



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Guide on Provincial Budget Formats, 2010

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Preface

The Provincial Budget Formats Guide is updated annually and forms the basis for communicating a Provincial Government budget to a wide range of stakeholders, which include the citizens of a Province, the general public of the country, researchers and the international community. It further provides a valuable insight into the priority areas of Government, focuses on resource allocation and attempts to capture the main outputs these funds are buying.

Budget Council, since adopting a first guide in 2002, acknowledged that the process of developing a comprehensive and meaningful guide is evolutionary and that incremental changes would be effected annually as we develop smarter information systems.

This is the ninth Provincial Budget Formats Guide and forms a basis for comparable provincial information. With this edition, minimal changes to the 2009 Guide are proposed as this will provide a degree of stability, while at the same time focus on improving the quality and consistency of budget documents across provinces.

The foreword offers the MEC responsible for finance within a province with an opportunity to present the political priorities on which the budget is based together with general information on economic and financial developments within the province. This reiterates the fact that the budget is more than just about numbers. It explains how the budget reflects government's policies and priorities, and shows how these will translate into service delivery. The MEC also endorses the budget for 2010 and provides a commitment to supporting and ensuring its implementation.

The Guide consists of three main sections, Overview of Provincial Expenditure, Estimates of Provincial Expenditure and formats for budgets to be published in government gazettes in line with the 2010 Division of Revenue Act and is supported by an excel database, which allows for electronic aggregation and eliminates unacceptable calculation errors within the two Budget Statements. National Treasury, in its vision for uniformity in financial management practices introduced the terms *Overview of Provincial Expenditure* and *Estimates of Provincial Expenditure* replacing the terms Budget Statement 1 and Budget Statement 2 respectively. These adjustments afford a closer linguistic alignment between national and provincial budget documentation.

The first section describes the Overview of Provincial Expenditure, which is the sole responsibility of a Provincial Treasury. It provides an overview of the Provincial Budget, budget process and discusses current and anticipated medium term budget trends. It also gives a snapshot of the socio-economic and demographic profile of the province and illustrates how these, link to the various Provincial Growth and Development Strategies. Overview of Provincial Expenditure offers a detailed analysis of provincial receipt and payment performance, covering infrastructure; transfers to public entities and local government. It provides information on payments by municipal region, district and ward; personnel numbers and costs; and payments on training. Overview of Provincial Expenditure further assigns a section to analysing the province's fiscal performance over recent years and draws attention to the fiscal challenges confronting the province.

Estimates of Provincial Expenditure allows departments to compile and communicate their budgets, provides current and anticipated medium term budget trends, provide an overview of departmental estimates based on the standardised budget and programme structures for a particular sector, focuses on strategic service delivery and gives a high level overview of performance measures and targets as defined in departmental Strategic and Performance Plans.

Budget Statements or the estimation of expenditure present a valuable research resource and give effect to relevant legislation, which include amongst others the Constitution, Public Finance Management Act and the Right to Access of Information Act. It is for this reason that uniform

budget documents are a prerequisite. The inclusion of photographs (mainly of persons) in budget documents detracts from the quality and integrity associated with Budget documents across the world and are thus unacceptable.

Careful consideration needs to be given to the format of numbers in all budget documentation. A full stop is employed in the place of the comma for the decimal point while the use of the space as the delimiter for thousands, will be continued to be used. This practice will ensure that our number format is aligned to most countries, newspapers, computer programmes and scientific references.

Examples of the proposed changes in the text are listed in the table below.

<i>Present format</i>	<i>Proposed format</i>
62,6	62.6
1 908,5	1 908.5
5,4 per cent	5.4 per cent
R1 987,4 million	R1 987.4 million
R3,4 million	R3.4 million
The increase in GDP last year was 5,1 per cent.	The increase in GDP last year was 5.1 per cent.

An example of the proposed changes in the tables is illustrated below.

Table: Details of departmental receipts

R 000	Outcome			Main Budget	Adjusted Budget 2009/10	Estimated Actual	Medium-term estimates		
	Audited 2006/07	Audited 2007/08	Audited 2008/09				2010/11	2011/12	2012/13
Tax receipts	677 051	822 356	953 871	981 515	981 515	1 031 254	1 129 198	1 216 332	1 308 129
<i>Casino taxes</i>	128 530	162 073	194 038	192 089	192 089	234 335	254 652	275 024	297 026
<i>Horse racing taxes</i>	29 002	31 982	38 174	40 610	40 610	42 103	44 671	49 138	52 086
<i>Liquor licences</i>	3 691	3 999	3 760	3 816	3 816	3 816	4 045	4 348	4 609
<i>Motor vehicle licences</i>	515 828	624 302	717 899	745 000	745 000	751 000	825 830	887 822	954 408
Sale of goods and services other	226 064	198 036	218 176	231 196	231 196	228 666	250 277	274 056	294 253
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	21 625	19 253	19 734	28 030	28 030	32 696	30 031	33 733	35 757
Interest, dividends and rent on land	181 729	93 461	176 232	140 923	140 923	175 985	142 329	152 506	167 995
Sales of capital assets	19 041	20 222	7 972	16 670	16 670	16 719	18 703	20 977	22 236
Financial transactions in assets and	43 942	73 939	70 132	24 807	24 807	51 449	21 186	21 741	21 875
Total	1 169 452	1 227 267	1 446 117	1 423 141	1 423 141	1 536 769	1 591 724	1 719 345	1 850 245

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Overview of Provincial Expenditure

(Budget Statement 1: Budget Overview)

This statement is prepared by the provincial treasury and provides a high-level overview of the main components of the 2010 Budget. It comprises tables of main aggregates and narratives explaining the provincial government's strategic policy objectives and shows how this is met from budgeted funding. This section also includes:

- Political prioritisation linked to the National Spatial Development Perspective (NSDP) and Provincial Growth and Development Strategies (PGDS);
- Present conditions (economic outlook);
- Size and sources of receipts to meet the prioritised objectives;
- Funding of the deficit or utilisation of the surplus, if applicable; and
- Estimates and payments according to the functional and economic classifications of the budget.

1. Budget strategy and aggregates

1.1 Introduction

Government provides basic services and progressively aim to improve the quality of life and opportunities of all South Africans. Despite this challenge, Government is also tasked to eradicate the dualistic nature of the South African economy through effective integration, coordination and alignment of the actions of its three constituting spheres. Over the last decade this intention has found expression in a wide range of acts, policies, strategies, development planning instruments, integration mechanisms and structures aimed at ensuring intergovernmental priority setting and resource allocation.

In implementing its development agenda, government proceeds from the premise that coordinated government priority setting, resource allocation and implementation require:

- Alignment of strategic development priorities and approaches in all planning and budgeting processes as good budgeting is about the choices we make when allocating resources to spending programmes;
- A shared agreement on the nature and characteristics of the space economy; and
- Strategic principles for infrastructure investment and development spending.

This section sets out the provincial government's main strategic policy direction underlying the budget and PGDS linked to the initiatives of the NSDP as a common platform of which:

- The Premier's Address in line with the State of the Nation's Address issued by the President;
- Provide direction for decisions on infrastructure investment and development spending;
- Assist role players to acknowledge that the area of need may not be the place where the need can be addressed;
- Ensure that fixed investment is focused in areas where greatest development potential and greatest need coincide;
- Promote investment in people, in areas with little or no potential, to give them more opportunities;
- The government's election manifesto; and
- Other major policy decisions of the Executive Council that have been publicly announced.

The statement should include only major policy statements and directions, as well as a brief description of new payment and receipt initiatives that provide the resources for these policies. In particular, it should refer to the overall service delivery outputs and outcomes envisaged under these initiatives. Brief service delivery outputs/strategic objectives as contained in the strategic and performance plans, should be presented in the programme presentation of each Vote.

1.2 Summary of budget aggregates

Table 1.1 should provide a summary of estimates of the main budget components (receipts and payments, budget surplus or deficit). The economic classification presented is in accordance with the *Economic Reporting Format* issued by the National Treasury in October 2003.

The table should not include provincial extra-budgetary agencies (i.e. agencies that are controlled by the government and receive a significant proportion of their funding from it). Entities that form part of the general government sector should be included in the provincial budget only to the extent that they conduct transactions with departments (transfers and subsidies to these entities).

The receipt and payment estimates of public financial institutions and non-financial public enterprises (i.e. government-owned or controlled bodies, often corporate in structure, that provide goods and services to the public on a large scale) should not be included. They similarly affect budget statistics only to the extent that they conduct transactions with line departments (transfers and subsidies to these institutions and enterprises).

However, departments are required to provide separate detail on financial information, which relate to receipt and payment estimates for all public entities falling within the governance framework of the department, as describe in Section 5.5.1 to Estimates of Provincial Expenditure of this guide.

Table 1.1: Provincial budget summary

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Provincial receipts									
Transfer receipts from national									
Equitable share									
Conditional grants									
Provincial own receipts									
Total provincial receipts									
Provincial payments									
Current payments									
Transfers and subsidies									
Payments for capital assets									
Unallocated contingency reserve									
Total provincial payments									
Surplus/(deficit) before financing									
Financing									
Provincial roll-overs									
Other (Specify)									
Other (Specify)									
Other (Specify)									
Surplus/(deficit) after financing									

The table further requires that provinces indicate receipts, payments, budgeted deficit and how it is financed or in the case of surpluses, how it is to be utilised. The 2009/10 financial year makes

provision for three columns, which includes Main Appropriation, Adjusted Appropriation and Revised Estimates. The numbers included in 2009/10 under the revised estimates column refer to the estimated actual position, which could be described as the actual expenditure and collection as at 31 December 2009 and projections up to 31 March 2010.

1.3 Financing

This section covers projected surpluses or deficits of the province. It highlights a number of scenarios departments or the province would employ to provide for these:

Deficit

- The method of financing of a proposed deficit, i.e. whether through a bank overdraft or a draw-down of cash balances or deposits;
- The use of funds generated by a projected surplus, i.e. to increase cash balances or deposits, or to lower bank overdrafts;
- Any bridging finance used for temporary liquidity purposes;
- Any other changes in financing not influenced by the budget result, e.g. using cash balances to reduce overdrafts; and
- A statement of the total debt position of the provincial government, including a table of debt types, maturity dates (per debt), interest rate payments/instalments, where appropriate.

Surplus

- To provide for over expenditure of a previous year;
- To build up cash reserves for future major capital outlays; and
- To equalise expenditure patterns.

2. Budget process and the Medium-Term Expenditure Framework

This section explains the provincial strategic planning and budget process. It describes the respective roles and responsibilities of the provincial treasury and line departments, the appropriation process, key assumptions made and Legislature 'scrutiny of the budget, including relevant Legislature committees.

The value of a strategic and performance plan is largely determined by the extent to which staff had been involved in its development. It is contended that when staff (policy and line managers) have played a meaningful role in developing a strategic and performance plan, they are more likely to take ownership of it and thus actively work towards its implementation.

For this reason it is recommended that departments describe the processes they have followed to develop their strategic and performance plans. This will enable legislators and the public to evaluate the quality of the department's commitment to the strategic and performance plan and therefore the likelihood of it being implemented.

This would also be an appropriate place to supply information on the processes the department followed to incorporate inputs into its planning process from partners (government and non-government) and stakeholders.

3. Socio-economic outlook

This section is optional, but it is useful to reflect on important social and economic parameters in the province. The outline below is just an example, as there is no prescribed format. Provinces should collect information from approved sources to give a more realistic picture of economic and social conditions.

3.1 Demographic profile

The objective here is to discuss how demographic factors affect the development and economy of the province, using data from the latest Census (2001) and other available sources. Recently released data sources include amongst others:

- Community Survey, 2007 released on 24 October 2007;
- Census 2001 (population numbers, rural/urban divide, disability occurrence);
- Income and expenditure survey (IES) (expenditure quintiles);
- General Household Survey – July 2007 (GHS) (medical aid data, etc.);
- Gross Domestic Product – by region (GDP-R) (provincial economic activity); and
- Other relevant data for specific sectors, e.g. school enrolment.

