

2019 ESTIMATES OF NATIONAL EXPENDITURE GUIDELINES

OCTOBER 2018

The document is available at
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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



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1. INTRODUCTION

Government sets out its spending plans in a three-year medium-term expenditure framework (MTEF), which is updated annually. The 2019 Estimates of National Expenditure (ENE) publications will set out government's spending plans for 2019/20 to 2021/22.

The ENE publications provide explanatory information on government's expenditure as presented in annual appropriation legislation. The Appropriation Bill itemises national government spending by vote and main economic classification¹. Generally, a vote² specifies the total amount of money appropriated to a national government department. The transfers and subsidies from the vote to other institutions are also included. Through the Appropriation Bill, the executive seeks Parliament's approval and adoption of its 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.

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

The publications include tables depicting non-financial performance indicators and targets, departmental receipts, and detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and for selected entities. Brief explanatory narratives set out the institution's purpose (and that of its programmes), mandate, programme-level objectives and descriptions of subprogrammes. A more in-depth

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

². A national government vote is generally synonymous with a national government department. However, in certain instances, a vote may contain more than one national government department. For instance, the Cooperative Governance and Traditional Affairs vote contains two departments, the Department of Cooperative Governance and the Department of Traditional Affairs.

narrative must provide analyses of the institution's expected expenditure over the MTEF period. A summary table is to be included at the end of the chapter for votes in which there is significant spending on infrastructure.

In addition, for each vote, a more detailed e-publication will be made available online. The e-publications contain programme personnel data tables, a brief summary for all entities, as well as additional summary data tables on provincial and municipal conditional grants, public-private partnerships, donor funding, and expenditure at the level of service delivery, where applicable.

The 2019 ENE publications largely retain the scope of information presented in the 2018 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 2019 ENE guidelines give direction to institutions for completing their ENE publication.

2. DEADLINES

Institutions must submit a fully completed ENE database/s in the prescribed format. Shortly thereafter, institutions must submit the accompanying ENE e-publication in the format set out in these guidelines. The completed e-publication must be accompanied by a separate endorsement letter signed by the accounting officer, and in the case of public entities either by the chief executive officer or accounting authority. This letter must also state the **name** and **contact details** of **officials** that will **be available** to deal with **departmental** and **entity** ENE-related queries **during December 2018** and early **January 2019**.

Table 1: 2019 ENE: Critical dates

ITEM	DUE DATE
ENE guidelines issued to institutions	October 2018
2019 ENE databases issued to departments and entities ¹	October 2018
Preliminary allocation letters issued to institutions	26 October 2018
Departments submit first draft ENE database, including Appropriation Bill and human resource budget planning inputs Departments submit electronic copies of their 2017/18 annual reports	09 November 2018
Entities submit board-approved ² budgets to National Treasury in the database Entities submit electronic copies of their 2017/18 annual reports	09 November 2018
Departments submit first draft ENE chapter to National Treasury	15 November 2018
Departments and entities receive comments on first draft ENE submissions	22 November 2018
Cabinet-approved final allocation letters distributed to departments	23 November 2018
Departments and entities with changes emanating from final allocation letters submit revised databases, including Appropriation Bill inputs	30 November 2018
Departments and entities submit: - second draft ENE chapter - entities annual reports (those that have not yet submitted)	7 December 2018
Departments and entities receive various comments on second draft ENE submissions with stipulated return date requirements	12 December 2018
Departments submit responses to comments on second draft and subsequent drafts of ENE chapters and databases	December 2018 – January 2019
Departments sign off ENE e-publication and the Appropriation Bill	February 2019
Budget tabled in Parliament	February 2019

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

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

3. TEXT STYLE, NUMBERS STYLE AND DATABASE TEMPLATE

3.1 Text style

In the narrative sections of the chapter:

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

3.2 Numbers style

Institutions should present numbers in the chapter text as follows:

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

Examples

R75 000 (75 thousand rand)

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

3.3 Database

The 2019 ENE databases will be distributed to institutions, for them to complete the detailed information pertaining to the Cabinet-approved reallocations.

Institutions **must** ensure that the information completed in databases **corresponds** to **allocation letters** issued. Institutions may at this stage make item level budget realignment changes. These changes must **NOT** exceed 2 per cent of a programme's indicative baseline. 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 2018/19 should be based on the 2018 Adjustments Budget and on expenditure as at 30 September 2018, extrapolated to provide

a realistic projection for the full financial year. **Departments should note that estimated overspending represents unauthorised expenditure and must not be reflected in the databases.**

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 2017/18 annual reports for all entities must be submitted with the first-draft database submissions.

