



2018 MTEF TECHNICAL GUIDELINES

FOR NATIONAL DEPARTMENTS

GUIDELINES FOR THE
PREPARATION OF BUDGET
SUBMISSIONS AND
EXPENDITURE ESTIMATES
FOR THE 2018 MEDIUM TERM
EXPENDITURE FRAMEWORK
(MTEF)

June 2017

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA





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2018 MTEF

Technical Guidelines

for National Departments

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CONTENTS

1	INTRODUCTION	1
2	PRIMARY SUBMISSION: NARRATIVE REPORT	3
3	PRIMARY SUBMISSION: DATA SUBMISSION	5
4	SUPPLEMENTARY SUBMISSIONS	7
4.1	Large Strategic Infrastructure Projects	7
4.2	General Budget Support from development cooperation partners	7
4.3	Public Entity submissions	8
4.4	Budget Programme Structure change proposals	8
5	2018 MTEF BUDGET PROCESS	9
5.1	Critical 2018 MTEF National Budget Process dates	9
	ANNEXURE A: RESOURCE ALLOCATION PROCESS STEPS	10
	ANNEXURE B: BUDGET PROCESS TECHNICAL AND POLITICAL STRUCTURES	13
	ANNEXURE C: FUNCTION GROUPS	16

1 INTRODUCTION

- 1.1** Through the budget process, a large number of public institutions plan, collaborate, negotiate and decide together on a comprehensive government spending plan for the next three years. Given fiscal limits, resources must be allocated in the most effective and efficient way to meet the policy objectives of South Africa as a democratic state, as set out in the Constitution, the National Development Plan and government's Medium Term Strategic Framework (2014 – 2019).
- 1.2** These 2018 Medium Term Expenditure Framework (MTEF) Technical Guidelines provide national departments with guidance on preparing budget submissions and medium-term expenditure estimates for the 2018 Budget. They are issued in accordance with section 27(3) of the Public Finance Management Act (PFMA), Act No. 1 of 1999. While primarily intended for national government departments, they may be used, with appropriate amendments, to guide submissions by other institutions¹ to national government departments.
- 1.3** The aim of this technical guideline is to ensure that the documentation prepared by national government departments provides relevant and useful information on the main strategic proposals in order to enable the preparation of clear recommendations in respect of the budget. The Ministers' Committee on the Budget Technical Committee (MTEC) – which is composed of Director-Generals of several centre-of-government departments – will prepare an “issues and recommendations report” for consideration by the Ministers' Committee on the Budget (MINCOMBUD) and Cabinet. This report will draw on departmental budget submissions and engagements on these submissions in the course of the budget process. Further information on these matters can be found in *ANNEXURE B: Budget process technical and political structures*. The primary budget submission of a national department must be:
- Submitted by the Accounting Officer and accompanied by a covering letter confirming that the submission is the expression of the department's strategic direction, which results from the budget deliberations of its executive management.
 - Comprised of two elements:
 - a) A narrative report which explains the context for the budget and provides the department's rationale for expenditure recommendations in a clear and concise manner with a view towards helping decision makers reach conclusions on the basis of evidence and the evaluation of performance.
 - b) A data submission, which provides the department's estimates of expenditure by programme and main economic classification.

¹ Other institutions including public entities, trading entities, government components and constitutional institutions need to provide necessary budget information to national departments to enable them to prepare the budget submission to National Treasury. Constitutional institutions may also approach the National Treasury directly regarding their budget submission.

2018 MTEF Technical Guidelines for National Departments

- Comprehensive, covering all the expenditure appropriated against a vote, including transfers to entities and other spheres of government within the budget vote.
- Based on key performance indicators, in line with Medium Term Strategic Framework, Strategic Plans and Annual Performance Plans.
- Prepared under the guidance of the accounting officer of the national department, in collaboration with the entities and other institutions that report to the same executive authority.