Table 1.2: Population size and distribution between regions

Region	Total population	Percentage
A	0	%
B	0	%
C	0	%
D	0	%
E	0	%
F	0	%
Total	0	%

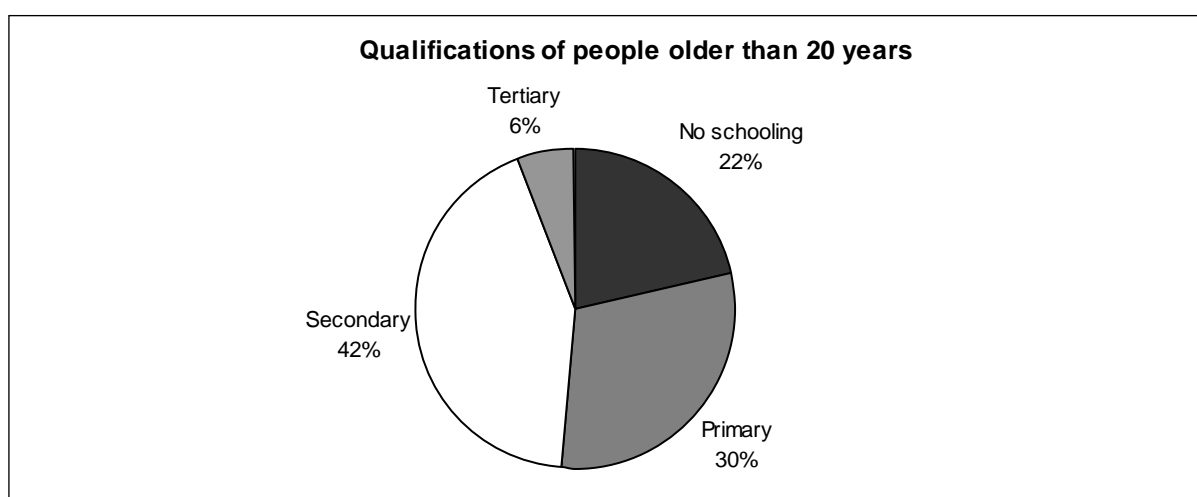
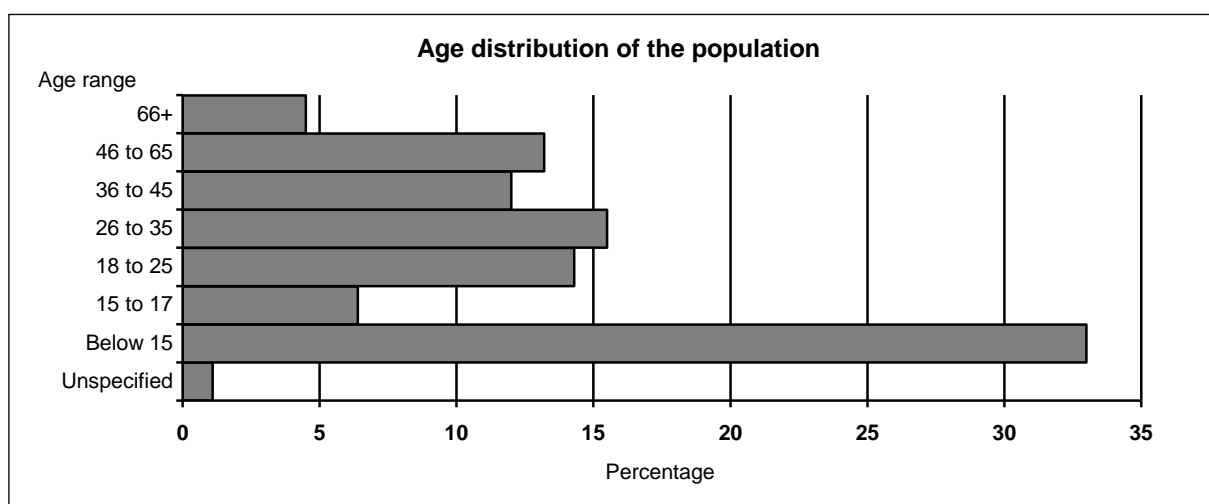
Provinces are encouraged to include a comparative analysis with other provinces of key demographic indicators such as expected population growth; gender and age distribution; the level of education, literacy rates, and level of skills base, to provide a more enhanced demographic profile of their province/regions as per the examples below.

Table 1.3: Example of changes in provincial demographic profile, 1996 – 2001

Description	Period	Effective change
Population growth	1996 – 2001	2% per annum; 40.4 million to 44.8 million
Population increase	1996 – 2001	Increase of 4.4 million or 11%
Number of households	1996	9.1 million
	2001	11.8 million (30% increase)
Average household size	1996	4.5
	2001	3.8

Table 1.4: Gender and age distribution

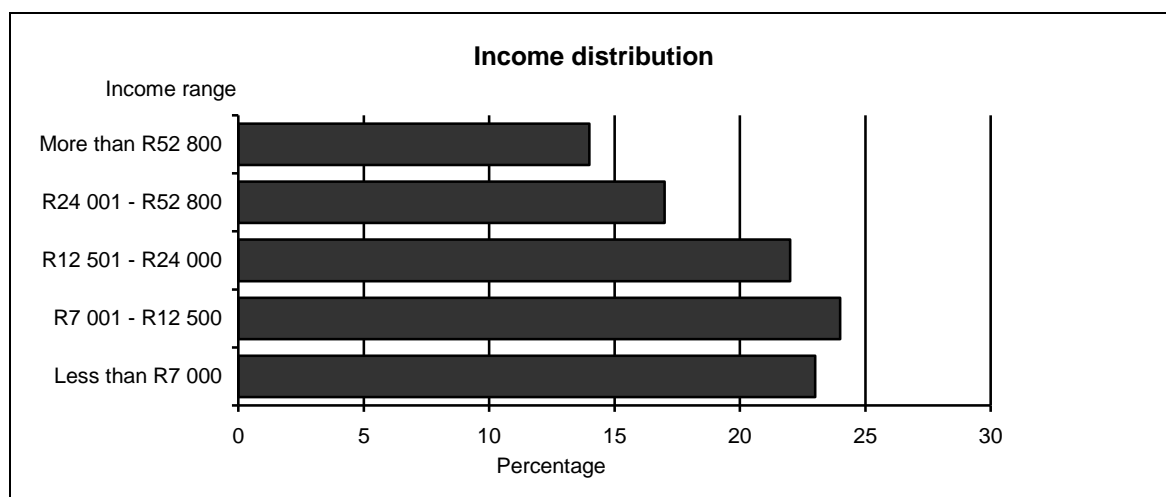
Age group	Male	Female	Total	Percentage
Unspecified	0	0	0	%
Below 15	0	0	0	%
15 to 17	0	0	0	%
18 to 25	0	0	0	%
26 to 35	0	0	0	%
36 to 45	0	0	0	%
46 to 65	0	0	0	%
66 +	0	0	0	%
Total	0	0	0	%



3.2 Socio-economic indicators

In this section, data from the most recent household surveys could be used to indicate the quality of life of provincial households. A comparison could be drawn between the proportion of households with specified services and the average for the country. The development indices of Statistics South Africa serve as a good example to indicate the availability of services such as water, electricity and pipe latrines. The following services could for example be chosen:

- House or brick structure on a separate stand or yard (represented by “House” on the graph below)
- Piped water in the dwelling (“Water”)
- Flush toilet or chemical toilet (“Flush toilet”)
- Refuse removal by local authority at least once a week (“Refuse”)
- Telephone in the dwelling/cellular phone (“Telephone”)



3.3 Economic indicators

Similarly, economic indicators could be selected from the latest household survey, such as income distribution, gross geographic product and level of investment. The latter can explore, for example, the possibility of new direct investment (local and foreign) expected per sector and envisaged new job opportunities.

Table 1.5: Income distribution

Annual income per household	Number of households	Percentage of households
Less than R7 000	0	%
R7 001 to R12 500	0	%
R12 501 to R24 000	0	%
R24 001 to R52 800	0	%
More than R52 800	0	%

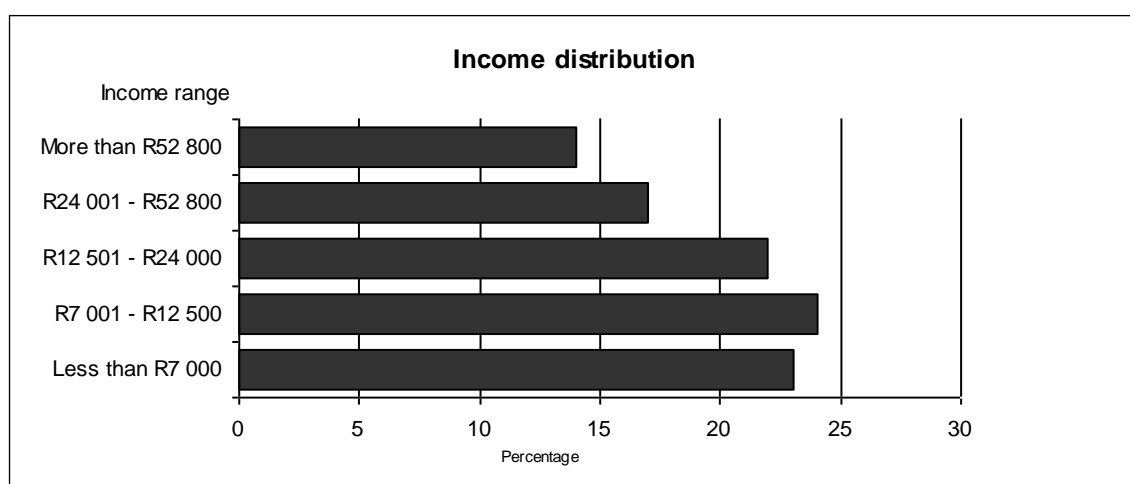


Table 1.6: Gross geographic product by sector

Sector	Percentage
Mining and quarrying	%
Agriculture and fisheries	%
Manufacturing	%
Electricity and water	%
Construction	%
Trade: Wholesale, retail and accommodation	%
Transport, storage and communication	%
Finance, insurance, real estate and business services	%
Government and community services	%
Other	%
Total	%

4. Receipts

4.1 Overall position

This section should include a general discussion on total provincial receipts (referring to growth rates, real growth rates and comparisons). Provincial treasuries should complete Table 1.7 and briefly describe changes between the estimated receipts for the 2010/11 financial year and receipts over the MTEF. **Agency payments from national government should be treated outside the provincial budget and not included in the receipts total.** Receipts collected on an agency basis by local authorities (e.g. motor vehicle licences) should be included in provincial own receipts under the appropriate category.

The provincial own receipts classification distinguishes between tax receipts; sales of goods and services other than capital assets; transfers received; fines, penalties and forfeits; interest, dividends and rent on land; sales of capital assets; and financial transactions in assets and liabilities. This new receipts classification has been built into the new chart of accounts that was implemented with effect from 1 April 2004.

A brief description of the different kinds of receipts and reasons for changes between the estimated receipts for the 2010/11 financial year and the MTEF years should be included. Provinces should provide for an explanation in instances where own receipt items experience a negative real growth between financial years and indicate any once-off receipt items that need to be considered in the analysis of revenue trends.

Table 1.7: Summary of provincial receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Transfer receipts from National									
Equitable share									
Conditional grants									
Total transfer receipts from National									
Provincial own receipts									
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sales of goods and services other than capital assets									
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land									
Sales of capital assets									
Financial transactions in assets and liabilities									
Total provincial own receipts									
Total provincial receipts									

The detailed information on provincial own receipts is presented in Table A.2 in the Annexure to the Overview of Provincial Expenditure.

4.2 Equitable share

In this subsection, the allocation of the equitable share is discussed. It should refer to the amount of equitable share funding in the 2010 Budget and the nominal and percentage increase from the 2009/10 financial year to the 2010/11 financial year and further over the MTEF.

4.3 Conditional grants

This section includes a discussion on conditional grants providing details of:

- Total conditional grants available over the 2010 MTEF;
- Priority spending areas to be addressed by conditional grants; and
- Analysis of discrepancies between budgets, actual transfers and actual payments.

Table 1.8 provides for a summary of conditional grants (transfer receipts from National) by Vote and grant. The numbers in this table should reflect actual transfers received for the 2006/07, 2007/08 and 2008/09 financial years.

For the 2010/11 financial year the main appropriation should reflect the amounts gazetted in the Division of Revenue Act, 2010 and the adjusted appropriation should include the adjustments to be gazetted during November 2009. The revised transfer estimates should reflect the estimated transfers for the 2010/11 financial year from national departments administering conditional grants. The 2010 MTEF should cover the conditional grants available over the period.

The detailed information, which includes spending on these conditional grants, is presented in Table A.1 in the Annexure to Overview of Provincial Expenditure.

Table 1.8: Summary of conditional grants by grant

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Vote 1									
Grant name									
Grant name									
Vote 2									
Grant name									
Grant name									
Vote									
Grant name									
Grant name									
Total conditional grants									

4.4 Total provincial own receipts (own revenue)

This section should include a trend analysis of provincial own receipts by Vote. Table 1.9 provides a summary of provincial own receipts by Vote.

It is recommended that provinces provide an explanation in instances where Votes experience a negative real growth rate between the 2009/10 revised estimates and the 2010/11 budget and indicate any once-off receipt items that need to be considered in analysis of revenue trends on the various Votes.

Table 1.9: Summary of provincial own receipts by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Vote 01: Office of the Premier									
Vote 02: Provincial Legislature									
....									
Vote xx:									
Total provincial own receipts by Vote									

4.5 Donor funding

Should a province receive any foreign aid assistance, details should be presented here, indicating amounts and purposes. Please include a table on foreign aid assistance (as this differs across provinces we could not provide a standardised table), which provide details of any terms and conditions attached to the funding. It should however be noted that funding from donors does not form part of a province's appropriation and should be dealt with in accordance with the Reconstruction and Development Programme Fund Act as amended.

5. Payments

5.1 Overall position

This section includes a discussion on total provincial payments and priority spending areas for the province as a whole (referring to nominal growth rates, real growth rates and comparisons). Provincial treasuries should complete Table 1.10 and briefly describe changes between the estimated payments for the 2010/11 financial year and over the MTEF. It should also specify the total outlays for provincial programmes that are budgeted for during:

- Financial year 2010/11: in R thousand
- Financial year 2011/12: in R thousand
- Financial year 2012/13: in R thousand

5.2 Payments by Vote

Table 1.10 summarises the total budget for each Vote. This may include a brief discussion on expenditure trends within departments, specifically relating these trends with the policy priorities of government (both provincial and national).

Table 1.10: Summary of provincial payments and estimates by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Vote 01: Office of the Premier									
Vote 02: Provincial Legislature									
....									
Vote xx:									
Total provincial payments and estimates by Vote									

5.3 Payments by economic classification

The economic classification presented is in accordance with the *Economic Reporting Format* issued by the National Treasury in October 2003 and was implemented in all national and provincial departments as part of the migration process to BAS and took effect from 1 April 2004.