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

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

For general enquiries regarding the completion of the chapter 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	2019/20					2020/21	2021/22
	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. 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 service delivery, where appropriate.

Vote purpose

The purpose of the vote captures a department's mandate, objectives or administrative functions, as stated in the 2019 Appropriation Bill.

Mandate

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

Selected performance indicators

The performance indicators included for each department and entity reporting to the same executive authority must show what the institution aims to achieve by spending its budget allocations in a particular manner. Performance information is intended to help Parliament and the public exercise effective institutional oversight. The table should contain only the **selection** of the key performance indicators that represents the substantial and core functions of an institution, allowing the reader to see the institution's measures of achievement of its main goals, as well as whether its historical performance has been in line with achieving these main goals. The selection should contain mostly outcome and output indicators aligned with strategic and annual performance plans. The indicators must be consistent with the departments' significant spending items and priorities, and their wording must correspond with what is contained in the planning documents, so that the reader can reference these documents to obtain further information, if required.

Institutional performance indicators selected for inclusion in the 2019 ENE should be informed by ongoing discussions, held during the 2019 MTEF allocation decision-making process with the Department of Planning, Monitoring and Evaluation (DPME) and National Treasury. Changes in policy, mandate or strategy of departments and entities that will result in substantive amendments to performance indicators or targets in the 2019 annual performance plan, should already be included in the draft ENE chapters. Accordingly, final updates and agreement with the DPME on key

performance indicators being reported in the ENE must be made prior to the submission of ENE chapters to National Treasury.

Quantitative and qualitative indicators and targets must reflect trends and achievements over a period of time. As a general rule, quantitative indicators must have targets that are absolute values/numbers. Where percentages are used for performance targets, they must be accompanied by the absolute values that form the basis of the calculation. Stand-alone percentages will be permitted only for future targets, in cases where the absolute value cannot be predetermined.

Where targets increase/decrease significantly over years, the fluctuation should be concisely explained in a footnote. If these fluctuations are present in projections for the MTEF period and will have considerable bearing on expenditure, they should be further elaborated upon in the expenditure analysis.

Table X.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22

Expenditure analysis

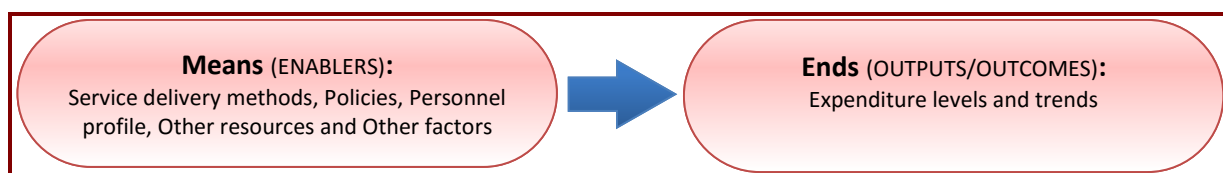
This section is in the form of a narrative discussion that must outline what an institution aims to achieve over the medium term and how it plans to spend its budget in support of this. The expenditure analysis section is limited to two pages.

The discussion should centre on the institution's primary focus areas, including its policy and spending focus over the period, as contained in strategic planning documents. The discussion should generally be **forward** looking, providing information as forecast for the 2019 MTEF³ 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 2019 MTEF period. Information should be set out in a **succinct** and **concise** manner, explaining the **main** trends in the data tables as well as the **links** between the different tables presented in **this section** and **elsewhere** in the **chapter**.

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

Significant increases or decreases in expenditure, in the past or over the 2019 MTEF period, must be explained in terms of the institution's underlying performance outcomes, service delivery methods, policies, personnel profiles, and any other applicable factors. When monetary amounts are stated, they should be contextualised relative to spending totals. Personnel, as a major spending area, should be integrated into the narrative.

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



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,

³ Growth rate calculated from 2019/20 to 2021/22

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, policy priorities and the largest spending items by programme/subprogramme/economic classification. Significant cost drivers must be highlighted;
- Key Cabinet-approved changes to baseline budgets, including the reallocation 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 as well as the 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 Adjusted appropriation Audited outcome	Annual budget Adjusted appropriation Audited outcome	Annual budget Adjusted appropriation Audited outcome	Annual budget Adjusted appropriation Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
Programme 1						
Programme 2						
Subtotal						
Direct charge against the National Revenue Fund						
Total						
Change to 2018 Budget estimate						
Economic classification						
Current payments						
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						
Transfers and subsidies						
Payments for capital assets						
Payments for financial assets						
Total						

