

2014 Appropriation Bill

Standing Committee on Appropriations

Presented by: Michael Sachs – Acting Deputy Director General: Budget Office
4 July 2014



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

2014 Appropriation Bill

- Appropriation Bill, 2014 was tabled in Parliament at the time of the Budget – 26 February 2014
- The Money Bills Amendment Procedure and Related Matters Act, 2009 requires that after the tabling of a national budget:
 - Section 8(3) - Parliament must within 16 days submit a report to the National Assembly and the National Council of Provinces on the fiscal framework and revenue proposals
 - This was done on 6 March 2014
 - Section 9(3) – The Division of Revenue Bill must be passed no later than 35 days after the adoption of the fiscal framework by Parliament
 - The Division of Revenue Act (DORA), 2014 was passed and gazetted on 26 April 2014
 - Section 10(7) – Parliament must pass with or without amendments the Appropriation Bill within four months after the start of the financial year, namely by 31 July 2014

2014 Appropriation Bill, cont.

- Appropriation Bill, 2014 lapsed on the last day of sitting of the National Assembly prior to the national elections
- The National Assembly revived the Bill on 18 June 2014
- Prior to the enactment of the Bill, departments incur expenditure in terms of section 29 of the PFMA, which makes provision for spending before an annual budget is passed:
 - Up to end July, expenditure may not exceed 45% of the 2013/14 financial year budget
 - After July, monthly expenditure can only amount to 10% of the 2013/14 budget
- The promulgation of the Appropriation Act, 2014 as soon as possible is necessary:
 - To allow for monthly expenditure above the transitional provisions contained in the PFMA
 - To ensure expenditure in accordance with the vote aims and programme purposes as stated in the Act

Structure of the Bill

- Bill is divided by vote and by main division within a vote (i.e. by programme)
- An aim is set out for each vote and a purpose is set out for each programme
- Allocations are categorised in terms of:
 - Current payments
 - Compensation of employees
 - Goods and Services
 - Other
 - Transfers and subsidies
 - Payments for capital assets
 - Payments for financial assets
- Allocations marked with an asterisk refer to specifically and exclusively appropriated allocations
- Conditional grants are specifically and exclusively appropriated and are also listed in the DORA, 2014