In developing the classification, National Treasury adopted the GFS classification standards as well as the accounting standards set by the International Federation of Accountants as the basis for the reform. The classification is a South African version of international standards, and provides for the classification of receipts, payments, financing and debt. It also shows the impact of transactions relating to these items on the cash flow and balance sheet of government.

Table 1.11 shows the audited outcome for the period 2006/07 to 2008/09, Main Appropriation, Adjusted Appropriation and Revised Estimates for 2009/10 and budgets for the MTEF by economic classification.

Table 1.11: Summary of provincial payments and estimates by economic classification

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Current payments									
Compensation of employees									
Goods and services									
Interest and rent on land									
Transfers and subsidies to:									
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets									
Buildings and other fixed structures									
Machinery and equipment									
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Total economic classification									

In addition, Table A.3 in the Annexure to Overview of Provincial Expenditure makes provision for the expansion of economic classification of payment items to be included under the category: “Goods and Services” (“of which items”). The purpose of the expansion is to provide a summary of the three or four bigger spending items under “Goods and Services” in the Overview of Provincial Expenditure or may also include items that are politically sensitive. Ideally these items should be at a lower level within the chart of accounts. These items bring prominence to a number of payment items and foster improved transparency with regard to some of the relevant detail. An insightful example of how this should be treated is seen from the Mpumalanga Provincial Budget Statements, 2004 which is included as table 1.12. All sectors reviewed the relevance of their current sets of “of which” items and in some instances imported new items which reflect their larger cost centres more appropriately, i.e. Education has adopted some items to define expenditure more definitively.

“Transfers and Subsidies” include all unrequited payments made by the government unit. A payment is unrequited provided that provincial departments do not receive anything directly in return for the transfer to the other party. Both current and capital transfers should be included in this item. However, capital transfers should be accounted for as a note in Table A.3 in the Annexure to Overview of Provincial Expenditure and detailed information is required in the provincial database provided to provinces, where a distinction is made between current and capital transfers.

Table 1.12: Mpumalanga Provincial Budget Statements, 2004 - Summary of provincial payments and estimates by economic classification "of which items"

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Current payments									
.....									
Goods and services									
of which									
Consultants									
Audit and legal fees									
Bursaries and class fees									
Travel and subsistence									
Maintenance, repair and running costs									
Owned and leasehold property expenditure									
Inventories									
Rent of labour saving devices									
Leamer support material									
Leamer transport									
Medicine and Vaccine									
Gasses: Medical									
Blood									
Rental housing tribunal									
Rural doctors and scarce skills									
Other									
.....									
Total economic classification									

5.4 Payments by policy area

In the Budget Statements, payments are not only classified according to the economic classification, but also in terms of its functional type. The functional classification is sometimes called a “government purpose classification” or “payments by policy area”, and is designed to reflect the distribution of spending among the various services provided. As such, it is a useful tool for tracing the implementation and direction of government policies. Further details on this classification are provided in the Guide for Implementing the New Economic Reporting Format, November 2003. This classification is done at the lowest possible functional level (activity level) and incorporated into the objective structure of the financial systems.

Table 1.13 shows the audited outcome for the period 2006/07 to 2008/09, Main Appropriation, Adjusted Appropriation and Revised Estimates for 2009/10 and budgets for the MTEF, by government purpose or policy area. Each programme should be classified, and its payments shown, according to the policy area within the table. The detailed classification will depend on the programme and sub-programme structure of the Votes in a province. Where a programme spans more than one function, the payments should be assigned by sub-programme and not only by programme. A bridging table (Table A.4 (a) in the Annexure to Overview of Provincial Expenditure) may be useful in this regard. The development of payments and budgets for the different policy areas should also be discussed.

The detailed information on the payments by policy area is presented in Table A.4 (b) in the Annexure to Overview of Provincial Expenditure.

Table 1.13: Summary of provincial payments and estimates by policy area

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
General public services									
Public order and safety									
Economic affairs									
Environmental protection									
Housing and community amenities									
Health									
Recreation, culture and religion									
Education									
Social protection									
Total provincial payments and estimates by policy area									

5.5 Infrastructure payments

The Budget Cycle is a three year cycle consisting of planning, implementation and closure processes being undertaken in each year. It is clear that in any single year, departments will concurrently be dealing with these different activities of the MTEF, namely:

- Closure activities for the previous years implementation;
- Implementation activities for the current years implementation; and
- Planning activities for next years' implementation.

There is a need, therefore, to allocate sufficient time for planning, design and tendering to take place from the time that the approved projects list is given to the implementing agent and before implementation starts.

It is proposed that the handover of projects from the client department to the implementing agent be improved by means of a formal process in which all parties agree to exactly what needs to be done, where, by whom, when, and at what cost. To facilitate the process of agreement between parties two plans have to be put in place:

- The Infrastructure Programme Management Plan (IPMP) by the client department; and
- The Infrastructure Programme Implementation Plan (IPIP) by the implementing agent.

The client department first enters into a Service Delivery Agreement (SDA) with its implementing agents based on an agreement of the functions to be performed by each party. Immediately after the Infrastructure Plan has been updated the client department prepares or updates an IPMP. In addition an updated Annual Performance Plan (APP) must also be prepared. The IPMP stipulates what the client department intends to achieve in the next 3 years of implementation.

The implementing agent responds to the IPMP through the development of an IPIP which validates the implementing agents' understanding of what needs to be done and explicitly indicates how this will be achieved, when and by whom. Once the client department has approved the IPIP submitted by the implementing agent, the implementing agent is able to continue with detailed project designs, followed by the project tendering process. Project implementation for projects planned in Year 0 of the MTEF would typically start in Year 2 of that MTEF allowing for one year lead for project design and tendering. These phases should take up most of the following year resulting in a detailed infrastructure plan with associated realistic costing, timeframes and cashflows for each project. The detailed planning and design undertaken would assist in establishing exactly what

multi-year commitments are required to complete the projects.. Multi-year commitments must be funded from the year in which they are to be implemented.

Table 1.14(a) provides a summary of provincial infrastructure payments and estimates that need to be presented for each Vote. Table 1.14(b) presents a summary of infrastructure by categories.

Table 1.14(a): Summary - Payments and estimates of provincial infrastructure by vote

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Vote 01: Office of the Premier									
Vote 02: Provincial Legislature									
....									
Vote xx:									
Total provincial infrastructure payments and estimates									

Table 1.14(b): Summary - Payments and estimates of provincial infrastructure by category

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
New and replacement assets									
Existing infrastructure assets									
Upgrades and additions									
Rehabilitation, renovations and refurbishments									
Maintenance and repairs									
Infrastructure transfers									
Current									
Capital									
Total provincial infrastructure payments and estimates									

Provinces are requested to present details of infrastructure investment estimates in the relevant Vote, as referred to in Table B.5 in the Annexure to Estimates of Provincial Expenditure in this document. This should be consistent with that of the infrastructure reporting model (IRM) that forms the basis of the quarterly provincial infrastructure reports.

Flexibility is provided in cases where provinces have, as a practice, completed a separate Budget Statement 3 as in the case of Gauteng. To preserve consistency, it is however requested that those provinces that complete a separate Budget Statement 3, still comply with the minimum information request as per Estimates of Provincial Expenditure.

5.5.1.1 Maintenance of provincial infrastructure

The stock of infrastructure that is owned by government and its agencies is major and is increasing at a rapid rate. However the maintenance of this stock varies greatly from sector to sector and sometimes, also from institution to institution. Infrastructure assets should be planned for over their useful lives, from planning through to disposal. This will guide proper planning and budgeting for maintenance. Unless maintenance is improved in these sectors, funds to address the cost of repairs and unplanned replacements will have to be sourced from capital budgets. This will severely limit the programme for addressing backlogs and expanding service delivery.

Infrastructure assets should be planned and budgeted for throughout their life-cycle, from planning through to disposal. This will ensure that assets operate efficiently and are maintained cost effectively. The existence of an asset management system, updated regularly, through condition assessments on existing facilities, will guide proper planning and budgeting for maintenance.

Section 38(1)(d) of the PFMA states that, the accounting officer for a department, trading entity or constitutional institution is responsible for the management, including the safeguarding and the maintenance of the assets of the department, trading entity or constitutional institution.

Infrastructure maintenance is a strategic tool, as it offers outstanding opportunities for economic stimulation and as jobs are created, capital expenditure expanded and sustainable delivery achieved while community aspirations can be met.

Departments are also required to provide detail on maintenance in the infrastructure table (Table B5). Providing detail on maintenance affords increased transparency and allows for effective financial management.

5.5.1.2 Provincial infrastructure transfers

Provincial infrastructure payments or estimates by vote must include transfers made for the delivery of provincial infrastructure. Hence, aggregation on the vote table must equal that on the infrastructure by category table.

5.5.2 Provincial Public-Private Partnership (PPP) projects

South Africa is amongst the leading countries in the world in terms of the law, policies and systems we have established for public private partnerships.

In this section, a summary of all provincial Public-Private Partnership projects under implementation and proposed projects are presented. The details thereof are to be presented in the relevant Vote as referred to in Section 5.4.2 of Estimates of Provincial Expenditure in this document.

Table 1.15: Summary of departmental Public-Private Partnership projects: Vote

Project Description	Annual cost of project Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	R thousand	2006/07	2007/08				2008/09	2009/10	2010/11
Projects under implementation									
PPP unitary charge									
Penalties (if applicable)									
Advisory fees									
Project monitoring cost									
Revenue generated (if applicable)									
Contingent liabilities (information)									
Proposed Projects									
Advisory fees									
Project team costs									
Site acquisition costs									
Other project costs									

5.6 Transfers

In this section, transfers to selected categories should be presented here, which is as follows:

- Transfers to public entities falling within the governing framework, by transferring department;

- All transfers to development corporations, by entity, including those transfers already incorporated in the “transfers to public entities” category; and
- Transfers to local government (municipalities), by category A, B and C.

The details thereof are to be presented in the relevant Vote as referred to in Section 5.5 of Estimates of Provincial Expenditure in this document.

5.6.1 Transfers to public entities

A summary of all transfers to public entities is presented and summarised by transferring department. The details thereof are to be presented in the relevant Vote as referred to in Section 5.5.1 of Estimates of Provincial Expenditure in this document.

Table 1.16: Summary of provincial transfers to public entities by transferring department

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Vote 01: Office of the Premier									
Vote 02: Provincial Legislature									
....									
Vote xx:									
Total provincial transfers to public entities									

5.6.2 Transfers to development corporations

A summary of transfers to development corporations, by entity, including those transfers already incorporated in the “transfers to public entities” category is presented here.

Table 1.17: Summary of provincial transfers to development corporations by entity

Entity	Provincial department	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
		2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Entity 1	Vote 01: ...									
Entity 2	Vote 02:									
...									
Entity xx	Vote xx:									
Total provincial transfers to development corporations										

5.6.3 Transfers to local government

A summary of all transfers to local government, by category, is presented here.

Table 1.18: Summary of provincial transfers to local government by category

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Category A									
Category B									
Category C									
Total provincial transfers to local government									

The detailed information on the transfers to local government is presented in Table A.5 in the Annexure to the Overview of Provincial Expenditure. An insightful example of how this should be

treated is seen from the KwaZulu-Natal Provincial Budget Statements, 2008 which is attached to this document under “Definitions and Examples” referred to as Table 2.

5.7 Provincial payments and estimates by region, district and municipal ward

National Treasury proposes a consistent categorisation and classification of provincial payments and estimates into category A, B and C municipalities, districts and ultimately municipal wards (this is the direction that we have embarked and understandably, will not be practical for inclusion in Estimates of Provincial Expenditure). In this regard ultimately monitoring allocations by municipal ward is where we are heading for in the future.

A high level summary of provincial payments and estimates by region, district and municipal ward (where the money has been spent and to be spent over the MTEF), is presented in Table A.6 in the Annexure to Overview of Provincial Expenditure. An insightful example of how this should be treated is seen from the Western Cape Provincial Budget Statements, 2008 which is attached to this document under “Definitions and Examples” referred to as Table 3.

5.8 Personnel numbers and costs

Provincial treasuries should in Table 1.19 provide a summary of personnel numbers and the cost thereof by Vote, while a further breakdown by programme would be required in Estimates of Provincial Expenditure (Section 7.3.1).

The unit cost (R thousand) is calculated by dividing the actual payments by the number of full time employees as at 31 March of the financial year in consideration.

Table 1.19: Summary of personnel numbers and costs by Vote¹

Personnel numbers	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012
Vote 01: Office of the Premier							
Vote 02: Provincial Legislature							
....							
Vote xx:							
Total provincial personnel numbers							
Total provincial personnel cost (R thousand)							
Unit cost (R thousand)							

1. Full-time equivalent

Table 1.20 presents a further breakdown to personnel numbers and costs for Human Resources and Finance components, and for full time, part-time and contract workers. It provides information on the number of persons (head count) and the cost associated to the Human Resources and Finance Divisions as well as for full time, part-time and contract workers within a province as at 31 March over a seven year horizon.