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	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	Average: Expenditure/ Total (%)
Programme 1						
Programme 2						
Subtotal						
Direct charge against the National Revenue Fund						
Total						
Change to 2018 Budget estimate						
Economic classification						
Current payments						
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						
Transfers and subsidies						
Payments for capital assets						
Payments for financial assets						
Total						

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 (%)
	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19	2021/22	
R thousand											
Spending item											
Spending item											
Spending item											
Spending item											
Spending item											
Spending item											
Spending item											
Spending item											
Total											

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 (%)
	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
R thousand											
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 (%)
	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
R thousand											
Economic classification item											
Current/Capital											
Transfer name											
Transfer name											
Transfer name											
Transfer name											
Transfer name											
Economic classification item											
Current/Capital											
Transfer name											
Transfer name											
Transfer name											
Transfer name											
Transfer name											
Total											

Personnel information

Table X.7 Vote personnel numbers and cost by salary level and programme¹

Programmes									
1. Administration									
2. Programme name									
3. Programme name									
Number of posts estimated for 31 March 2019		Number and cost ² 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 (%)
		2017/18		2018/19		2019/20	2020/21	2021/22	
		Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	
Department									
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 (%)
2015/16	2016/17	2017/18		2018/19		2015/16 - 2018/19		2019/20	2020/21	2021/22	2019/20 - 2021/22	
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 2019 Appropriation Bill. The programme purpose outlines the functions and activities of a particular programme, as per the approved budget programme structure. Where approved budget structures remain unchanged from last year's publication, programme purposes should remain unchanged from the Appropriation Act, 2018.

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, director general's office and central corporate services. The purpose of this programme is to: "Provide strategic leadership, management and support services to the department".

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

Objectives

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

Subprogrammes

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
R million											
Subprogramme name											
Subprogramme name											
Subprogramme name											
Total											
Change to 2018											
Budget estimate											
Economic classification											
Current payments											
Economic classification item											
Transfers and subsidies											
Economic classification item											
Payments for capital assets											
Economic classification item											
Payments for financial assets											
Total											
Proportion of total programme expenditure to vote expenditure											

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

Personnel information

Table X.10 [Administration] personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2019		Number and cost ² 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 (%)		
		2017/18		2018/19		2019/20		2020/21		2021/22		2018/19 - 2021/22			
		Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost				
Programme name															
Salary level															
1 – 6															
7 – 10															
11 – 12															
13 – 16															
Other															

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

2. Rand million.

Entities

The information requirements for 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

Indicator	Programme/Objective/ Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22

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

Expenditure analysis

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

Entities that 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 (%)
	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
R million											
Programme/objective/activity name											
Programme/objective/activity name											
Programme/objective/activity name											
Total											

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	2015/16		2016/17		2017/18		2018/19	2015/16 - 2018/19
Revenue								
Non-tax revenue								
Economic classification item								
Transfers received								
Total revenue								
Expenses								
Current expenses								
Economic classification item								
Transfers and subsidies								
Total expenses								
Surplus/(Deficit)								
Statement of financial position								
Balance sheet item								
Total assets								
Balance sheet item								
Total equity and liabilities								

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: Expenditure/Total (%)
	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
R million	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Revenue								
Non-tax revenue								
Economic classification item								
Transfers received								
Total revenue								
Expenses								
Current expenses								
Economic classification item								
Transfers and subsidies								
Total expenses								
Surplus/(Deficit)								
Statement of financial position								
Balance sheet item								
Balance sheet item								
Balance sheet item								
Balance sheet item								
Total assets								
Balance sheet item								
Balance sheet item								
Balance sheet item								
Balance sheet item								
Total equity and liabilities								

Personnel information

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

Number of posts estimated for 31 March 2019			Number and cost ¹ 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 (%) 2018/19 - 2021/22	Average : Salary level/ Total (%)			
			2017/18		2018/19		2019/20		2020/21		2021/22					
			Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number			Unit cost		
Entity name			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level																
1 – 6																
7 – 10																
11 – 12																
13 – 16																

1. Rand million.

Other entities

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

- the establishment and what the entity does;
- what the key spending focus areas will be over the medium term; and
- whether the expenditure is expected to increase or decrease over the medium term, and how much the allocation/transfer to the entity is.

Example (from different entities):

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.

Over the medium term, the institute aims to conduct and implement energy research in renewable energy fields, stimulate innovation in energy efficiency and administer the energy efficiency tax incentives in terms of the Tax Laws Amendment Act. Major projects over the medium term includes the feasibility of the cool surfaces project, which uses a chemical compound roof paint that improves roof insulation, carbon capture storage, and the increasing of research capacity in renewable energy.