1.4 The following policy guidance should be taken into account when preparing the primary budget submission:

- Government is committed to remain within an expenditure ceiling as explained in the 2017 Budget Review. This implies that no additional resources are available for allocation over the MTEF, beyond the limit amounts set aside in the contingency reserve. In general, this implies that additional allocations to a programme will need to be funded by reductions in funding for another programme, either within the department's budget, or from another department's budget. Departments will generally be expected to operate within personnel budget limits, contain costs and improve efficiency by undertaking appropriate operational changes, programme reviews and rescheduling that result in savings.
- The Department of Planning, Monitoring and Evaluation (DPME) has been tasked by Cabinet to prepare a paper on policy priorities to guide the allocation of resources. This paper will be issued separately by DPME in due course, and will help to inform deliberations on the budget.

1.5 Primary budget submissions must be received by the National Treasury by **14 July 2017**.

1.6 Supplementary submissions in respect of the following elements will also be considered in the 2018 budget process:

- Budget programme structure change proposals
- Large strategic infrastructure projects
- General budget support from development cooperation partners
- Public entities and constitutional institutions

The content and deadlines applicable to supplementary submissions may differ from those of the primary submission. Further information about the supplementary submissions is provided below, but separate dedicated guidance on these matters will be issued to departments in due course. All National Treasury guidelines can be found at: <http://www.treasury.gov.za/publications/guidelines/>.

2 PRIMARY SUBMISSION: NARRATIVE REPORT

2.1 The primary submission consists of two elements: a narrative report and a data submission. The narrative report must explain the context for the budget and provide an evidence-based rationale for expenditure recommendations for decision makers. It must include the following elements, which are explained in more detail below:

- Key programmes report
- Composition of spending report
- Reallocations report
- Value-for-money plan
- Human resources report
- Cost pressures report
- Public entities and institutions report

2.2 **Key programmes report** explains trends, issues and challenges related to the largest conditional grants, transfers and programmes that relate to the core strategic priorities of the department. The discussion should link budget analysis with a consideration of the policy outcomes and performance indicators for each element. Some key departmental deliverables and cost drivers have been pre-selected by the National Treasury for discussion in the report, and are also highlighted in the data submission. The trends in these and other important budget areas must be discussed.

2.3 **Composition of spending report** discusses trends, issues and challenges in respect of compensation of employees, capital spending, goods and services, transfers and subsidies and other relevant elements of the budget defined by economic classification.

2.4 **Reallocations report** provides an explanation of the proposals to reallocate spending between programmes or economic classifications with a view to addressing cost pressures or aligning resources better with policy priorities. This should include the justification and rationale for the programmes and projects to be scaled back, rescheduled to a later period or closed. In the case of reallocations to address cost pressures this should be presented together with the baseline trend that needs to be corrected. In the case of strategic realignment to meet new policy imperatives, the priority must be identified and the solution explained, together with its budget and performance impact. The budget implications must be quantified and a rationale must be provided for where the funding was sourced. Departments must consult the programme evaluations completed by the DPME and the expenditure reviews undertaken by the National Treasury, in selecting these programmes.

2.5 **Value-for-money plan** explains the departments plans to improve efficiency, realise savings, contain costs and improve value-for-money, with particular reference to supply chain management and procurement. The department's plans to participate in transversal contracts to assist in containing costs should be specifically addressed. The *Quick Reference Guide to Reduce Procurement Spend* issued by the Chief Procurement Officer (CPO) should guide this element of the report.

2018 MTEF Technical Guidelines for National Departments

This guideline with additional guidance, is contained in the following documents issued by the CPO, which are available on the website:

http://ocpo.treasury.gov.za/Buyers_Area/Legislation/Pages/Guidelines.aspx:

- Quick Guide to Tracking Savings and Benefits,
- Short Guide on Health and Education Sectors,
- Guide to grow economy, inclusive growth, access to black businesses,
- How to guide on PPPFA Regulations, and
- Centrally Negotiated Savings.

2.6 Human resources budget report is a narrative report in respect of the information that will be contained in the human resource budget plan, which forms part of the data submission. It should explain the departments' plans and intentions in respect of establishment restructuring, headcount management, recruitment and human resource development with a view to operating within the personnel budget limit of the department. This requires inclusion of information on key changes effected and envisaged on the department's personnel profile, including the related department's personnel expenditure and headcount.

National Treasury's *Guidelines for the Costing and Budgeting for Compensation of Employees: For the Preparation of Expenditure Estimates for the 2018 Medium Term Expenditure Framework (MTEF)* must be used when costing the compensation of employees. All National Treasury guidelines can be found at:

<http://www.treasury.gov.za/publications/guidelines/>.