Table 1.20: Summary of provincial personnel numbers and costs

	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Total for province									
Personnel numbers (head count)									
Personnel cost (R thousands)									
Human resources component									
Personnel numbers (head count)									
Personnel cost (R thousands)									
Head count as % of total for province									
Personnel cost as % of total for province									
Finance component									
Personnel numbers (head count)									
Personnel cost (R thousands)									
Head count as % of total for province									
Personnel cost as % of total for province									
Full time workers									
Personnel numbers (head count)									
Personnel cost (R thousands)									
Head count as % of total for province									
Personnel cost as % of total for province									
Part-time workers									
Personnel numbers (head count)									
Personnel cost (R thousands)									
Head count as % of total for province									
Personnel cost as % of total for province									
Contract workers									
Personnel numbers (head count)									
Personnel cost (R thousands)									
Head count as % of total for province									
Personnel cost as % of total for province									

Furthermore, it is also intended to highlight risks with regard to vacancies and the ability to deliver in line with the mandates assigned to these functions. A further breakdown by department would be required in Estimates of Provincial Expenditure. Compensation of employees is ordinarily a major component of each department's budget and if budgeted for more accurately, the budget on the whole should be more precise.

5.9 Payments on training

Training constitutes the group of items that provide detail about staff development and the related costs in terms of external training or the development of training materials and manuals for internal training.

A summary of payments on training is presented here. Table 1.21 requires a presentation of training payments by Vote, which should include subsistence and travel, registration, payments on tuition, etc. Detailed information by programme for payments on training will be required in Estimates of Provincial Expenditure (Section 7.3.2).

Table 1.21: Summary of provincial payments on training by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Vote 01: Office of the Premier									
Vote 02: Provincial Legislature									
....									
Vote xx:									
Total provincial payments on training									

6. Provincial database for the 2010 Budget

Provincial treasuries are provided with an electronic database file, which complements this document. This database will allow provincial treasuries to aggregate departmental information and consolidate these into a provincial summary. Please note that detailed information is required in the database but should not necessarily be part of the Budget Statement document. One such example is the “transfers and subsidies” category which should only be shown as indicated in Table 1.11, Table A.3, Table 2.5 and Table B.3 but detailed information is required in the database where a distinction is made between current and capital transfers and subsidies.

The value of such a database is not only confined to the Budget Statement but could also be extended to the data process supporting the Provincial Budget and Expenditure Review and the Provincial Benchmarking Exercise, to name but a few.

The database does not provide for all the information laid out in the Guide (as the size of the file might become a concern) but caters for receipts, payments, personnel numbers and cost, payments for training, transfers to municipalities, transfers to public entities and detail on public entities. It has been based on a number of principles to ensure correctness of numbers, assist with easy consolidation on a higher level and easy interaction with other spreadsheets and applications. Following are notes on principles on which the database was built, pointers for completion and the structure of the database.

One key principle in developing a database is to limit the duplication of data. In addition to this is to improve the ability to extract meaningful data, specifically with regards to new priorities, for monitoring Government expenditure. The following aspects could contribute to this and was taken into account with the development of the database:

There should only be one point of data entry:

The ideal is that a number for a specific item should not be captured in more than one location. Links can be used from that central point to populate other tables and files. This will ensure easy and effective maintenance of the database and consistency in numbers of the same item published in separate tables.

To illustrate by way of an example, if payments for programme 1 in education are captured in two different places in the database, the possibility of making a typing error between the two places does exist. If the number changes, the user have to remember that both cells have to be corrected. It is very difficult to keep track of where it should be changed and also if all the cells that need to be changed have in fact been changed.

Linking between files:

The database has been developed to assist in the easy linking of files. A very useful way of preventing capturing errors is by making use of links between files. In order to streamline the linking process, the structure of the files is very important.

The database has been developed to cater for 20 departments, 20 programmes and 20 sub-programmes which then rolls up to different summary sheets. Although not all 20 departments/programmes/sub-programmes are ever used, provision is made for this amount as the links to other tables can then be put in place long before the data is captured. This type of structure also contributes greatly to easy consolidation of numbers.

Having a 'master' set of numbers will also make the updating of links between files much less complicated.

Naming conventions:

In order to streamline the linking process and updating of links between files, it is suggested that a standard set of naming conventions be developed. For instance, the National Treasury uses the same set of abbreviations for provinces in file names namely EC, FS, GT, etc. By doing this, files do not have to be re-linked but only the source of the links be changed and this can be done in a few seconds.

For more information please refer to Provincial Database, 2010 in particular the “Comments” sheet.

Annexure to the Overview of Provincial Expenditure

(Annexure to Budget Statement 1)

Table A.1: Details of information on conditional grants

Table A.1: Information relating to Conditional grants

Vote and Grant	Purpose	Adjusted appro- priation	Actual transfer	Audited expen- diture	Adjusted appro- priation	Actual transfer	Audited expen- diture	Adjusted appro- priation	Actual transfer	Audited expen- diture	Adjusted appro- priation	Revised transfer estimate	Revised expen- diture estimate	Medium-term estimates		
		2006/07			2007/08			2008/09			2009/10		2010/11	2011/12	2012/13	
R thousand																
Vote 1																
Grant name																
Grant name																
Vote 2																
Grant name																
Grant name																
Vote ...																
Grant name																
Grant name																
Total conditional grants																

Table A.2: Details of information on provincial own receipts

Table A.2: Details of total provincial own receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sales of goods and services other than capital assets									
Sale of goods and services produced by department (excluding capital assets)									
Sales by market establishments									
Administrative fees									
Other sales									
<i>Of which</i>									
Health patient fees									
Other (Specify)									
Other (Specify)									
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
Transfers received from:									
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land									
Interest									
Dividends									
Rent on land									
Sales of capital assets									
Land and subsoil assets									
Other capital assets									
Financial transactions in assets and liabilities									
Total provincial own receipts									

Table A.3: Details of information on provincial payments and estimates

Table A.3: Details of provincial payments and estimates by economic classification

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Current payments									
Compensation of employees									
Salaries and wages									
Social contributions									
Goods and services									
<i>of which (refer to section 5.3, table 1.11 in Budget Statement 1)</i>									
Specify item									
Specify item									
Interest and rent on land									
Interest									
Rent on land									
Transfers and subsidies to¹:									
Provinces and municipalities									
Provinces ²									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities ³									
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers ⁴									
Universities and technikons									

Table A.3: Details of information on provincial payments and estimates – continued**Table A.3: Details of provincial payments and estimates by economic classification**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Transfers and subsidies to¹: - continued									
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Social benefits									
Other transfers to households									
Payments for capital assets									
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment									
Transport equipment									
Other machinery and equipment									
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Total economic classification									
<i>Of which: Capitalised compensation⁶</i>									

1) Details of capital transfers to be included in a note to the budget statement.

2) Includes all grants to provinces and grants from national departments to provincial entities.

3) Includes all grants to local government and grants from national departments to local government entities.

4) This only includes national agencies grouped into various categories, e.g. regulatory, SETA's, etc. - no business entities included here.

5) Category exclusively for business like entities, National Treasury to decide which entities to be included.

6) Refer to the Guidelines for Implementing the New Economic Reporting Formats - October 2003.

Table A.4 (a): Details of payments by policy area

Table A.4(a): Payments summary by policy area (simple example of bridging table)

Function	Category	Department	Programme
General public services	Legislative	Premier	Administration Management services
		Provincial Legislature	Administration National Council of Provinces Management services
	Financial and fiscal affairs	Finance	Administration Financial planning and resource management Financial management Procurement Management services
Public order and safety	Police services	Provincial Safety and Liaison	Administration
Economic Affairs	General economic affairs	Economic Affairs	Administration Trade, industry and tourism development Economic and development services Consumer protection and inspectorate services Management services
	Agriculture	Agriculture	Administration Agricultural development and research Veterinary services Conservation management Environmental management Specialist environmental services Management services
	Transport	Transport	Roads Road traffic and law enforcement Transport
	Communication	Tourism	Tourism

Table A.4 (a): Details of payments by policy area – *continued***Table A.4(a): Payments summary by policy area (simple example of bridging table)**

Function	Category	Department	Programme
Environmental Protection	Environmental protection		Conservation management Environmental management Specialist environmental services
Housing and community amenities	Housing development	Housing	Technical service Planning and development
Health	Outpatient service	Health	District health services Primary nutrition programme
	R&D health (CS)		Health science
	Hospital services		Provincial hospital services Specialised hospital services
Recreation, culture and religion	Recreational and sporting services	Sport, recreation, arts and culture	Sport and recreation
	Cultural services		Art, culture and heritage Facility development
Education	Pre-primary and primary	Education	Pre-primary Primary
	Secondary education		Secondary
	Subsidiary service to education		Provision of subsidiary
	Education not definable by level		ABET
Social protection	Social security services	Social service and population development	Administration Social security Social assistance Social welfare services Social development Population development Management services

Table A.4 (b): Details of payments by policy area

Table A.4(b): Details of provincial payments and estimates by policy area

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
General Public Services									
Executive and Legislature									
Office of the Premier									
RDP									
Provincial Legislature									
Financial and Fiscal Services									
Provincial Treasury									
General Services (Public Works, Local Government)									
Total: General Public Services									
Public Order and Safety									
Police Services									
Safety and Liaison									
Total: Public Order and Safety									
Economic Affairs									
General Economic Affairs									
Dept of Economic Affairs									
Agriculture									
Dept of Agriculture Affairs									
Transport									
Department of Transport									
Total: Economic Affairs									
Environmental Protection									
Environmental Protection									
Total: Environmental Protection									

Table A.4 (b): Details of payments by policy area – *continued*

Table A.4(b): Details of provincial payments and estimates by policy area

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Housing and Community Amenities									
Housing Development									
Department of Housing									
Total: Housing and Community Amenities									
Health									
Outpatient services									
R and D Health (CS)									
Hospital Services									
Total: Health									
Recreation, Culture and Religion									
Sporting and Recreational Affairs									
Sport, Arts and Culture									
Total: Recreation, Culture and Religion									
Education									
Pre-primary & Primary Phases									
Secondary Education Phase									
Subsidised Services to Education									
Education not defined by level									
Total: Education									
Social protection									
Social Security Services									
Social Services and Population Development									
Total: Social protection									
Total provincial payments and estimates by policy area									

Table A.5: Details of transfers to local government

Table A.6: Transfers to local government by category and municipality

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Category A									
Municipality 1									
...									
Municipality xx									
Category B									
Municipality 1									
....									
Municipality xx									
Category C									
Municipality 1									
...									
Municipality xx									
Total transfers to local government									

Table A.6: Details of provincial payments and estimates by region, district and municipal ward**Table A.6: Summary of provincial payments and estimates by region, district and municipal ward**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Region 1 (name)									
District 1 (name)									
Municipal ward 1 (name)									
Municipal ward 2									
Municipal ward n									
District 2									
Municipal ward 1									
Municipal ward 2									
Municipal ward n									
District n									
Municipal ward 1									
Municipal ward 2									
Municipal ward n									
Region n									
District 1									
Municipal ward 1									
Municipal ward 2									
Municipal ward n									
District 2									
Municipal ward 1									
Municipal ward 2									
Municipal ward n									
District n									
Municipal ward 1									
Municipal ward 2									
Municipal ward n									
Total provincial payments by region, district and municipal ward									

Estimates of Provincial Expenditure

(Budget Statement 2: Departmental Estimates)

1. Introduction

Departmental inputs are provided in Estimates of Provincial Expenditure and are the culmination of a comprehensive budget process, involving the discussion of policy priorities and matching available resources to costed plans. The matching of resources to plans assists in better alignment of service delivery commitments and multi-year budgets, as published in Provincial Budget Statements.

Estimates of Provincial Expenditure is considered a summary of the departmental strategic and performance plan to a level at which the legislature and the public can engage the provincial departments. It further contains a detailed analysis of departmental receipt and payment performance; covering infrastructure payments; transfers to public entities and local government; personnel numbers and costs; and payments on training. It also provides departments with an opportunity to analyse the various trends and provide a narrative thereto.

One of the key aims of Estimates of Provincial Expenditure is to provide a minimum set of information on receipts, payments, budget and programme structures together with departmental objectives and service delivery measures up to sub-programme level.

This document also makes provision for the presentation of budget information in instances where a Vote represents a “combination of departments” for which uniform budget and programme structures have been agreed upon. In such cases, budget information should be provided at a sub-sub-programme level. Examples of such combined departments are the following: Local Government, Housing and Traditional Affairs; Sports, Arts and Culture; Public Works, Roads and Transport. The Government Gazette, which will be published on 30 November 2009, gives examples of such combined departments. An example of how this should be treated could also be sourced from the KwaZulu-Natal Provincial Budget Statements, 2004 and is presented in Section 7 of Estimates of Provincial Expenditure, Table 2.12. The exception to this rule relates to cases in the social services (Education, Health and Social Development) sector. Where these departments are combined, as it is sometimes the case with Health and Social Development, it is required that two separate Estimates of Provincial Expenditure documents be compiled and presented.

The standardised budget and programme structure and definitions for the main departmental budgets must be used. Fourteen sectors have agreed upon uniform budget and programme structures, which apart from the Social Services Sectors (Education, Health and Social Development) include: Agriculture; Environmental Affairs; Housing; Local Government; Public Works, Economic Development, Office of the Premier, Roads and Transport; Sport, Arts and Culture, Provincial Legislatures and Provincial Treasuries which were successfully implemented since the 2005 Budget.

This document further alludes to uniform classification of own receipts received by provincial legislatures and proposes how this should be brought into the budget process.

Each Vote per programme should include a summary of the economic classification, which is compatible with GFS and according to the Economic Reporting Format. In cases where programmes are broken down to sub-programme and sub-sub-programme level, the economic classification should be presented per programme only.

In Overview of Provincial Expenditure and its Annexure, the Economic Reporting Format must be presented inclusive of empty / blank lines, which will provide a more enhanced and detailed description of Overview of Provincial Expenditure. In the case of Estimates of Provincial Expenditure and its Annexure, only relevant information (tables) and certain lines within tables providing data should be disclosed. This will add significant quality to the document as more detail is reflected in Overview of Provincial Expenditure and its Annexure while irrelevant tables and lines within tables are omitted from Estimates of Provincial Expenditure and its Annexure.