The entity receives transfers from the Department of Health to fund its operations. Over the medium term, expenditure is expected to increase at an average annual rate of XX per cent, from R XX million in 2019/20 to R XX million in 2020/21.

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 site service expenditure information

Annexure A: List of selected entities

Department	Entity Name
Agriculture, Forestry and Fisheries	Agricultural Research Council
Communications	South African Broadcasting Corporation
Defence and Military Veterans	Armaments Corporation of South Africa
Economic Development	Industrial Development Corporation of South Africa
Energy	Central Energy Fund
	South African Nuclear Energy Corporation
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
	Public Investment Corporation
	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
Tourism	South African Tourism
Trade and Industry	National Lotteries Commission Distribution Trust Fund
	Export Credit Insurance Corporation of South Africa
Transport	Road Accident Fund
	South African National Roads Agency
	Passenger Rail Agency of South Africa
	Airports Company of South Africa
	Air Traffic and Navigation Services Company
Water and Sanitation	Water Boards Consolidation
	Rand Water
	Water Trading Entity
	Trans-Caledon Tunnel Authority
	Umgeni Water

Annexure B: Notes on the Appropriation Bill

The 2019 Appropriation Bill will be presented by vote and main division within a vote (programme). The Budget database will be the only source of Appropriation Bill information. Any items that need to be listed in the Appropriation Bill, including name changes, specifically and exclusively appropriated items, and others, must thus be accurately captured in the database.

1. Vote and programme purposes

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

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

General guidance:

- Programme names and purposes as contained in the database to be included in the Appropriation Bill should be duplicated in the ENE chapters.
- Where approved budget structures remain unchanged from last year's publication, programme purposes should largely remain unchanged from the Appropriation Act, 2018.
- Programme 1 is called "Administration" in all departments. The purpose of this programme is to: "Provide strategic leadership, management and support services to the department". This standard wording should be used for the purpose, unless the programme performs functions in addition to this. In this case, the additional functions should either be moved to the relevant service delivery programme and set out there, or the additional functions should be stipulated as part of the programme purpose after the standard description.
- Each programme purpose should be unique – the same purpose should not be duplicated across institutional programmes.
- The word "develop" in the programme purpose will generally be applicable only for a year or two. After that, it should be replaced with what the programme aims to achieve once it has "developed" the relevant function. The word "develop" should be retained only if the permanent purpose of the programme is to develop policies, for example.

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

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

General guidance:

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

2. Transfers and subsidies items specifically listed

Transfers and subsidies listed under programmes are grouped and listed under specific headings. Headings are Standard Chart of Accounts level 2 items, with the exception of conditional allocations⁴ 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”.

Transfer and/or subsidy names:

- 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).

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

- 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 purposes:

- The transfer purpose should describe what the transfer will be used for in a concise brief manner.
 - Commonly used purposes:
 - Operations
 - Membership fee/s
 - Research and development
 - Policy development
 - Subsidy/ies
 - Facilitation of public funds for projects
 - Machinery and equipment (this is applicable if the capital transfer payment is in respect of machinery and equipment)
 - Building and upgrading of infrastructure (this is applicable if the capital transfer payment is in respect of infrastructure)
 - Maintenance of infrastructure (this is applicable if the current transfer payment is in respect of infrastructure)
- When the transfer/subsidy name is "Various institutions", the purpose will commonly include the project/subprogramme name, for example: manufacturing development incentives.
- When a category of institutions 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 uppercase, with the rest of the words in lowercase.
- Relevant information on the transfer’s governance and rules should be available on request; however, such information is not included in the Appropriation Bill.
- Commonly used transfer names and purposes:
 - Under “Households”:
 - Employee social benefits: Leave gratuity/ies
 - Employee social benefits: Post-retirement benefits
 - Employee social benefits: Severance package/s
 - Employee social benefits: Ex-service benefits
 - Employee social benefits: Injury on duty
 - Bursaries for non-employees: [Specify] (Examples are: heritage studies; studies in cadastral science, surveys and mappings; studies in finance and economics; studies in official statistics; housing scholarship programme)
 - Claims against the state: Civil claims instituted against the department for possible compensation (police vote)
 - Under “Municipal bank accounts”:
 - Vehicle licences: Licence fees paid to municipalities
 - Under “Departmental agencies and accounts”:
 - Communication: Radio and television licences
 - Sector education and training authority: Operations

3. Specifically and exclusively appropriated items

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

2019 ESTIMATES OF NATIONAL EXPENDITURE GUIDELINES

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