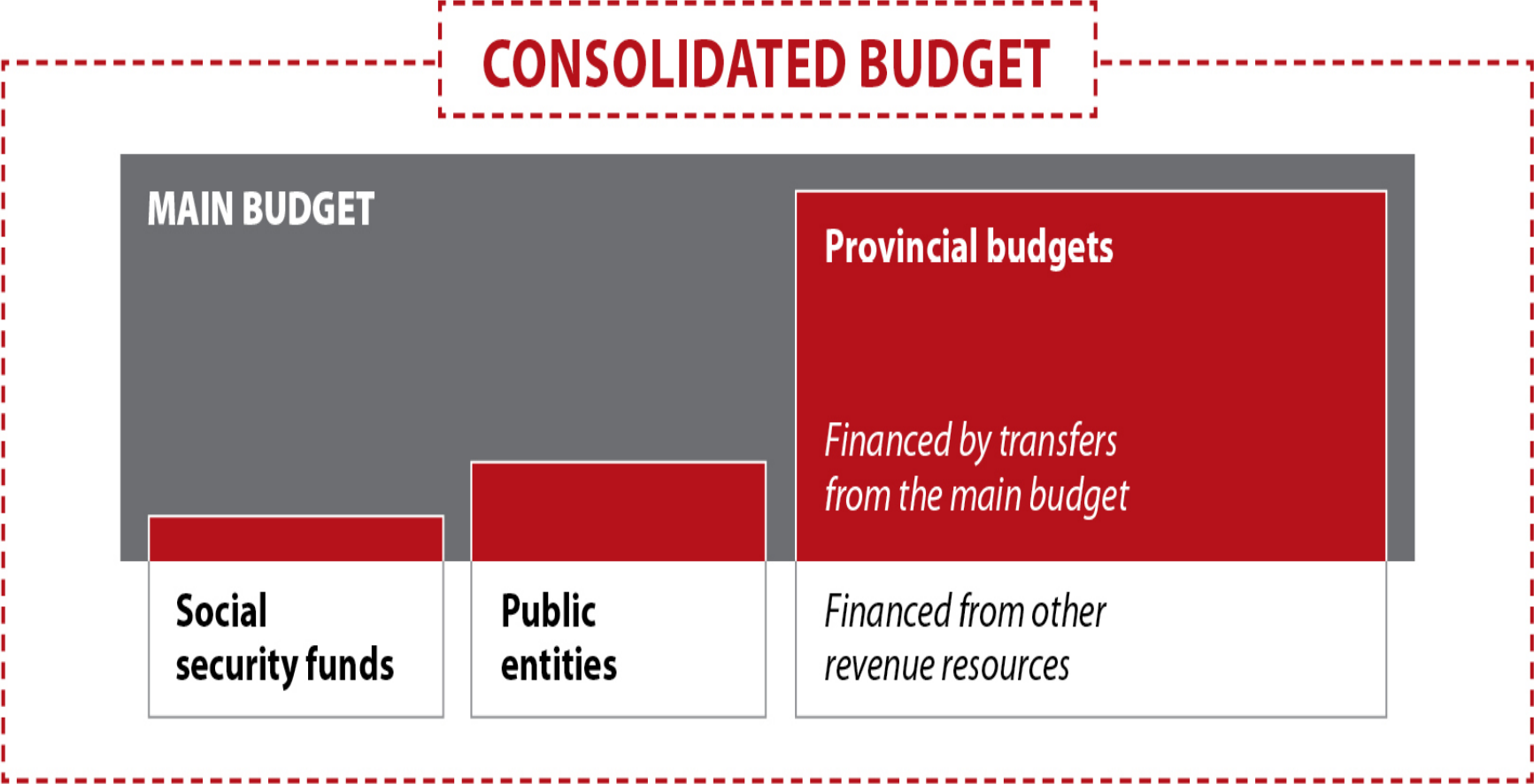
Reinforcing fiscal policy

- Fiscal policy continues to be guided by the principles of
 - countercyclicality,
 - debt sustainability and
 - intergenerational fairness
- Over the medium term, government will balance continued support for economic recovery with fiscal consolidation
- The composition of spending improves over the MTEF:
 - Capital is the fastest growing item of non-interest expenditure
 - Social wage (spending on health, education and social development) continues to grow in real terms
 - Expenditure on travel, catering, consultants and other administrative payments declines in real terms