Programme 1 of each Vote normally provides administrative and management support functions to the Office of the Member of the Executive Council (MEC) and head of department, but this may differ for the provincial legislature. Only the payments and estimates of this programme should be presented for each Vote.

The aim of the budget reform programme is to ensure budgeting for the full cost of a programme. Therefore, provinces should ensure that appropriations for Programme 1 are minimised as far as possible, by allocating administrative costs to the appropriate programme. Programmes similar to administration such as corporate services should also be treated in this manner.

The numbers in the tables included in the 2009/10 financial year under the revised estimates column should refer to the actual position as at 31 December 2009 and projections for the remaining months of the financial year.

Votes

The information in the following section should be provided for each Vote.

Department of (Name)	Vote number
To be appropriated by Vote in 2009/10	Rxxx xxx 000
Statutory amount	Rx xxx 000
Responsible MEC	MEC of (department/s)
Administering Department	Department of (name)
Accounting Officer	Title and department (no names of persons)

1. Overview

In this section the department should provide the following information:

- A brief description of the core functions and responsibilities of the department, as well as its vision and mission statements (strategic objectives and strategic policy directions);
- A short overview of the main services that the department intends to deliver, with details of the quantity and the quality of service;
- Where relevant, a brief analysis of the demands for and expected changes in the services, and the resources (financial, personnel, infrastructure, etc.) available to match these;
- The Acts, rules and regulations the department must consider; and
- Brief information on external activities and events relevant to budget decisions.

2. Review of the current financial year (2009/10)

This section corresponds with the “Outlook for the coming budget year” as presented in last year’s budget statement. It should report on the implementation of new policy priorities, main events, and challenges from the past.

In all tables, the 2009/10 financial year has three columns (Main Appropriation, Adjusted Appropriation and Revised Estimates). It addresses problems experienced in the past, which relate to establishing/determining the departmental "bottom line" for purposes of the Budget Review, Medium Term Budget Policy Statement and Intergovernmental Fiscal Review.

3. Outlook for the coming financial year (2010/11)

This section reviews the activities of the department for the coming year, focuses on new policy priorities, significant events and challenges. Only matters of an external nature should be discussed. Sections 1 to 3 should not cover more than 2 or 3 pages depending on the extent of the budget appropriated to a department.

4. Receipts and financing

The following sources of funding are used for the Vote:

4.1 Summary of receipts

Departments are requested to note that the item, classified under departmental receipts in Table 2.1 refers to total departmental receipts as contained in Table 2.2.

Table 2.1: Summary of receipts: (name of department)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Equitable share									
Conditional grants									
Departmental receipts									
Total receipts									

4.2 Departmental receipts collection

Table 2.2 gives a summary of the receipts the department is responsible for collecting.

Table 2.2: Departmental receipts: (name of department)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sales of goods and services other than capital assets									
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land									
Sales of capital assets									
Financial transactions in assets and liabilities									
Total departmental receipts									

Arrangements with regard to the allocation of revenue within provinces differ. In some provinces the summary of departmental receipts are differentiated in terms of equitable share, conditional grants and departmental receipts, while in others departmental revenue comprises only of two sources, i.e. treasury allocation (equitable share) and conditional grants. To provide for this, a differentiated treatment is proposed. Provinces that allocate revenue based only on treasury allocation (equitable share) and conditional grants are requested to complete Table 2.1, while those that differentiate between equitable share, conditional grants and departmental receipts are required to complete both Tables 2.1 and 2.2. Tables 2.1 and 2.2 could also be combined as suggested in Table 2.3. It is envisaged that departments would migrate to a position whereby they retain a certain portion of their departmental receipts, in line with a revenue retention policy within the province.

The classification of departmental receipts distinguishes between tax receipts; sales of goods and services other than capital assets; transfers received; fines, penalties and forfeits; interest, dividends and rent on land; sales of capital assets; and financial transactions in assets and liabilities.

Table 2.3: Summary of receipts: (name of department)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Treasury funding									
Equitable share									
Conditional grants									
Other (Specify)									
Total Treasury funding									
Departmental receipts									
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sales of goods and services other than capital assets									
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land									
Sales of capital assets									
Financial transactions in assets and liabilities									
Total departmental receipts									
Total receipts									

A brief description of the different kinds of receipts and reasons for changes between the estimated receipts for the 2009/10 financial year and the MTEF years should be included. Departments should provide an explanation in instances where own receipt items experience a negative real growth rate between 2009/10 and 2010/11 financial years and indicate any once-off receipt items that needs to be considered in analysis of revenue trends.

Departments should also provide a narrative on how they have arrived at their own revenue budgets, highlighting the once-off payments, assumptions and why they have made adjustments from the previous year's estimate.

Departments are further required to provide more detail on receipts, which are presented in Table B.1, in the Annexure to Estimates of Provincial Expenditure. Table B.2 indicated the compulsory "of which" items to be included in Table B.1.

From the discussion that follows with regard to revenue retention by legislatures, refer to Section 6 of Estimates of Provincial Expenditure in this document.

5. Payment summary

This section contains information by programme (Table 2.4), economic classification in the Economic Reporting Format (Table 2.5), etc. It presents the main programmes, structure changes and expenditure trends in the Vote over the 7-year period and also reflects policy developments and departmental priorities. It is important to note that any proposed structural changes to departments, programmes and sub-programmes within departments (where there have been function shifts or shifts as it relates to the rationalisation of programmes) for the 2010 Budget should also be adjusted in the historical and current financial years (2006/07 to 2009/10) and be adjusted accordingly going forward.

With regard to the tables, the numbers included in 2009/10 under the revised estimates column should refer to the actual position as at 31 December 2008 and realistic projections for the remaining months of the financial year.

5.1 Key assumptions

Certain broad assumptions are determined, which establish the basic foundation for crafting a budget. These assumptions provide a framework to government officials for setting priorities, determining service levels and allocating limited financial resources.

The following general assumptions are actual examples taken from the 2007 Budget in guiding the development of a budget which are mainly driven by policy decisions:

- Education budgets should make adequate provision for pay progression and incentives targeted at school-based educators and a scarce skills allowance for mathematics and science teachers in schools in the bottom two quintiles as well as adequate funding for personnel.
- Social Development budgets must make adequate provision for the improved salary dispensation for social workers.
- Assumptions for salary increases should be taken into account, amongst others, adjustments contained in the wage agreement.
- Assumptions for inflation related items should be based on CPIX projections.

It is proposed that for the 2009 Budget, provinces should provide a list of assumptions which underpin the basic foundation for developing their budgets. The details thereof should be presented as part of each Vote.

5.2 Programme summary

Table 2.4 contains information by programme for the department. In instances where the MEC's remuneration is included it should be disclosed as a footnote.

Table 2.4: Summary of payments and estimates: (name of department)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Programme 1: Administration									
Programme 2: (name)									
....									
Programme xx: (name)									
Total payments and estimates: (name of department)									

Uniform treatment of the salary of the MEC: National Treasury would further like to promote uniform treatment of expenditure with regard to the salary of Political Office Bearers and in particular that of the Member of the Executive Council (MEC). The treatment of these payments is prescribed in the Remuneration of Public Office Bearers Amendment Act, 2000 (Act 9 of 2000).

Current practice dictates that the salary of Political Office Bearers is either regarded as a statutory payment, in which case it would be a direct charge against the Provincial Revenue Fund or a first charge against the departmental equitable share. If legislation provides for statutory payment of the salary of the MEC, then the departmental appropriation should include the amount allocated for the salary of the MEC.

In instances where no legislation exists, provinces should appropriate the funds whereby the salary of the MEC becomes a first charge on the departmental equitable share. At this stage provinces are using a combination of these approaches. National Treasury is however of the view that the approach that leads to a first charge against the departmental equitable share, provides for clearer accountability with regard to spending of that particular Vote. It further promotes better planning and budgeting for expenditure, which include amongst others: Travel allowances, hotel accommodation, subsistence and the payment of allowances other than that of the salary of the MEC.

5.3 Summary of economic classification

The economic classification presented in Table 2.5 is reported in accordance with the *Economic Reporting Format* issued by the National Treasury in October 2003 and was implemented for all national and provincial departments as part of the migration process to BAS with effect from 1 April 2004.

Table 2.5: Summary of provincial payments and estimates by economic classification: (name of department)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Current payments									
Compensation of employees									
Goods and services									
Interest and rent on land									
Transfers and subsidies to:									
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets									
Buildings and other fixed structures									
Machinery and equipment									
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Total economic classification: (name of department)									

Departments are required to provide more detail on payments and estimates, which are presented in Table B.3, in the Annexure to Estimates of Provincial Expenditure. It makes provision for the expansion of economic classification of payments items to be included under the category: "Goods and Services" ("of which items"). Table B.4 indicated the compulsory "of which" items for specific sectors to be included in Table B.3. All sectors reviewed the relevance of their current sets of "of which" items and in some instances imported new items which reflect their larger cost centres more appropriately, i.e. Education has adopted some items to define expenditure that are more definitively and to consolidate lower level information (refer to Table B.4).

The purpose is to provide a summary of the bigger spending items under “Goods and Services” in the department. Ideally these items should be at a lower level within the chart of accounts. This will facilitate in the performance of service delivery, which will be heavily scrutinised in the annual Provincial Budget and Expenditure Review.

“Transfers and Subsidies” include all unrequited payments made by the government unit. A payment is unrequited provided that the department does not receive anything directly in return for the transfer to the other party. Both current and capital transfers should be included in this item. However, capital transfers should be accounted for as a note in Table B.3 in the Annexure to Estimates of Provincial Expenditure and detailed information is required in the provincial database provided to provinces, where a distinction is made between current and capital transfers.

5.4 Infrastructure payments

In this section, details of provincial infrastructure payments and estimates need to be presented for the Vote as well as Public-Private Partnership projects summarised by “projects under implementation” and “new projects”.

5.4.1 Departmental infrastructure payments

Departments are requested to present detail of its infrastructure investment estimates in the relevant Vote as referred to in Table B.5 in the Annexure to Estimates of Provincial Expenditure in this document. This should be consistent with that of the infrastructure model that forms the basis of the quarterly provincial infrastructure reports. Flexibility is provided in cases where provinces have as a practice completed a separate Budget Statement 3 (Capital Estimates), as in the case of Gauteng. To preserve consistency, it is however requested that those provinces that complete a separate Budget Statement 3, still comply with the minimum information request as per Estimates of Provincial Expenditure in Estimates of Provincial Expenditure per Vote.

Departments are required to provide detail on EPWP per province in the infrastructure table (Table B 5). Providing detail at this level affords increased transparency and allows for effective financial management with regard to EPWP. It is envisaged that the budgets for infrastructure development must enhance the application of labour intensive methods in the construction and maintenance of provincial facilities in order to maximise job creation and skills development as encapsulated in the EPWP guidelines. Budget allocations should take into account the conditions for scaling-up EPWP in the construction of education and health facilities as well as roads. In this regard EPWP must be considered in both capital and current expenditure projects.

5.4.1.1 Maintenance (Table B 5)

The stock of infrastructure that is owned by government and its agencies is major and is increasing at a rapid rate. However the maintenance of this stock varies greatly from sector to sector and sometimes, also from institution to institution within a sector. Unless maintenance is improved in these sectors, funds to address the cost of repairs and unplanned replacements as opposed to planned, preventative measures will have to be found from capital budgets, which will severely limit the programme for addressing backlogs and expanding service delivery.

Infrastructure maintenance is a strategic tool, as it offers outstanding opportunities for economic stimulation as jobs are created, capital expenditure expanded and sustainable delivery achieved while community aspirations can be met.

Department are also required to provide detail on maintenance in the infrastructure table (Table B 5). Providing detail on maintenance affords increased transparency and allows for effective financial management.

5.4.2 Departmental Public-Private Partnership (PPP) projects

In this section, a summary of all departmental Public-Private Partnership projects under implementation and proposed projects are presented. Table 2.6 below provides for a summary of departmental Public-Private Partnership projects.

Table 2.6: Summary of provincial Public-Private Partnership projects: Province

R thousand	Annual cost of project Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Projects under implementation									
PPP unitary charge									
Penalties (if applicable)									
Advisory fees									
Project monitoring cost									
Revenue generated (if applicable)									
Contingent liabilities (Information)									
Proposed Projects									
Advisory fees									
Project team costs									
Site acquisition costs									
Other project costs									
Total									

5.5 Transfers

In this section, transfers to selected categories should be presented here, which is as follows:

- Departmental transfers to public entities falling within the governing framework, by entity;
- All other departmental transfers to entities other than transfers to public entities and local government, for example transfers to Non-Government Organisations (NGO's), by entity (in cases where disaggregating make sense). It is an important issue to have a sense to what extent the department is making use of NGO's, etc. So in instances where aggregation provides logistical challenges, it is recommended that the department give a sense as it relates to trends and type of services for which these transfers are made; and
- Departmental transfers to local government (municipalities), by category A, B and C.

5.5.1 Transfers to public entities

Departments should in Table 2.7 provide information on the transfers to public entities falling within their governing framework, by entity.

Table 2.7: Summary of departmental transfers to public entities

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Entity 1 (name)									
Entity 2 (name)									
....									
Entity .. (name)									
Total departmental transfers to public entities									

As part of the 2010 Budget, the National Treasury would like to extend the coverage of the general government account by including not only departmental payments and estimates, but also more information on the wider public sector accounts. This represents the continuation of an ongoing reform process with the ultimate aim of producing consolidated budgets for departments, including their financial data and that of associated entities.

