                                  |                             |
| <b>Total revenue</b>                   |         |                 |         |                 |         |                 |                                  |                             |
| <b>Expenses</b>                        |         |                 |         |                 |         |                 |                                  |                             |
| Current expenses                       |         |                 |         |                 |         |                 |                                  |                             |
| Economic classification item           |         |                 |         |                 |         |                 |                                  |                             |
| Transfers and subsidies                |         |                 |         |                 |         |                 |                                  |                             |
| <b>Total expenses</b>                  |         |                 |         |                 |         |                 |                                  |                             |
| <b>Surplus/(Deficit)</b>               |         |                 |         |                 |         |                 |                                  |                             |
| <b>Statement of financial position</b> |         |                 |         |                 |         |                 |                                  |                             |
| Balance sheet item                     |         |                 |         |                 |         |                 |                                  |                             |
| <b>Total assets</b>                    |         |                 |         |                 |         |                 |                                  |                             |
| Balance sheet item                     |         |                 |         |                 |         |                 |                                  |                             |
| <b>Total equity and liabilities</b>    |         |                 |         |                 |         |                 |                                  |                             |



## Statements of estimates of financial performance and position

Table X.14 [Entity name] statements of estimates of financial performance and position

| Statement of financial performance     |                  | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term estimate |         |         | Average growth rate (%) | Average: Expenditure/ Total (%) |
|----------------------------------------|------------------|-------------------------|---------------------------------|----------------------|---------|---------|-------------------------|---------------------------------|
|                                        | Revised estimate |                         |                                 |                      |         |         |                         |                                 |
| R million                              | 2017/18          | 2014/15 - 2017/18       |                                 | 2018/19              | 2019/20 | 2020/21 | 2017/18 - 2020/21       |                                 |
| <b>Revenue</b>                         |                  |                         |                                 |                      |         |         |                         |                                 |
| Non-tax revenue                        |                  |                         |                                 |                      |         |         |                         |                                 |
| Economic classification item           |                  |                         |                                 |                      |         |         |                         |                                 |
| Transfers received                     |                  |                         |                                 |                      |         |         |                         |                                 |
| <b>Total revenue</b>                   |                  |                         |                                 |                      |         |         |                         |                                 |
| <b>Expenses</b>                        |                  |                         |                                 |                      |         |         |                         |                                 |
| Current expenses                       |                  |                         |                                 |                      |         |         |                         |                                 |
| Economic classification item           |                  |                         |                                 |                      |         |         |                         |                                 |
| Transfers and subsidies                |                  |                         |                                 |                      |         |         |                         |                                 |
| <b>Total expenses</b>                  |                  |                         |                                 |                      |         |         |                         |                                 |
| <b>Surplus/(Deficit)</b>               |                  |                         |                                 |                      |         |         |                         |                                 |
| <b>Statement of financial position</b> |                  |                         |                                 |                      |         |         |                         |                                 |
| Balance sheet item                     |                  |                         |                                 |                      |         |         |                         |                                 |
| Balance sheet item                     |                  |                         |                                 |                      |         |         |                         |                                 |
| Balance sheet item                     |                  |                         |                                 |                      |         |         |                         |                                 |
| Balance sheet item                     |                  |                         |                                 |                      |         |         |                         |                                 |
| <b>Total assets</b>                    |                  |                         |                                 |                      |         |         |                         |                                 |
| Balance sheet item                     |                  |                         |                                 |                      |         |         |                         |                                 |
| Balance sheet item                     |                  |                         |                                 |                      |         |         |                         |                                 |
| Balance sheet item                     |                  |                         |                                 |                      |         |         |                         |                                 |
| Balance sheet item                     |                  |                         |                                 |                      |         |         |                         |                                 |
| <b>Total equity and liabilities</b>    |                  |                         |                                 |                      |         |         |                         |                                 |

## Personnel information

Table X.15 Entity name personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2018 |                                           | Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment |      |                  |      |                                  |         |           | Number                  |                                   |
|---------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------------------|------|------------------|------|----------------------------------|---------|-----------|-------------------------|-----------------------------------|
| Number of funded posts                      | Number of posts on approved establishment | Actual                                                                                       |      | Revised estimate |      | Medium-term expenditure estimate |         |           | Average growth rate (%) | Average : Salary level/ Total (%) |
|                                             |                                           | 2016/17                                                                                      |      | 2017/18          |      | 2018/19                          | 2019/20 | 2020/21   | 2017/18 - 2020/21       |                                   |
|                                             |                                           | Number                                                                                       | Cost | Number           | Cost | Number                           | Cost    | Unit cost | Number                  | Cost                              |
| Entity name                                 |                                           |                                                                                              |      |                  |      |                                  |         |           |                         |                                   |
| 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 for which details will only be published in the ENE e-publications. Each description should be a brief paragraph detailing what the entity does and its total budget for the 2018/19 financial year.