Ensuring spending efficiency

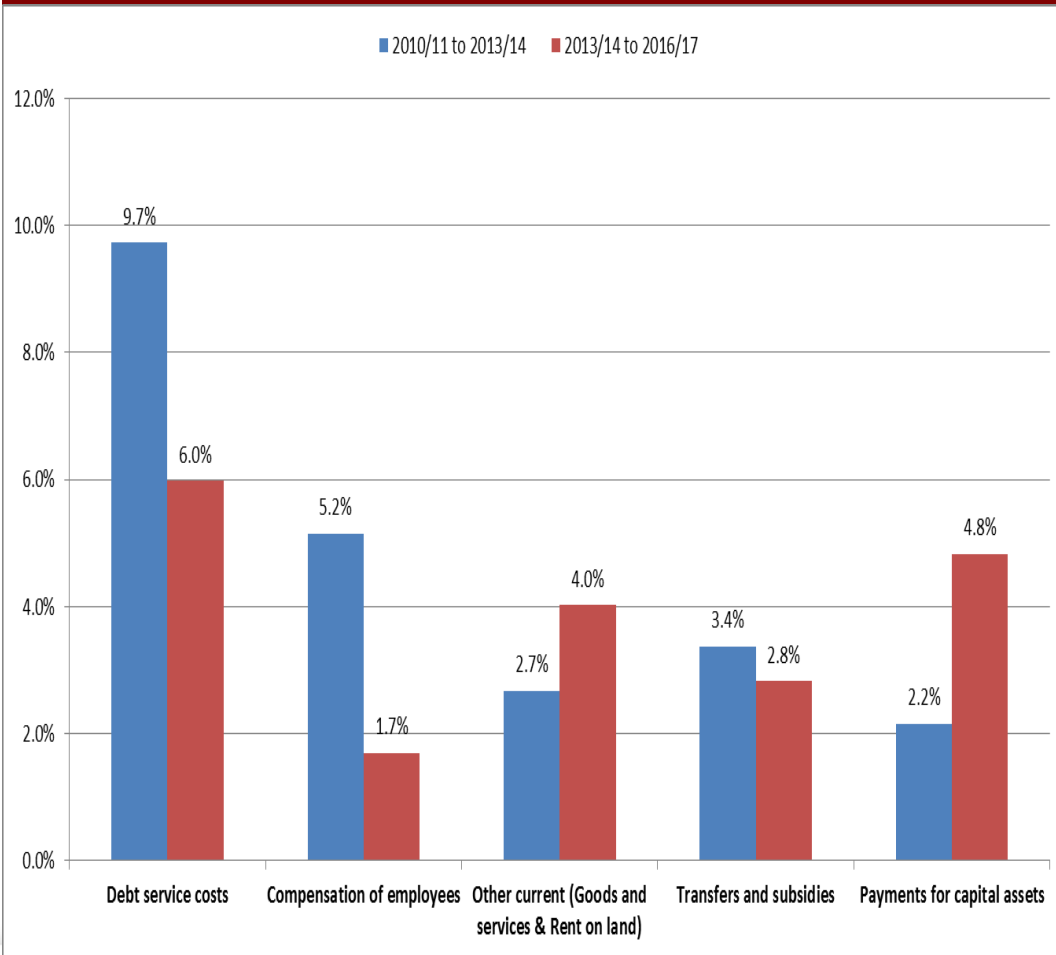
- Cost-containment measures implemented in December 2013 to limit expenditure on conferences, travel, entertainment
- National Treasury and the Department of Performance Monitoring and Evaluation have launched a series of expenditure reviews; initial findings to be released in 2014/15
- The National Treasury is working with provincial treasuries to identify inefficiencies and improve provincial spending
- The Chief Procurement Officer is building a national system for the purchase of high-value goods and services commonly used across government
- Forthcoming regulations will strengthen the National Treasury's oversight of public entities
- Funds made available for allocation by reprioritisation amount to R38.8 billion for 2014 MTEF period, of which:
 - R19.6 billion is due to expenditure reductions effected;
 - R14.7 billion is additional financing provided by the fiscal framework; and
 - R4.5 billion is a drawdown from the contingency reserve