Public entities however receive sizeable transfer payments from Government and are often the front-line providers of services. It is therefore important to understand the impact of these services on the community.

The contents of Table B.6 and one of the more recent financial reforms as envisaged by the Public Finance Management Act has been the compilation of consolidated financial statements. To facilitate the successful consolidation it is proposed that the consolidated budget of a department shows all trading accounts and transfers to entities under control of the department. It therefore imposes departmental accountability for public entities under the control of the department.

Departments are therefore required to provide detailed financial information separately on receipt and payment estimates for all public entities falling within its governing framework. This information is compulsory, drive accountability, forms part of the budget reform agenda and should be presented in Table B.6, in the Annexure to Estimates of Provincial Expenditure.

The table further represents the summary format of a more detailed schedule included as part of the provincial database. The information in the table must be adjusted to be compatible with departmental financial years and to be consistent with the financial statements published by the entity.

The first part of the table consists of a summary of the income statement of the entity, followed by a cash flow summary. The last part of the table provides information from the balance sheet. Cash flow and balance sheet information relating to the Medium Term Estimates should be provided.

The income statement, cash flow and balance sheet parts of the schedules are further expanded to include additional detailed information. Entities should use the definitions provided in the *Guide for Implementing the Economic Reporting Format* when completing these items, which can be obtained from the relevant department or Provincial Treasury.

5.5.2 Transfers to other entities

Table 2.8 provides for all other departmental transfers to entities (by entity). This information has become necessary due to numerous requests as a result of the political sensitivity surrounding such transfers and is supported by ongoing budget reforms. Transfers to Non-Government Organisations (NGOs), Community Based Organisations, etc. in (where disaggregation makes sense) particular for the provincial departments of Social Development proves to be examples of such transfers.

A detailed breakdown is required per sub-programme in Table B6.1 in the Annexure to Estimates of Provincial Expenditure.

Table 2.8: Summary of departmental transfers to other entities (for example NGOs)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Entity 1 (name)									
Entity 2 (name)									
....									
Entity .. (name)									
Total departmental transfers to NGOs									

5.5.3 Transfers to local government

Table 2.9 provides for transfers to municipalities by transfer type and category (A, B and C).

Table 2.9: Summary of departmental transfers to local government by category

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Category A									
Category B									
Category C									
Total departmental transfers to local government									

Detailed information on departmental transfers to local government by transfer/grant type, category and municipality should be presented in Table B.7 in the Annexure to Estimates of Provincial Expenditure. An insightful example of how this should be treated could be sourced from the KwaZulu-Natal Provincial Budget Statements, 2008 which is attached to this document under “Definitions and Examples” referred to as Table 4.

6. Receipts and retentions: Provincial legislatures

In this section, National Treasury provides guidance on the treatment of receipts and retention thereof in respect of the provincial legislature.

In terms of sections 13(1) and 22(1) of the Public Finance Management Act, 1999 (PFMA), all money received by the national and provincial government must be paid into the relevant Revenue fund, except money received by Parliament or a Provincial legislature within a province. Money received by Parliament or a provincial legislature must, in terms of sections 13(5) and 22(5), be paid into a bank account opened by the relevant legislature. The responsibility and procedure for receipts collection, deposits, retention and spending of moneys within provincial departments are clear. Within legislatures, there however exists uncertainty with regards to what categories of receipts can be retained and the processes to be followed for spending purposes. To assist provincial treasuries in relaying the message to legislatures, a complete list of the different categories of receipts are as follows: Commission relating to insurance deductions; stale cheques; accommodation rentals; repayment of bursaries; sale of equipment; capital income: Debtors; interest: debtors; income from catering services; income due to photo copying for private purposes; and interest on bank balances.

To ensure a uniform approach for the retention of receipts and spending against receipts collected, the following are proposed:

- Legislatures should be allowed to retain all categories of receipts as listed above. This is in accordance with sections 13(1) and 22(1) of the PFMA and would simplify the administration process for the retention of receipts;
- Budget submissions from Legislatures to the relevant treasuries, as required in terms of annual budget circulars, should include information on both estimated receipts and payments and should form part of the normal evaluation and budget allocation process; and
- Estimates of payments to be tabled in the legislature should indicate total payments of the legislatures to be funded from appropriations as well as from receipts collected.

The following tables should be presented for the Vote: Provincial Legislature with regards to receipt and payment and estimates:

Table 2.10(a): Summary of receipts: Vote 02: Provincial Legislature

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Treasury funding									
Equitable share									
Conditional grants									
Other (Specify)									
Total receipts: Treasury funding									
Departmental receipts									
Tax receipts									
Sales of goods and services other than capital assets									
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land									
Sales of capital assets									
Financial transactions in assets and liabilities									
Total departmental receipts									
Total receipts: Vote 02: Provincial Legislature									

Table 2.10(b): Summary of payments and estimates: Vote 02: Provincial Legislature

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Programmes									
Programme 1: Administration									
Programme 2: (name)									
....									
Programme xx: (name)									
Direct charge on the Provincial Revenue Fund									
Members remuneration									
Other (Specify)									
Total payments and estimates: Vote 02: Provincial Legislature									
LESS:									
Departmental receipts not surrendered to Provincial Revenue Fund ¹									
(Amount to be financed from revenue collected in terms of Section 13 (2) of the PFMA)									
Adjusted total payments and estimates: Vote 02: Provincial Legislature									

1) Should complement departmental receipts in table 2.10(a).

Table 2.10(c): Summary of provincial payments and estimates by economic classification: Vote 02: Provincial Legislature

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Current payments									
Compensation of employees									
Goods and services									
Interest and rent on land									
Transfers and subsidies to:									
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets									
Buildings and other fixed structures									
Machinery and equipment									
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Total economic classification: Vote 02: Provincial Legislature									
LESS:									
Departmental receipts not surrendered to Provincial Revenue Fund ¹									
(Amount to be financed from revenue collected in terms of Section 13 (2) of the PFMA)									
Adjusted total economic classification: Vote 02: Provincial Legislature									

1) Should complement departmental receipts in table 2.10(a).

7. Programme description

The different programmes are presented in this section, beginning with an overall description of respective programmes and their objectives. Policy developments specific to each programme should be detailed here. Most of the information in this section should relate to the information in the strategic and annual performance plans.

Each programme is listed individually alongside its purpose, as in the Appropriation Bill. The main measurable objectives should also be included, in terms of section 27(4) of the PFMA.

Programme 1: Administration has an internal focus. It performs a support function to the various programmes within a particular Vote, while all the other programmes deliver particular services to communities. It is therefore proposed that Programme 1 only presents amounts. A specific presentation can be motivated in instances where Programme 1 performs very specific functions related to the activities of other programmes.

After the introduction of the programme, each sub-programme should be discussed briefly, showing the receipt and payment estimates.

Table 2.11 provides a summary of departmental payments by sub-programme where Table 2.13 provides for the breakdown of payments by economic classification. Please refer to Section 5.3 of Estimates of Provincial Expenditure for more information on the economic classification.

Table 2.11: Summary of payments and estimates: Programme (number and name)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Sub-programme 1: (name)									
Sub-programme 2: (name)									
....									
Sub-programme n: (name)									
Total payments and estimates: Programme (number and name)									

In instances where a Vote represents a combination of departments for which uniform budget and programme structures have been prescribed, information should be provided at a sub-sub-programme level. A good example of how this should be treated is seen from the KwaZulu-Natal Provincial Budget Statements, 2004 and is presented in Table 2.12.

Table 2.12: KwaZulu-Natal Provincial Budget Statements, 2004 - Example of how sub-sub programmes should be presented

Summary of payments and estimates: Programme 2: Agricultural Development Services

R thousand	Outcome			Main appropriation	Adjusted appropriation 2003/04	Medium-term estimates		
	2000/01	2001/02	2002/03			2004/05	2005/06	2006/07
Sustainable Resource Management (Sub-programme)	18 074	26 946	41 398	43 936	53 336	34 989	42 156	44 587
Engineering Services (Sub-sub programme)	17 026	25 794	35 342	33 031	42 431	30 989	34 156	36 087
Land Care (Sub-sub programme)	1 048	1 152	6 056	10 905	10 905	4 000	8 000	8 500
Farmer Support and Development (Sub-programme)	207 717	217 516	233 554	283 624	277 361	332 400	377 631	408 447
Farmer Settlement (Sub-sub programme)	32 925	40 318	29 218	47 041	47 732	30 282	37 101	38 727
Farmer Support Services (Sub-sub programme)	174 792	177 198	204 336	236 583	229 629	265 102	294 260	314 196
Comprehensive Agriculture Support Programme (Sub-sub programme)						37 016	46 270	55 524
Veterinary Services (Sub-programme)	54 181	55 086	62 400	63 539	63 457	72 400	76 742	81 347
Animal Health (Sub-sub programme)	47 370	45 022	53 584	52 008	51 926	58 394	61 895	65 609
Export control (Sub-sub programme)								
Veterinary Public Health (Sub-sub programme)	1 416	1 409	1 890	3 614	3 614	14 006	14 847	15 738
Veterinary Lab Services (Sub-sub programme)	5 395	8 655	6 926	7 917	7 917			
Technology Research and Development Services	43 959	42 972	53 633	65 339	65 796	66 350	71 526	75 818
Research (Sub-sub programme)	43 959	42 972	53 633	65 339	65 796	36 783	39 721	42 105
Information Services (Sub-sub programme)						6 264	6 770	7 176
Infrastructure Support services (Sub-sub programme)						23 303	25 035	26 537
Agricultural Economics (Sub-programme)	-	-	-	-	-	-	-	-
Marketing Services (Sub-sub programme)								
Macroeconomics and Statistics (Sub-sub programme)								
Structured Agricultural Training (Sub-programme)	9 320	10 726	12 096	13 008	13 008	18 852	13 835	14 665
Tertiary Education (Sub-sub programme)	9 320	10 726	12 096	13 008	13 008	18 852	13 835	14 665
Further Education and Training (FET) (Sub-sub programme)								
Total	333 251	353 246	403 081	469 446	472 958	524 991	581 890	624 864

Table 2.13: Summary of provincial payments and estimates by economic classification: Programme (number and name)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Current payments									
Compensation of employees									
Goods and services									
Interest and rent on land									
Transfers and subsidies to:									
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets									
Buildings and other fixed structures									
Machinery and equipment									
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Total economic classification: Programme (number and name)									

7.1. Description and objectives

In this section the discussion focuses on the following: Purpose, service rendered, policy changes, payment pressures, and receipts collection, among other issues. At this level consideration is given to two types of operational objectives:

- Objectives regarding changes in policies, structures, service establishments, geographic distributions of service, etc; and
- Operational objectives for the planned output in terms of quantity and quality (all this information should be found in the strategic planning document).

7.2 Service delivery measures

The use of non-financial data in the budget statements should be limited as detailed non-financial data is available in the annual performance plans. For more detail on non-financial data which deals with programme performance (non-financial data) a cross reference to the Annual Performance Plan (APP) is recommended. The contents of the APP should not be duplicated in Estimates of Provincial Expenditure. There have been many challenges with regard to the targets expressed in the Budget Statement and the other planning documents therefore it was agreed that only the purpose and the goal of the programme be expressed under this section. The above only serves as a minimum requirement and should a department still prefer to express the full compliment of their performance indicators they have the prerogative to do so. However, it must be noted that cross reference needs to be made to the APP for information relating to performance indicators (that is performance measures and targets) to eliminate duplication of information already existing in the APP

- Those departments who prefer to disclose the full set of performance indicators must ensure that it is reflected under the applicable programme/sub-programme to ensure the logical flow of information within each vote.

It is important to note that the targets must be expressed in numeric values, no text descriptions will be allowed. In addition, percentages reflected in isolation of baseline numbers will not be accepted.

Please note that the targets inserted for the measures in Estimates of Provincial Expenditure must be the same as the targets that have been reflected in the Annual Performance Plan.

Sector

Programme / Subprogramme / Performance measures	Estimated Annual Targets		
	2009/10	2010/11	2012/13
Provincial Education Sector			
Number of children of compulsory school going age that attend schools			
Number of youths above compulsory school going age attending schools and other educational institutions			
Public expenditure on the poorest learners as a percentage of public expenditure on the least poor learners			
Years input per FETC graduate			
Average highest school grade attained by adults in population			
Adult literacy rate			
Programme 1: Administration			
Number of schools implementing the School Administration and Management System			
Number of schools that can be contacted electronically by the department			
Number of black women in senior management positions			
Percentage of current expenditure going towards non-personnel items			

7.3 Other programme information

7.3.1 Personnel numbers and costs

Personnel numbers per programme for full-time equivalent positions need to be disclosed at the end of each departmental chapter for the previous and current financial years, along with estimates over the MTEF.

In preparing departmental budgets, departments must take account of the full cost of all aspects of personnel policy. This includes general salary adjustments for pay progression, overtime, medical aid, homeowners allowance and any other allowances that may apply. The full carry through effects of the 2009 salary increase must also be factored into departmental budgets. The unit cost (R'000) is calculated by dividing the actual payments by the number of full time employees as at 31 March of the financial year in consideration.