**Example:**

The **Film and Publication Board** regulates and controls the creation, production, possession, exhibition and distribution of certain films, interactive computer games and publications in terms of the Film and Publication Act (1996). The Board is also responsible for monitoring age-restricted business premises for compliance with their licence and registration terms. The board's total budget for 2018/19 is R00.0 million.

### **Additional tables**

The database includes templates to create additional tables, which must be completed.

Tables for:

- 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 department-specific expenditure information

## Annexure A: List of selected entities

| Department                             | Entity Name                                                 |
|----------------------------------------|-------------------------------------------------------------|
| Agriculture, Forestry and Fisheries    | Agricultural Research Council                               |
| Communications                         | South African Broadcasting Corporation Limited              |
| Defence and Military Veterans          | Armaments Corporation of South Africa Limited               |
| Economic Development                   | Industrial Development Corporation of South Africa Limited  |
| Energy                                 | Central Energy Fund                                         |
|                                        | South African Nuclear Energy Corporation Limited            |
| Environmental Affairs                  | South African National Parks                                |
| Health                                 | National Health Laboratory Service                          |
|                                        | Medical Research Council of South Africa                    |
| Higher Education and Training          | National Student Financial Aid Scheme                       |
|                                        | ZSETAs Consolidation                                        |
|                                        | National Skills Fund                                        |
| Home Affairs                           | Electoral Commission                                        |
|                                        | Government Printing Works                                   |
| Human Settlements                      | National Home Builders Registration Council                 |
| Justice and Constitutional Development | Legal Aid South Africa                                      |
| Labour                                 | Unemployment Insurance Fund                                 |
|                                        | Compensation Fund, including Reserve Fund                   |
| 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 Limited   |
|                                        | Public Investment Corporation Limited                       |
|                                        | Government Pensions Administration Agency                   |
| Public Works                           | Property Management Trading Entity                          |
| Rural Development and Land Reform      | Agricultural Land Holding Account                           |
| Science and Technology                 | National Research Foundation                                |
|                                        | Council for Scientific and Industrial Research              |
| Social Development                     | South African Social Security Agency                        |
| Telecommunications and Postal Services | South African Post Office Limited                           |
|                                        | State Information Technology Agency                         |
|                                        | Sentech Limited                                             |
| Tourism                                | South African Tourism                                       |
| Trade and Industry                     | National Lotteries Commission Distribution Trust Fund       |
|                                        | Export Credit Insurance Corporation of South Africa Limited |
| Transport                              | Road Accident Fund                                          |
|                                        | The South African National Roads Agency Limited             |
|                                        | Passenger Rail Agency of South Africa                       |
|                                        | Airports Company of South Africa Limited                    |
|                                        | Air Traffic and Navigation Services Company Limited         |
| Water and Sanitation                   | Water Boards Consolidation                                  |
|                                        | Rand Water                                                  |
|                                        | The Water Services Trading Entity                           |
|                                        | Trans-Caledon Tunnel Authority                              |
|                                        | Umgeni Water                                                |
|                                        | Sedibeng Water                                              |

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

The 2018 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 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, 2017.
- 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 which 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, that is, the same purpose should not be duplicated across institutional programmes.
- The word 'develop' in the programme purpose will generally only be applicable 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 only be retained 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 of:
  - Compensation of employees;
  - Goods and services; and
  - Interest and rent on land.
- Transfers and subsidies;
- Payments for capital assets; and
- Payments for financial assets.

General guidance:

- The classification of budgeted items should be in line with the Standard Chart of Accounts (SCOA), available on <http://scoa.treasury.gov.za>.
- The treatment of the following items is 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 services.
  - Bursaries for non-employees are classified as transfers to households, while 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>2</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>2</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 name

- When one institution receives the 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 the 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, the name 'Various institutions' should be utilised.
- When a category of institutions receive the transfer, the category name should be utilised.
  - 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 upper case.

#### Transfer / subsidy purpose

- 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 receive 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 utilised 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 be a repeat of 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 upper case, with the remainder of the words in lower case.
- 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 the Households heading:
    - 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 the Municipal Bank Accounts heading:
    - 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 an allocation letter must have an asterisk '\*' next to them in the appropriation bill. All conditional grant and vote 'compensation of employees' allocations are specifically and exclusively appropriated.







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