Consolidated budget



Consolidated expenditure by economic classification

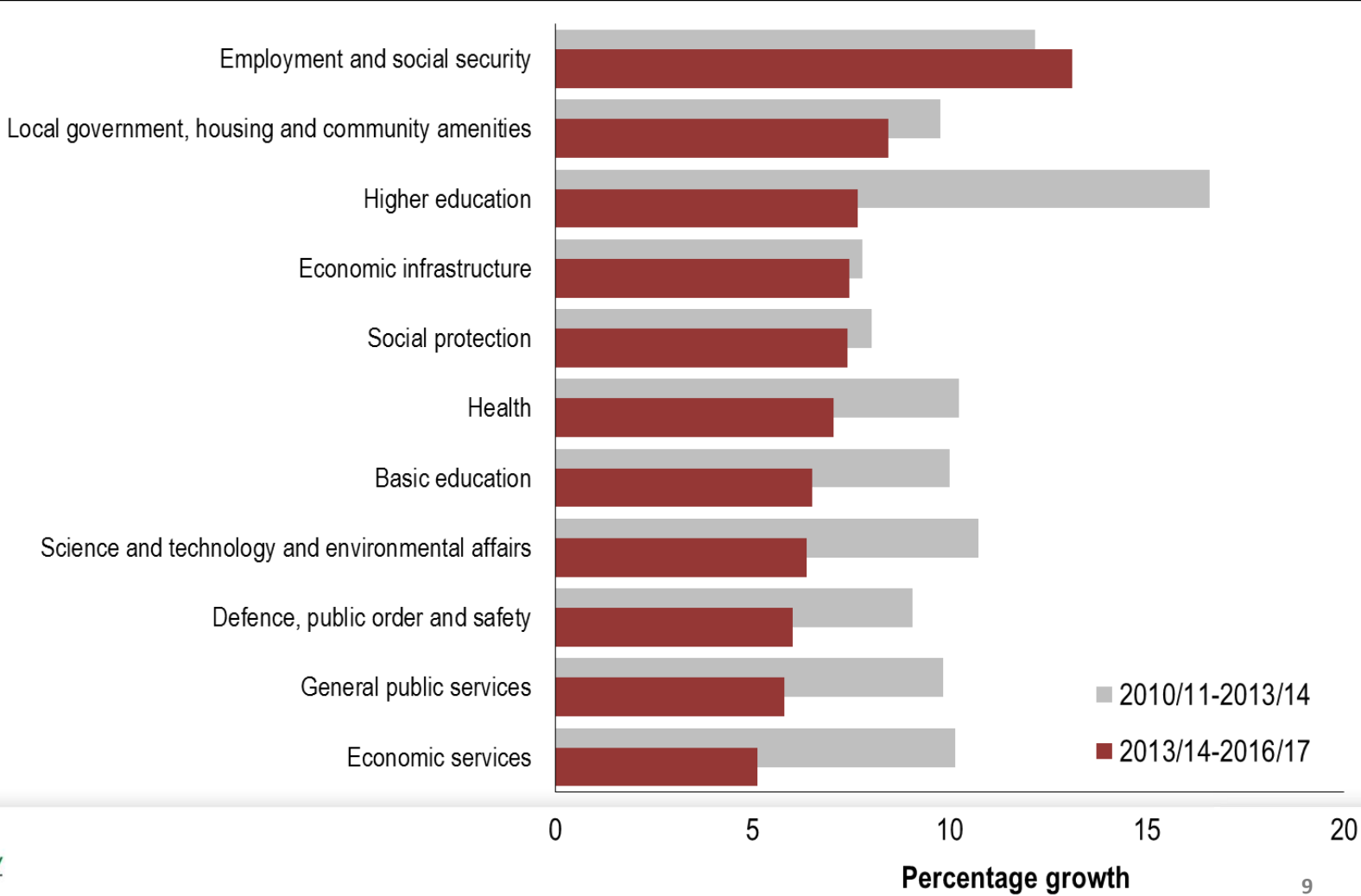
Average real growth in consolidated expenditure



- Payments for financial assets is the fastest declining area of expenditure (relatively small in monetary terms)
- Payments for capital assets grow substantially
- Compensation of employees growth declines strongly
- Growth in transfers and subsidies declines marginally
- Growth in debt service costs declines to 6 per cent

Spending continues to grow in priority areas

Nominal spending growth by function



Infrastructure investment

- Infrastructure investment supports long-term growth and development
- R847.3 billion in public-sector infrastructure expenditure over next three years
- On the vote appropriation level, R116.8 billion is included in the Appropriation Bill, 2014

Infrastructure expenditure estimates: 2014/15 to 2016/17

R million	Medium-term expenditure estimates			MTEF
	2014/15	2015/16	2016/17	
37 Transport	33 727	37 980	39 860	111 567
31 Human Settlements	28 381	30 281	31 766	90 428
3 Cooperative Governance and Traditional Affairs	14 684	15 098	15 767	45 549
15 Basic Education	10 074	12 116	12 873	35 063
38 Water Affairs	7 640	9 742	10 296	27 678
16 Health	6 097	6 324	6 696	19 117
29 Energy	4 149	5 837	6 147	16 133
17 Higher Education and Training	2 700	3 300	3 475	9 475
22 Defence and Military Veterans	1 043	1 041	2 184	4 268
36 Trade and Industry	840	1 390	1 925	4 155
25 Police	1 100	1 150	1 211	3 461
34 Science and Technology	992	1 057	1 062	3 111
24 Justice and Constitutional Development	845	784	1 047	2 676
Other votes	4 523	4 797	4 663	13 983
Total vote infrastructure estimates	116 795	130 897	138 972	386 664
Other general government infrastructure investments	22 785	17 793	15 628	56 206
General government	139 580	148 690	154 600	442 870
Public enterprises	133 360	139 080	131 960	404 400
Total public-sector infrastructure estimates	272 940	287 770	286 560	847 270