Table 2.14: Personnel numbers and costs¹: (name of department)

Personnel numbers	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012
Vote 01: Office of the Premier							
Vote 02: Provincial Legislature							
....							
Vote xx:							
Total provincial personnel numbers							
Total provincial personnel cost (R thousand)							
Unit cost (R thousand)							

1. Full-time equivalent

Table 2.15 presents a further breakdown to personnel numbers and costs for Human Resources and Finance components, and for full time, part-time and contract workers. It provides information on the number of persons (head count) and the cost associated to the Human Resources and Finance Divisions as well as for full time, part-time and contract workers within a provincial department as at 31 March over a seven year horizon.

Furthermore, it is also intended to highlight risks with regards to vacancies and the ability to deliver in line with the mandates assigned to these functions. Compensation of employees is ordinarily a major component of each department's budget and if budgeted for more accurately, the budget on the whole should be more precise.

The Education sector indicated that it would want to provide a little more information on their personnel expenditure, in line with what had been agreed for the "Of which" items. Indications are that a better sense is required as it relates to Compensation of Employees (ES and CS educators and their Social Contributions). The sector has also proposed some additional "Of Which" items to provide more transparency in terms of larger spending items, e.g. Expenditure less than R5000, Education provincial departments are encourage to ensure that these items are reflected correctly to ensure alignment with the budget guideline.

Table 2.15: Summary of departmental personnel numbers and costs

	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Total for province									
Personnel numbers (head count)									
Personnel cost (R thousands)									
Human resources component									
Personnel numbers (head count)									
Personnel cost (R thousands)									
Head count as % of total for province									
Personnel cost as % of total for province									
Finance component									
Personnel numbers (head count)									
Personnel cost (R thousands)									
Head count as % of total for province									
Personnel cost as % of total for province									
Full time workers									
Personnel numbers (head count)									
Personnel cost (R thousands)									
Head count as % of total for province									
Personnel cost as % of total for province									
Part-time workers									
Personnel numbers (head count)									
Personnel cost (R thousands)									
Head count as % of total for province									
Personnel cost as % of total for province									
Contract workers									
Personnel numbers (head count)									
Personnel cost (R thousands)									
Head count as % of total for province									
Personnel cost as % of total for province									

7.3.2 Training

Departments are required by the Skills Development Act to budget at least 1 percent of its personnel payments on staff training. This requirement gives credence to Government policy on Human Resource Development. To facilitate this process, departments have been affiliated to their line function Sectoral Education and Training Authorities (SETA's).

In the absence of a line functioning SETA, government departments can undertake specific and functional training through the Public Services Education and Training Authority (PSETA). The South African Management Development Institute (SAMDI) is mandated by legislation to manage generic or transversal training. SAMDI has incorporated the PSETA to assist with this task. Government departments that do not contribute towards the SETA's are not eligible for grants for training. Table 2.14(a) reflects departmental spending on training per programme. It provides for actual and estimated payments on training for the period 2006/07 to 2009/10 and budgeted payments for the period 2010/11 to 2012/13. It might be possible that while several departments are not in a position to meet this requirement in the short to medium-term, every effort should be made to increase payments on skills development, within the broader context of existing Human Resource Development policies.

Table 2.16(a) provide for a high level aggregation of provincial spending on training, while the structure of the standard chart facilitates the aggregation of payments on training at item level.

Table 2.16(a): Payments on training: (name of department)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Programme 1: Administration of which Subsistence and travel Payments on tuition									
Programme 2: (name) Subsistence and travel Payments on tuition									
....									
Programme n: (name) Subsistence and travel Payments on tuition									
Total payments on training: (name of department)									

Training constitutes the group of items that provide detail about staff development and the related costs in terms of external training or the development of training materials and manuals for internal training. Examples of specific items included under training would be: subsistence and travel, registration, payments on tuition, etc. This section should also reflect the payments to institutes (SAGO, IPAC, SAICA, etc.) to attend seminars, workshops and training sessions. A more detailed definition is referenced in the SCOA classification system.

In this section a narrative in support of capacity building programme could be provided. It should speak to the needs analysis, decision on what training should be provided for whom and by when will the challenges of capacity be addressed. This section should assess whether spending on training has made an impact on the skills or capacity challenges within the department.

It has now also become important that we provide information on the number of persons trained and those to be trained in the budget year and over the MTEF. Cabinet agreed that departments should allocate at least 1 per cent of its personnel budget to learner- and internships annually. A DPSA training guide for the public service as well as the Skills and Human Resource Development Strategies, which place pressure on government departments and provinces to train existing staff and unemployed persons either as interns, learners or volunteers, etc.

Table 2.16(b) provides for information on the number of persons trained, gender profile of the persons trained and to be trained, number of bursaries awarded, interns, learnerships and the mode of training. This section on training provides for introspection and opportunity for provinces to conclude that to be able to provide services effectively, it is quite critical that it spend on skills development and training in order to enhance capacity.

The information contained within table 2.16(b) should be reflected in the aggregate for the department and need not be presented at programme level.

Table 2.16(b): Information on training: (name of department)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Number of staff									
Number of personnel trained									
of which									
Male									
Female									
Number of training opportunities									
of which									
Tertiary									
Workshops									
Seminars									
Other									
Number of bursaries offered									
Number of interns appointed									
Number of learnerships appointed									
Number of days spent on training									

7.3.3 Reconciliation of structural changes

Structural changes between programmes in the department or between a programme in the department and another department should be indicated, as per the table below. Such changes may occur when an MEC approves the transfer of responsibility for the provision of services between programmes or between departments. This might be particularly the case where departments have adopted uniform budget and programme structures, which are different from those in previous years. Good programme reporting and accountability is enhanced when departments then retrospectively classify those programmes and sub-programmes accordingly. This is good budgeting practice and a stern requirement of the various international conventions in this regard. Departments are therefore required to ensure that this practice is upheld.

Table 2.17: Reconciliation of structural changes: (name of department)

Programmes for 2008/09			Programmes for 2009/10		
	2009/10 Equivalent				
	Programme	Subprogramme		Programme	Subprogramme

Annexure to the Estimates of Provincial Expenditure

(Annexure to Budget Statement 2)

Table B.1: Specifications of receipts

The following information must be presented in annexure to each Vote:

Table B.1: Specification of receipts: (name of department)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sales of goods and services other than capital assets									
Sale of goods and services produced by department (excluding capital assets)									
Sales by market establishments									
Administrative fees									
Other sales									
Of which									
Health patient fees									
Other (Specify)									
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
Transfers received from:									
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land									
Interest									
Dividends									
Rent on land									
Sales of capital assets									
Land and subsoil assets									
Other capital assets									
Financial transactions in assets and liabilities									
Total departmental receipts									

Table B.2: Receipts: Sector specific “of which” items

The following specific sectors’ “of which” items must be presented as part of Table B.1:

Table B.2: Receipts: Sector specific “of which” items to be included in Table B.1

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Education									
Tax receipts									
.....									
Sales of goods and services other than capital assets									
Sale of goods and services produced by department (excluding capital assets)									
Sales by market establishments									
.....									
Other sales									
<i>Of which</i>									
<i>External examinations</i>									
<i>Other (Specify)</i>									
.....									
Total departmental receipts									
Agriculture									
Tax receipts									
.....									
Sales of goods and services other than capital assets									
Sale of goods and services produced by department (excluding capital assets)									
Sales by market establishments									
.....									
Other sales									
<i>Of which</i>									
<i>Tuition fees</i>									
<i>Laboratory services (soil and animal testing)</i>									
<i>Sale of surplus agricultural produce</i>									
<i>Other (Specify)</i>									
.....									
Total departmental receipts									

Table B.2: Receipts: Sector specific "of which" items to be included in Table B.1

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Housing									
Tax receipts									
.....									
Sales of goods and services other than capital assets									
Sale of goods and services produced by department (excluding capital assets)									
Sales by market establishments									
.....									
Other sales									
Of which									
Rental									
Loan repayments (individuals, entities)									
Other (Specify)									
.....									
Total departmental receipts									
Public Works, Roads and Transport									
Tax receipts									
.....									
Sales of goods and services other than capital assets									
Sale of goods and services produced by department (excluding capital assets)									
Sales by market establishments									
.....									
Other sales									
Of which									
Rental of buildings, equipment and other services produced									
Other (Specify)									
.....									
Total departmental receipts									

Table B.3: Payments and estimates by economic classification

The following table must be presented for each programme:

Table B.3: Payments and estimates by economic classification: Programme (number and name)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Current payments									
Compensation of employees									
Salaries and wages									
Social contributions									
Goods and services									
<i>of which</i>									
Specify item									
Specify item									
Specify item									
Interest and rent on land									
Interest									
Rent on land									
Transfers and subsidies to¹:									
Provinces and municipalities									
Provinces ²									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities ³									
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers ⁴									
Universities and technikons									

Table B.3: Payments and estimates by economic classification: Programme (number and name)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Transfers and subsidies to¹: - continued									
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Social benefits									
Other transfers to households									
Payments for capital assets									
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment									
Transport equipment									
Other machinery and equipment									
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Total economic classification: Programme (number and name)									

Of which: Capitalised compensation⁶

- 1) Details of capital transfers to be included in a note to the budget statement.
- 2) Includes all grants to provinces and grants from national departments to provincial entities.
- 3) Includes all grants to local government and grants from national departments to local government entities.
- 4) This only includes national agencies grouped into various categories, e.g. regulatory, SETA's, etc. - no business entities included here.
- 5) Category exclusively for business like entities, National Treasury to decide which entities to be included.
- 6) Details on this classification are provided in the Guidelines for Implementing the New Economic Reporting Formats - October 2003.

Table B.4: Payments and estimates by economic classification: Sector specific “of which” items

The following specific sectors’ “of which” items must be presented as part of Table B.3:

Table B.4: Payments and estimates by economic classification: Sector specific “of which” items to be included in Table B.3

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Education									
Current payments									
.....									
Goods and services									
of which									
Inventory									
Learning support material									
Stationery and printing									
Consultants, contractors and special services									
Equipment less than R5 000									
Furniture less than R5 000									
Maintenance of buildings									
Operating leases									
Learner transport									
Other goods and services									
.....									
Total economic classification: Programme (number and name)									
Health									
Current payments									
.....									
Goods and services									
of which									
Consultants and specialised services									
Maintenance, repair and running costs									
Medical services									
Medical supplies									
Medicine									
Other (Specify)									
.....									
Total economic classification: Programme (number and name)									

Table B.4: Payments and estimates by economic classification: Sector specific "of which" items to be included in Table B.3

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Social Development									
Current payments									
.....									
Goods and services									
of which									
Consultants and specialised services									
Venues and facilities									
Maintenance, repairs and running costs									
Printing and publications									
Travel and subsistence									
Other (Specify)									
.....									
Total economic classification: Programme (number and name)									
Agriculture									
Current payments									
.....									
Goods and services									
of which									
Veterinary supplies (medicines, dipping, vaccination laboratory material)									
Consultancy fees									
Animal feed									
Transport (excluding subsidised vehicles)									
Infrastructure (fencing, irrigation)									
Other (Specify)									
.....									
Total economic classification: Programme (number and name)									
Housing									
Current payments									
.....									
Goods and services									
of which									
Consultancy fees									
Audit fees									
Contractor fees									
Information Technology expenses (data lines, computer software, modems)									
Other (Specify)									
.....									

Table B.4: Payments and estimates by economic classification: Sector specific "of which" items to be included in Table B.3

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Local Government									
Current payments									
.....									
Goods and services									
<i>of which</i>									
<i>Consultancy fees</i>									
<i>Audit fees</i>									
<i>Other (Specify)</i>									
.....									
Total economic classification: Programme (number and name)									
Public Works, Roads and Transport									
Current payments									
.....									
Goods and services									
<i>of which</i>									
<i>Consult, contract & special services</i>									
<i>Inventory</i>									
<i>Maintenance, repair & running cost</i>									
<i>Operating leases including rent</i>									
<i>Owned & leasehold property exp</i>									
<i>Travel and subsistence</i>									
<i>Other (Specify)</i>									
.....									
Total economic classification: Programme (number and name)									

Table B.5: Details on infrastructure

The following information for infrastructure must be presented in annexure to each Vote:

Table B.5(a): Education - Payments of infrastructure by category

No.	Project name	Municipality / Region	Type of infrastructure		Project duration		Budget programme name	EPWP budget for current financial year	Total project cost	Expenditure to date from previous years	MTEF Forward estimates		
			School - primary/ secondary/ specialised; admin block; water; electricity; sanitation/toilet; fencing etc)	Units (i.e. number of classrooms or facilities or square meters)	Date: Start	Date: Finish					2010/11	MTEF 2011/12	MTEF 2012/13
R thousands													
1. New and replacement assets													
1													
...													
n													
Total New infrastructure assets													
2. Upgrades and additions													
1													
...													
n													
Total Upgrades and additions													
3. Rehabilitation, renovations and refurbishments													
1													
...													
n													
Total Rehabilitation, renovations and refurbishments													
4. Maintenance and repairs													
1													
...													
n													
Total Maintenance and repairs													
5. Infrastructure transfers - current													
1													
...													
n													
Total Infrastructure transfers - current													
6. Infrastructure transfers - capital													
1													
...													
n													
Total Infrastructure transfers - capital													
Total Education Infrastructure													