2.7 Cost pressures report provides an explanation of pressures arising in the budget as a result of changed economic or social conditions that are not within the control of the department, but which have impacted on the demand for services and/or the cost of supplying them. These pressures may include those that are inflationary, and those that arise from foreign exchange rate fluctuations or other fluctuations. Where possible these pressures should be costed, and include an analysis of how the pressure arose. This section should not include changes to policy or other matters within the control of government. To the extent that these pressures have been addressed in the reallocation report, this section should make reference to those cost pressures and quantify the details.

2.8 Public entities and institutions report gives a summary of the financial status and policy imperatives in respect of the public entities and other institutions receiving transfers from the department.

Schedules 2, 3A and 3B public entities, trading entities, government components and constitutional institutions are required to submit an initial budget outlook statement to the national department to whose vote they have been designated. The budget outlook statement should include the current status of major public entities receiving transfers from the department, including underlying cost assumptions, performance indicators, prevailing issues and their expenditure trends. This information is to be considered/ included in the budget submission of the relevant vote to the National Treasury.

3 PRIMARY SUBMISSION: DATA SUBMISSION

3.1 Information contained in the department's budget explanatory narrative report in section 2 above, must be supported by relevant data workbooks. These workbooks must contain data in respect of the main requirements of a budget submission. The following are the three workbooks:

- 1) a 2018 MTEC submission workbook,
- 2) a 2018 Human Resource Budget Plan workbook, and
- 3) a 2018 Data and Costing workbook.

When working with the workbooks, note that:

- Departments must submit the **three** 2018 MTEC submission workbooks by **14 July 2017**.
- **No** additional resources are available in aggregate for allocation in the 2018 MTEF; this budget cycle will focus on expenditure control within the existing budget limits.
- For estimation purposes, the 2020/21 baseline has been calculated. Non-recurrent allocations have been excluded from the 2020/21 baseline.

In budgeting for non-personnel expenditure items within the department's expenditure ceiling, the following projections can be utilised to inform the provisions that departments choose to make for general price increases over the 2018 MTEF period:

Costing Assumptions

- (a) Consumer Price Index
 - 2018/19 financial year: 5.7 per cent
 - 2019/20 financial year: 5.6 per cent
 - 2020/21 financial year: 5.5 per cent
- (b) Exchange rate – Rand/US\$
 - 2018/19 financial year: R14.41/US\$
 - 2019/20 financial year: R14.70/US\$
 - 2020/21 financial year: R14.99/US\$
- (c) Economic growth rate
 - 2018/19 financial year: 1.8 per cent
 - 2019/20 financial year: 2.1 per cent
 - 2020/21 financial year: 2.3 per cent
- (d) Total population size
 - 2018/19 financial year: 57 387 892
 - 2019/20 financial year: 58 159 487
 - 2020/21 financial year: 58 913 630

Departments must apply their discretion when using the assumptions. If the outcomes are different from the forecasted estimates, departments will need to absorb any resultant differences within their budget baselines. It is also expected that budgets for non-essential goods and services items, such as travel and accommodation grow below inflation.

2018 MTEF Technical Guidelines for National Departments

3.2 Details of each workbook is as follows:

- 1) **2018 MTEC submission workbook** is accessible on National Treasury website: <http://www.treasury.gov.za/publications/guidelines/templates/2018/>. It summarises the department's strategic proposals for budget reallocations, including key budget areas. This workbook is compulsory with the following main data sheets:
 - ✓ Main adjustment proposal: No departmental input is required on this sheet as data is drawn from the proposals completed on other sheets. Pre-selected key deliverables/cost drivers are highlighted. The impact of proposed strategic budget reallocations on the departmental baseline, by programme and main economic classification, are also shown.
 - ✓ Proposal capture sheet: must be used to capture up to 6 strategic proposals for reallocation:
 - Step 1: List strategic proposals, and complete the impact of these reallocations on performance indicators and note the motivation,
 - Step 2: Complete the details regarding the source of funds and use thereof, for each strategic reallocation proposal,
 - Step 3: Complete the impact of reallocations on infrastructure projects,
 - Step 4: Complete the impact of reallocations on personnel numbers, economic classification and by key deliverable / cost driver, if applicable
 - ✓ Costing of proposals:
 - Complete detailed data in this sheet to record the costing information related to proposals (*optional*).
- 2) **Human Resource Budget Plan workbook** provides data on how the department manages its personnel expenditure and headcount. Completion of this workbook is compulsory. The personnel information provided in the 2017 ENE, by programme and salary level, must be updated for the 2018 MTEF years. Any variance with the set compensation of employees expenditure ceiling, will be highlighted.