Social infrastructure

- Increased investments (additions to previous year's baseline) in social infrastructure
 - R300 million (R900 million over MTEF) to the *municipal human settlements capacity grant*, to allow large metropolitan municipalities to perform the housing function once it is devolved to them from provincial governments
 - R934 million over MTEF to the *regional bulk infrastructure grant* for the acceleration of the delivery of bulk water and sanitation infrastructure in various geographical areas
 - R694 million over MTEF for the construction of the Umzimvubu dam and bulk water scheme
 - R105 million (R356 million over MTEF) to the *integrated city development grant*, for incentivising the planning of more integrated, efficient and accessible cities
 - R180 million in 2014/15 to facilitate informal settlement upgrading in mining towns that are experiencing rapid growth
 - R50 million (R150 million over MTEF) for the provision of shelters to victims of gender-based violence

Largest components of 2014 Appropriation Bill - Vote shares

- Total appropriation amounts to R635.4 billion, (excluding direct charges such as the provincial equitable share and debt service costs) of which:
 - R4.1 billion (R21.9 billion over MTEF) is to accommodate spending pressures on compensation of employees budgets
 - Social Development (20.3% of total Bill appropriation) includes *social assistance grants* to the value of R121 billion (19.0% of total Bill appropriation)
 - Police (11.4% of total Bill appropriation) – includes the Visible Policing programme to the value of R37 billion (5.8% of total Bill appropriation)
 - Cooperative Governance and Traditional Affairs (9.9% of total Bill appropriation) – includes the Local Government Equitable Share transfer to the value of R44.5 billion (7% of total Bill appropriation)
 - Transport (7.7% of total Bill appropriation) includes the Rail Transport programme to the value of R15 billion (2.4% of total Bill appropriation) *of which*:
 - R348 million (R1.1 billion over MTEF) in increased allocations goes to the Passenger Rail Agency of South Africa: Metrorail for the effects of the depreciation of the Rand on foreign currency denominated payments for the procurement of railway rolling stock

Largest components of 2014 Appropriation Bill - Vote shares, cont.

- Defence and Military Veterans (6.7% of total Bill appropriation) – includes the Landward Defence programme to the value of R13.9 billion (2.2% of total Bill appropriation) *of which:*
 - R341.9 million (R1.3 billion over MTEF) in increased allocations goes to the South African Air Force for improvement in operational capability
- Higher Education and Training (5.8% of total Bill appropriation) – includes transfers to higher education institutions to the value of R24.2 billion (3.8% of total Bill appropriation)
- Health (5.3% of total Bill appropriation) – includes the Hospitals, Tertiary Health Services and Human Resource Development programme to the value of R18.9 billion (3.0% of total Bill appropriation)
- Human Settlements (4.8% of total Bill appropriation) – includes the Housing Development Finance programme to the value of R29.7 billion (4.7% of total Bill appropriation)
- Justice and Constitutional Development (2.4% of total Bill appropriation)
of which:
 - R200 million (R720 million over MTEF) in increased allocations for cost increases for accommodation leases and municipal services

Technical corrections to the Appropriation Bill

- The Department of Public Service and Administration is leading a process to give administrative effect to the President's new Cabinet portfolios, called the 2014 National Macro Organisation of the State (NMOS) project
- This process is currently expected to be complete by November 2014 as the new organisational structures need to be determined
- Once these structures are known, changes to vote and programme structures and financial allocations will be included in the Adjustments Appropriation Bill, 2014, and/or in the Appropriation Bill, 2015
- For changes to be effected in the Adjustments Appropriation Bill, 2014, technical corrections to the Appropriation Bill, 2014, currently under consideration, will be tabled by the Minister of Finance in the National Assembly on 25 July 2014, in terms of section 14 of the Money Bills Amendment Procedure and Related Matters Act, 2009
- The technical corrections proposed will create the votes that reflect the new and restructured departments in line with proclamations, to be gazetted in the near future, to amend the list of departments in Schedule 1 of the Public Service Act (PSA), 1994

Technical corrections to the Appropriation Bill, cont.