Table B.5(b): Health - Payments of infrastructure by category

No.	Project name	Municipality / Region	Type of infrastructure		Project duration		Budget programme name	EPWP budget for the current financial year	Total project cost	Expenditure to date from previous years	Total available		
			Regional/District/Central Hospital; Clinic; Community Health Centre; Pharmaceutical Depots, Mortuary etc	Units (i.e. number of beds or facilities)	Date: Start	Date: Finish					2010/11	MTEF 2011/12	MTEF 2012/13
R thousands													
1. New and replacement assets													
1													
...													
n													
Total New infrastructure assets													
2. Upgrades and additions													
1													
...													
n													
Total Upgrades and additions													
3. Rehabilitation, renovations and refurbishments													
1													
...													
n													
Total Rehabilitation, renovations and refurbishments													
4. Maintenance and repairs													
1													
...													
n													
Total Maintenance and repairs													
5. Infrastructure transfers - current													
1													
...													
n													
Total Infrastructure transfers - current													
6. Infrastructure transfers - capital													
1													
...													
n													
Total Infrastructure transfers - capital													

Table B.5(c): Social Development - Payments of infrastructure by category

No.	Project name	Municipality / Region	Type of infrastructure		Project duration		Budget programme name	EPWP budget for the current financial year	Total project cost	Expenditure to date from previous years	MTEF Forward estimates		
			Secure Care Centre; Community Centre; Old-age home; Day Care Centre etc	Units (i.e. number of facilities)	Date: Start	Date: Finish					2010/11	MTEF 2011/12	MTEF 2012/13
R thousands													
1. New and replacement assets													
1													
...													
n													
Total New infrastructure assets													
2. Upgrades and additions													
1													
...													
n													
Total Upgrades and additions													
3. Rehabilitation, renovations and refurbishments													
1													
...													
n													
Total Rehabilitation, renovations and refurbishments													
4. Maintenance and repairs													
1													
...													
n													
Total Maintenance and repairs													
5. Infrastructure transfers - current													
1													
...													
n													
Total Infrastructure transfers - current													
6. Infrastructure transfers - capital													
1													
...													
n													
Total Infrastructure transfers - capital													

Table B.5(d): Roads and Transport - Payments of infrastructure by category

No.	Project name	Municipality / Region	Type of infrastructure		Project duration		Budget programme name	EPWP budget for the current financial year	Total project cost	Expenditure to date from previous years	Total available			MTEF Forward estimates		
			Surfaced; gravel (include earth and access roads); public transport; bridges; drainage structures etc	Units (i.e. number of kilometers/ square meters/ facilities)	Date: Start	Date: Finish					2010/11	MTEF 2011/12	MTEF 2012/13			
R thousands																
1. New and replacement assets																
1																
...																
n																
Total New infrastructure assets																
2. Upgrades and additions																
1																
...																
n																
Total Upgrades and additions																
3. Rehabilitation, renovations and refurbishments																
1																
...																
n																
Total Rehabilitation, renovations and refurbishments																
4. Maintenance and repairs																
1																
...																
n																
Total Maintenance and repairs																
5. Infrastructure transfers - current																
1																
...																
n																
Total Infrastructure transfers - current																
6. Infrastructure transfers - capital																
1																
...																
n																
Total Infrastructure transfers - capital																

Table B.5(e): Agriculture - Payments of infrastructure by category

No.	Project name	Municipality / Region	Type of infrastructure		Project duration		Budget programme name	EPWP budget for the current financial year	Total project cost	Expenditure to date from previous years	Total available			MTEF Forward estimates		
			Irrigation scheme; borehole; storage and marketing facility; fencing; animal housing facility; access road etc	Units (i.e. number of facilities/ square meters/ kilometers)	Date: Start	Date: Finish					2010/11	MTEF 2011/12	MTEF 2012/13			
R thousands																
1. New and replacement assets																
1																
...																
n																
Total New infrastructure assets																
2. Upgrades and additions																
1																
...																
n																
Total Upgrades and additions																
3. Rehabilitation, renovations and refurbishments																
1																
...																
n																
Total Rehabilitation, renovations and refurbishments																
4. Maintenance and repairs																
1																
...																
n																
Total Maintenance and repairs																
5. Infrastructure transfers - current																
1																
...																
n																
Total Infrastructure transfers - current																
6. Infrastructure transfers - capital																
1																
...																
n																
Total Infrastructure transfers - capital																

Table B.6: Detailed financial information for public entities

The following information below presents the requirement on detailed financial information for public entities and must be completed for each public entity. This table represents the summary format of a more detailed schedule included as part of the provincial database. The information in the table must be adjusted to be compatible with departmental financial years and to be consistent with the financial statements published by the entity.

Table B.6: Financial summary for the (name of public entity)

R thousand	Outcome			Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	-	-	-	-	-	-	-
<i>Of which:</i>							
Admin fees	-	-	-	-	-	-	-
Sales by market establishments	-	-	-	-	-	-	-
Non-market est. sales	-	-	-	-	-	-	-
Other non-tax revenue	-	-	-	-	-	-	-
Transfers received	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Total revenue	-	-	-	-	-	-	-

Table B.6: Financial summary for the (name of public entity)

R thousand	Outcome			Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Expenses							
Current expense	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-
Tax and Outside shareholders Interest	-	-	-	-	-	-	-
Adjustments to Fair Value	-	-	-	-	-	-	-
Unearned reserves (social security funds only)	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-
Surplus / (Deficit)	-	-	-	-	-	-	-

Table B.6: Financial summary for the (name of public entity)

R thousand	Outcome			Revised estimate 2009/10	Medium-term estimates		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	-	-	-	-	-	-	-
Adjustments for:							
Depreciation	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Net (profit) / loss on disposal of fixed assets	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Operating surplus / (deficit) before changes in working capital	-	-	-	-	-	-	-
Changes in working capital	-	-	-	-	-	-	-
(Decrease) / increase in accounts payable	-	-	-	-	-	-	-
Decrease / (increase) in accounts receivable	-	-	-	-	-	-	-
(Decrease) / increase in provisions	-	-	-	-	-	-	-
Cash flow from operating activities	-	-	-	-	-	-	-
Transfers from government	-	-	-	-	-	-	-
<i>Of which: Capital</i>	-	-	-	-	-	-	-
<i>: Current</i>	-	-	-	-	-	-	-
Cash flow from investing activities	-	-	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-	-	-
Other flows from Investing Activities	-	-	-	-	-	-	-
Cash flow from financing activities	-	-	-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	-	-	-	-	-	-	-

Table B.6: Financial summary for the (name of public entity)

R thousand	Outcome			Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Balance Sheet Data							
Carrying Value of Assets	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Cash and Cash Equivalents	-	-	-	-	-	-	-
Receivables and Prepayments	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
TOTAL ASSETS	-	-	-	-	-	-	-
Capital & Reserves	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-
Post Retirement Benefits	-	-	-	-	-	-	-
Trade and Other Payables	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-
Managed Funds	-	-	-	-	-	-	-
TOTAL EQUITY & LIABILITIES	-	-	-	-	-	-	-
Contingent Liabilities	-	-	-	-	-	-	-

Table B.6.1: Summary of departmental transfers to other entities (for example NGOs)

R thousand	Sub Programme	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
		2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Entity 1 (name)										
Entity 2 (name)										
....										
Entity .. (name)										
Total departmental transfers to other entities										

Table B.7: Details on transfers to local government

The following information for transfers to local government must be presented in annexure to each Vote:

Table B.7: Transfers to local government by transfer / grant type, category and municipality: (name of department)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Type of transfer/grant 1 (name)									
Category A									
Municipality 1 (name)									
Municipality 2 (name)									
Municipality n (name)									
Category B									
Municipality 1 (name)									
Municipality 2 (name)									
Municipality n (name)									
Category C									
Municipality 1 (name)									
Municipality 2 (name)									
Municipality n (name)									
Unallocated									
Type of transfer/grant n (name)									
Category A									
Municipality 1 (name)									
Municipality 2 (name)									
Municipality n (name)									
Category B									
Municipality 1 (name)									
Municipality 2 (name)									
Municipality n (name)									
Category C									
Municipality 1 (name)									
Municipality 2 (name)									
Municipality n (name)									
Unallocated									

Table B.7: Transfers to local government by transfer / grant type, category and municipality: (name of department)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate 2008/09	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Total departmental transfers/grants									
Category A									
	Municipality 1 (name)								
	Municipality 2 (name)								
	Municipality n (name)								
Category B									
	Municipality 1 (name)								
	Municipality 2 (name)								
	Municipality n (name)								
Category C									
	Municipality 1 (name)								
	Municipality 2 (name)								
	Municipality n (name)								
Unallocated									

Definitions and Examples

Table 1: Definitions

Table 1: Definitions

This list of definitions is not exhaustive. The final version will be presented when the national norms and standards for service delivery measures have been finalised. The sector specific strategic and performance plans developed to date should be use as a point of reference. Provinces are advised to read this in conjunction with the Treasury Guide: Preparing budget submissions and the Guide for Implementing the New Economic Reporting Format.

Activities	Actions or steps taken to carry out a programme or produce an output.
Category A municipality	A metropolitan municipality that has exclusive executive and legislative authority in its area.
Category B municipality	A local municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls
Category C municipality	A district municipality that has municipal executive and legislative authority in an area that includes more than one municipality
Effectiveness	The extent to which policy objectives, operational goals and other intended effects are achieved.
Input	A resource used by a department to produce its outputs; this includes labour, other goods and services, capital assets, financial assets and intangible assets.
Objective	<p>A statement of specific results to be achieved over a specified period. An objective can be “to provide public ordinary school education to 456 789 learners during the next financial year”. It can also be “to increase the pass rate by 6 per cent”.</p> <p><i>Measurable objectives</i> are defined as specific, quantifiable outcomes that can be achieved within a foreseeable time period. They serve as a roadmap for achieving the department’s goals and define the actual impact on the public rather than focussing on the level of effort that is expended. They are tools to assess the effectiveness of an agency’s performance and the public benefit that is derived.</p> <p>At this stage, it is worth explaining the various components of the above description. Measurable objectives are described as quantifiable outcomes, as opposed to outputs</p>
Key measurable objective	An objective for the most important measurable results that will be achieved in terms of service delivery. “To provide public ordinary school education for 456 789 learners” is a key measurable objective for the department of education. A key measurable objective can also be “an increase in the pass rate of 6 per cent”.
Maintenance and repairs - current	Maintenance and repairs are the activities related to the performance of routine, preventative, predictive, scheduled, and unscheduled actions aimed at preventing the facility failure or decline with the goal of maintaining its efficiency, reliability, and safety in the delivery of the service. A preventive maintenance programme refers to the organised and planned performance of routine maintenance activities in order to prevent system or production problems or failures from occurring. This is in direct contrast to renovation, rehabilitation, refurbishments, upgrade or additions. The maintenance action implies that the asset is kept in its original condition without enhancing its capacity, or the value of the asset. Such transactions are classified as current payments.
New or replaced infrastructure asset - capital	<p>New infrastructure includes any construction of structure such as new building, new school, new clinic, new hospital, new community health care centre, new tarred & gravel roads etc. It does not include additions to existing structures</p> <p>Replaced infrastructure asset refers to the replacing of the existing old structure with a new structure, for example demolition or relocation of a school or health facility to build the new one.</p> <p>When a new asset has been created or an old asset replaced, the expenditure is classified as capital expenditure (payments of capital assets).</p>
Output	Outputs are the final goods and services produced or delivered by departments to clients that are external to the departments. Outputs may be defined as the ‘what’ that departments deliver or provide, contributing towards meeting the outcomes that government wants to achieve.
Outcome	Outcomes are the end social and economic result of public policies or programmes, and mainly refer to changes in the general state of well being in the community. Examples include a safe and secure environment, healthy citizens, reduction in repeat offenders, reduced poverty levels and stable and self-sufficient families.
Performance measure	A quantitative parameter used to measure expected outcomes in terms of the general performance dimensions of quantity, quality, cost and timeliness. “To provide public ordinary school education to 456 789 learners” is a quantitative performance measure. “To increase the pass rate” is a quality measure.
Renovations, rehabilitation or refurbishments - capital	Activities that are required due to neglect or unsatisfactory maintenance or degeneration of an asset. The action implies that the asset is restored to its original condition, thereby enhancing the capacity and value of an existing asset that has become inoperative due to the deterioration of the asset. Such transactions are classified as payments for capital assets.
Service delivery measure	Quantitative information about how much service a programme has delivered. “To have provided public ordinary school education to 456 789 learners” is a measure of output.
Service delivery indicators	Should it be impossible to quantify the service delivery, an indicator can be used – generally an outcomes measure that verifies the result of service delivery. For road safety issues, the “improvement in road safety” may be a more relevant measurable objective than “the number of speed traps” or “information campaigns”. The “improvement in road safety” will be the service delivery indicator for the road safety programme. A service delivery indicator can also be defined

	as a performance indicator.
Quality indicators	The quality of a service can rarely be quantified. Indicators such as the teacher/learner ratio pass rate or drop-out rates must be used to give some impression of quality.
Upgrade and additions - capital	This involves activities aimed at improving the capacity and effectiveness of an asset above that of the initial design purpose. The decision to upgrade or enlarge an asset is a deliberate investment decision which may be undertaken at any time and is not dictated by the condition of the asset, but rather in response to a change in demand and or change in service requirements. Upgrades and additions are classified as payments for capital assets.

**Table 2: Example: KwaZulu-Natal
Provincial Budget Statements, 2008:
Transfers to Local Government (Overview
of Provincial Expenditure, Section 5.6.3)**

**Table 3: Example: Western Cape
Provincial Budget Statements, 2008:
Provincial Payments and Estimates by
Region, District and Municipal Ward
(Overview of Provincial Expenditure,
Section 5.7)**

**Table 4: Example: KwaZulu-Natal
Provincial Budget Statements, 2008:
Departmental Transfers to Local
Government (Health) (Estimates of
Provincial Expenditure, Section 5.5.3)**