The guidelines as referred to in section 2.6 above must be used when costing the compensation of employees.
- 3) **Data and costing workbook** departments must use the standardised sheets provided in the workbook to record at a minimum the **aggregate annual totals** for each costing / cost pressure element (each element is on a separate sheet, thus it is compulsory for at least the aggregate total row to be completed in each sheet). For the detailed cost information, there is an option of completing the other rows for the economic classification breakdown in each sheet provided, or of submitting supporting costing documents in whatever format the department prefers.

2018 MTEF Technical Guidelines for National Departments

Below is a list of the sheets contained in this workbook:

- ✓ Cost containment and efficiencies
- ✓ Programmes to be scaled down
- ✓ Statement of cost pressures

4 SUPPLEMENTARY SUBMISSIONS

4.1 Large Strategic Infrastructure Projects

As directed by Cabinet, National Treasury is working with the Presidential Infrastructure Coordinating Commission secretariat (PICC), the Departments of Planning, Monitoring and Evaluation (DPME) and Economic Development (EDD) to establish a budget facility for infrastructure. This establishes specialised structures, procedures and criteria for committing fiscal resources to public infrastructure spending. A separate infrastructure budget analysis process is to be followed for the 2018 MTEF.

A separate new *Guideline for the Preparation of Budget Submissions for Large Strategic Infrastructure Projects* must be adhered to by a department in preparing the large infrastructure proposals. All National Treasury guidelines can be found at: <http://www.treasury.gov.za/publications/guidelines/>. Departments must comply with this guideline and its requirements. The closing date for submission of large infrastructure proposals is **31 August 2017**.

Smaller projects which do not meet the above mentioned criteria should form part of the department's budget submission in terms of the 2018 MTEF technical guidelines. For these projects, the *Capital Planning Guidelines* should be consulted. All National Treasury guidelines can be found at: <http://www.treasury.gov.za/publications/guidelines/>.

A submission for the smaller projects is due by **14 July 2017**.

4.2 General Budget Support from development cooperation partners

Funding of R600 million is available for the 2018 MTEF period under the General Budget Support (GBS) component of the EU-funded National Development Policy Support Programme. Only proposals from national departments in support of the identified national priorities and compliant with the appropriate use of official development assistance (ODA) policies will be considered.

A separate *Guideline for General Budget Support Funding* must be consulted and a *Business Plan for GBS Funding* template must be completed. This guideline and the template are available on the National Treasury's website: <http://www.treasury.gov.za/publications/other/BudgetSupportManuals/>

Proposals must be submitted to National Treasury by **14 July 2017**.

4.3 Public Entity submissions

Public entities are not required to provide the National Treasury with a separate 2018 MTEC budget submission in July 2017. On **27 October 2017**, following the tabling of the Medium Term Budget Policy Statement (MTBPS), entities will be issued with a *Budget Planning Baseline Tool* which will be made available on the website: <http://www.treasury.gov.za/publications/guidelines/templates/2018/>. Entities will be required to submit their board approved budgets to National Treasury, using this tool, by **5 December 2017**.

4.4 Budget Programme Structure change proposals

Where a department is considering making revisions to programme structures and activity descriptions, these budget structure changes should be discussed with the relevant Treasury budget analyst before submitting a formal request for approval of the change. The *Budget Programmes Structure Guidelines* must be consulted. All National Treasury guidelines can be found at: <http://www.treasury.gov.za/publications/guidelines/>.

Formal requests for budget programme structure changes must be submitted to the National Treasury by **19 June 2017**, together with an update to the **2017 ENE database**.

On approval of the budget structure change, the National Treasury will provide the department with an updated and customised **2018 MTEC data submission workbook** to complete. The new workbook template will be in the format of the newly approved programme structure, in line with the updated ENE database submitted with the application.

The department must then return the completed **2018 MTEC data submission workbook** by **14 July 2017**.

5 2018 MTEF BUDGET PROCESS

5.1 Critical 2018 MTEF National Budget Process dates

ITEM	DATE
MTEF technical guidelines and 2018 MTEC submission workbooks issued to departments	June 2017
Information sessions with departments on MTEF technical guidelines and database	June 2017
Departments submit proposals for budget programme structure revision	19 June 2017
Budget submission from departments	14 July 2017
Large infrastructure proposals submission from departments	31 August 2017
MINCOMBUD Technical Committee process concludes: Recommendations tabled to MINCOMBUD	September 2017
ENE technical guidelines and database distributed to departments	October 2017
Tabling of Medium Term Budget Policy Statement	25 October 2017
Preliminary allocation letters issued to departments	27 October 2017
Budget Planning Baseline tool issued to entities	27 October 2017
Submission of 2018 ENE database by departments	10 November 2017
Submission of draft 2018 ENE chapter by departments	14 November 2017
Cabinet approved final allocations distributed to departments	1 December 2017
Entities submit board approved budget to National Treasury	5 December 2017
Budget tabled in Parliament	February 2018

ANNEXURE A: RESOURCE ALLOCATION PROCESS STEPS

MONTH	TASK	ROLE-PLAYERS	FORUM/S	OUTPUTS REQUIRED
April – May	Planning the 2018 budget process	MINCOMBUD Technical Committee (MTEC)	Technical budget lekgotla	2018 MTEF technical guidelines
May – Early June	Adoption of 2018 Budget strategy	MINCOMBUD Cabinet	Forum of South African Director Generals (FOSAD) MINCOMBUD meeting/s Cabinet meeting/s	Publication of 2018 MTEF technical guidelines
June – July	Compilation of budget submissions by departments and entities Formulation of recommendations to technical committees	Departments Entities National Treasury Department of Public Service and Administration (DPSA) Department of Planning, Monitoring and Evaluation (DPME) Department of Cooperative Governance (DCoG)	Bilateral and technical group interactions ²	Written and data budget submissions to function groups

² Technical group meetings are held, in which relevant departments, public entities and provincial structures participate. Technical groups, and the function groups that they are housed within, are aligned with particular outcomes specified in the MTSF. The technical group considers submissions by institutions and discusses the reallocation of resources within the group as a whole (including constitutional institutions).

2018 MTEF Technical Guidelines for National Departments

MONTH	TASK	ROLE-PLAYERS	FORUM/S	OUTPUTS REQUIRED
End July – September	Formulation of recommendations to technical and political committees	Departments Entities Function groups Technical Committee on Finance (TCF) MTEC	Function group interactions ³ 10x10 meeting/s ⁴ MTEC hearings TCF meeting/s FOSAD	Recommendations to political committees on information to be tabled in MTBPS, need to include: <ul style="list-style-type: none"> • fiscal framework • key national government spending priorities • division of revenue • substantial adjustments to conditional grants
End September – October	Formulation of recommendations to Cabinet	MINCOMBUD	MINCOMBUD meeting/s Cabinet meeting/s	Approval of recommendations to be tabled in MTBPS
End October	Tabling of 2017 MTBPS	Minister of Finance Parliament		MTBPS publication including: <ul style="list-style-type: none"> • fiscal framework • key national government spending priorities • division of revenue • substantial adjustments to conditional grants
End October – November	Draft allocation letters Finalisation of details of National government allocations to be included in 2018 Budget	Function groups MTEC MINCOMBUD Cabinet	MTEC hearings FOSAD MINCOMBUD meeting/s Cabinet meetings	Final national government allocation letters

³ Function group hearings are DG's hearings on budget policy or other meetings involving senior officials from relevant institutions and experts from the relevant field. In this setting, several technical groups may be brought together to consider submissions by institutions and discuss the allocation of resources across the function as a whole. Function groups may also be called to present at MINCOMBUD technical meeting hearings.

⁴ In function areas with a large degree of concurrent powers, a 10x10 meeting, comprised of the heads of the nine provincial departments and one national lead department in the function together with their finance counterparts, may be convened as a substitute or complement for the work of the function group.

2018 MTEF Technical Guidelines for National Departments

MONTH	TASK	ROLE-PLAYERS	FORUM/S	OUTPUTS REQUIRED
December – February	Finalisation of recommendations to be tabled in 2018 Budget Drafting of budget documentation	MTEC MINCOMBUD Cabinet National departments and public entities	MTEC hearings FOSAD MINCOMBUD meeting/s Cabinet meetings	Budget review publication Appropriation bill Division of revenue bill Estimates of national expenditure publications People's guide to the budget Tax proposals
February	Tabling of budget	Minister of Finance Parliament		Budget tabled
March – July	Adoption of budget expenditure legislation	National Assembly National Council of Provinces	Hearings Debates Adoption of bills	Budget adopted

ANNEXURE B: BUDGET PROCESS TECHNICAL AND POLITICAL STRUCTURES

TECHNICAL STRUCTURES

1. The senior technical structures of the MTEF budget process are the Minister's Committee on the Budget Technical Committee (MTEC) and the Technical Committee on Finance (TCF):
 - MINCOMBUD Technical Committee (MTEC) is a committee of senior officials from National Treasury (NT), Department of Planning, Monitoring and Evaluation (DPME), Department of Cooperative Governance (DCoG) and Department of Public Service and Administration (DPSA) that makes recommendations to Ministers' Committee on the Budget (MINCOMBUD) regarding budget allocations in the medium term expenditure framework, taking into account government priorities, funding available, alternative funding sources and the division of revenue amongst the three spheres of government.
 - TCF is a committee of the heads of all provincial treasuries and is chaired by the Deputy Director-General (DDG) of the Intergovernmental Relations division of the National Treasury. The TCF considers intergovernmental finances and the Division of Revenue and makes recommendations to the Budget Council, Budget Forum and MTEC.
2. The process of generating final recommendations to the MTEC includes the following elements:
 - National Treasury appoints a coordinator for each technical group, who will be responsible for engaging with budget departments and preparing reports to the MTEC for each technical group.
 - Budget *bilaterals* are convened between National Treasury and senior finance and programme officials in each department.
 - *Technical group* meetings are held, in which relevant departments, public entities and provincial structures participate. Technical groups, and the function groups within which they are housed, are both aligned with particular outcomes specified in the MTSF. The technical group considers submissions by departments and discusses the reallocation of resources within the group as a whole. Financial analysis discussions are also held with selected entities.
 - In function areas with a large degree of concurrent powers, a function 10x10, composed of heads of department of the nine provincial and the national lead department in the function, together with their finance counterparts, will be convened as a substitute or complement for the work of the technical group. Where resource allocation decisions are recommended that alter the division of revenue across the three spheres of government, a function 10x10 will be required.
 - *Performance dialogues*, convened by the DPME together with the departmental, technical group or functional stakeholders may be held.

2018 MTEF Technical Guidelines for National Departments

- MTEC may also convene *function group hearings*, *DG's budget forums* on budget policy or other meetings involving senior officials from relevant departments and experts in the relevant field. In this setting, several technical groups may be brought together to consider submissions by departments and discuss the allocation of resources across the function as a whole.
3. Technical group coordinators will prepare a final report on the budget proposals recommended as an outcome of the process. These reports will be presented to MTEC, which will make final recommendations to MINCOMBUD and then to Cabinet.

POLITICAL STRUCTURES

The Ministers' Committee on the Budget

4. MINCOMBUD has been constituted as a Committee of Cabinet, chaired by the Minister of Finance. Its members have been appointed by the President on recommendation from the Minister of Finance. MINCOMBUD may invite other members of Cabinet or senior officials to attend and/or present on issues of relevance to its mandate. In addition to political office bearers, MINCOMBUD meetings are attended by the Directors-General of National Treasury, the Presidency, and the Departments of Planning, Monitoring and Evaluation and Cooperative Governance. Senior officials of National Treasury attend as determined by the Director General: National Treasury. The Director-General: National Treasury ensures that the National Treasury provides administrative services for the proper functioning of MINCOMBUD.
5. The functions of MINCOMBUD are to:
 - Consider and advise Cabinet on budget allocations to be included in the national budget, MTEF and the division of revenue framework.
 - Consider matters related to the determination of expenditure allocations, including the economic assumptions underpinning the budget, fiscal policy objectives and tax proposals.
 - Recommend, in terms of section 30(2)(b) of the PFMA, items of unforeseeable and unavoidable expenditure to be included by the Minister of Finance in the national adjustments budget. When performing this function, the President and the Deputy President chair MINCOMBUD, and constitute the "(MINCOMBUD)/Treasury Committee".

Budget Council and Budget Forum

6. The Intergovernmental Fiscal Relations Act (97 of 1997) establishes a Budget Council consisting of the Minister of Finance and the Members of the Executive Council of Finance (MEC for Finance) of each province. The Chairperson of the Financial and Fiscal Commission may also attend the Budget Council. The Minister of Finance is the chairperson of the Budget Council.
7. The Act defines the Budget Council as a body in which the national government and the provincial governments consult on any fiscal, budgetary or financial matter affecting the provincial sphere of government.

2018 MTEF Technical Guidelines for National Departments

8. The Intergovernmental Fiscal Relations Act (97 of 1997) establishes a Local Government Budget Forum comprising of the Minister of Finance (who is the chairperson), the MEC for Finance of each province and five representatives of the South African Local Government Association (SALGA) at national level, as well as one representative of SALGA from each province. The Act defines the Budget Forum as a body in which the national government, the provincial governments and organised local government consult on any fiscal, budgetary or financial matter affecting the local sphere of government.

Joint MINMECs

9. From time to time, the Minister of Finance in consultation with the Cabinet member responsible for another portfolio may convene a Joint MINMEC to consider sector budget issues and make recommendations to MINCOMBUD. A Joint MINMEC is comprised of the Minister of Finance, Members of the Executive Council of Finance from nine provinces and their counterparts at the national and provincial level from the relevant sector department.

ANNEXURE C: FUNCTION GROUPS

FUNCTION GROUP	TECHNICAL GROUP (FUNCTION SUB-GROUP)	KEY DEPARTMENTS AND OTHER INSTITUTIONS ¹
1. Learning and culture	Basic education	Basic Education, Provincial Education departments
	Post-school education and training	Higher Education and Training, Sector Education and Training Authorities, National Skills Fund, National Student Financial Aid Scheme, Quality Council for Trades and Occupations, Council for Higher Education, South African Qualifications Authority
	Arts, culture, sport and recreation	Sports and Recreation, Arts and Culture, Provincial and Local Arts, Culture, Sport and Recreation
2. Health	Health	Health, Provincial Health departments, National Health Laboratory Service, Military Health Services
3. Social development	Social protection	Social Development, South African Social Security Agency, Provincial Social Developments
	Social security funds	Road Accident Fund, Unemployment Insurance Fund, Compensation Fund
4. Community development	Community development	Cooperative Governance, Human Settlements, Water and Sanitation, Transport, Energy, Provincial Human Settlements, Provincial Transport and Local Governments
5. Economic development	Industrialisation and exports	Trade and Industry, Economic Development, Mineral Resources, Tourism, Small Business Development, Public Works
	Agriculture and rural development	Agriculture Forestry and Fisheries, Rural Development and Land Reform
	Job creation and labour affairs	Labour, Public Works, Expanded Public Works Programmes, Cooperative Governance
	Economic regulation and infrastructure	Energy, Transport, Environmental Affairs, Telecommunications, Water and Sanitation, Provincial and Local Governments
	Innovation, science and technology	Science and Technology
6. Peace and security	Defence and state security	Defence, Military Veterans, Financial Intelligence Centre, State Security, Armscor and the Castle Control Board
	Police services	Police, Independent Police Investigative Directorate, Civilian Secretariat for Police
	Law courts and prisons	Justice and Constitutional Development, Correctional Services, Office of the Chief Justice, Legal Aid South Africa, Public Protector of South Africa, South African Human Rights Commission
	Home affairs	Home Affairs
7. General public services	Executive and legislative organs	Presidency, Communications, Women, Parliament, Provincial Legislatures, Planning, Monitoring and Evaluation
	Public administration and fiscal affairs	Public service and Administration, National Treasury, Public Enterprises, Statistics South Africa, Cooperative Governance and Traditional Affairs, Public Works
	External affairs	International Relations and Cooperation, National Treasury



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