- This is only a technical correction, as no funding will be allocated to the 'new' votes and programmes at this stage
- New votes and programmes will receive funding from existing budget votes, once functions are fully transferred and the new departmental structures are properly established
- For now, new departments established will coexist with the current votes. Relevant departments/ votes will only be abolished once the functions and resources have been transferred
- New departments will be aligned to existing departments for transitional purposes
- Expenditure incurred by an existing department on behalf of a new department must be in terms of a memorandum of understanding agreement entered into between the two departments
- Amongst others, this agreement must regulate the approval of expenditure, the accountability for expenditure and the allocation of PFMA responsibilities, between the executive authorities and accounting officers of the respective departments

Thank-you

Annexure: Increased funding allocations to function areas by vote: Economic Infrastructure

Table 1.1 Economic Infrastructure

Function / Vote	2014/15	2015/16	2016/17	MTEF total
R million				
2013 MTEF function baseline¹	75 171	82 437	86 834	244 442
2014 MTEF function baseline¹	75 871	83 186	87 884	246 940
Net change (percentage)	0.9%	0.9%	1.2%	1.0%
Communications	-5	295	395	685
Provision of set top boxes, antennae and installation in 5 million households to enable migration from analogue to digital television broadcast by the International Telecommunications Union deadline of 2015/16	-	300	400	700
112 emergency call centre project: Expenditure reduction	-5	-5	-5	-15
Energy	201	18	25	244
Transfer payment to the South African Nuclear Energy Corporation: Upgrading and refurbishment of the Safari-1 nuclear reactor and Pelindaba facilities, as well as research and development	190	-	-	190
Human resource capacity for undertaking specialised energy policy research, planning and oversight work	20	22	24	66
Goods and services required to resource additional specialist personnel	6	6	6	18
Energy efficiency demand side management grant (municipalities): Aligned to delivery capacity	-15	-10	-5	-30
Transport	503	436	630	1 570
Taxi recapitalisation programme rescheduling, allowing for the department to review the impact of the programme	-130	-130	170	-90
Rehabilitation of road infrastructure destroyed by disasters	235	178	-	414
Passenger Rail Agency of South Africa: Metrorail: For the effect of the depreciation of the Rand on foreign currency denominated payments for procurement of railway rolling stock	348	338	410	1 096
Public transport operations grant: Inflationary adjustments to fuel and labour costs	50	50	50	150
Tug boat services feasibility study	7	7	7	21
Transfer payment to the South African Maritime Safety Authority: Adequacy of accumulated surplus	-7	-7	-7	-21
Net change to function baseline	699	749	1 050	2 499

1. This table shows only the allocation of revenue from the National Revenue Fund for the function group. This differs from the presentation of the consolidated function group baseline presented in the Budget Review, which includes revenue generated from other sources.

Education and Related Functions

Table 1.2 Education and Related Functions

Function / Vote	2014/15	2015/16	2016/17	MTEF total
R million				
2013 MTEF function baseline¹	244 932	264 301	279 882	789 115
2014 MTEF function baseline¹	246 380	266 164	282 920	795 464
Net change (percentage)	0.6%	0.7%	1.1%	0.8%
Arts and Culture	-3	-4	-4	-11
Mzansi golden economy strategy projects and transfer payment to the National Arts Council of South Africa:				
Cost efficiencies	-3	-4	-4	-11
Basic Education	-261	-1 133	-1 152	-2 546
Occupation specific dispensation for education sector therapists conditional grant	213	67	-	280
Repair of school infrastructure damaged by disasters	53	40	-	92
School infrastructure backlogs grant: Aligning its growth to institutional capacity	-231	-479	-456	-1 166
Education infrastructure grant: Aligning its growth to institutional capacity	-284	-630	-555	-1 469
Kha Ri Gude (mass literacy programme): Targeted number of learners attained earlier than initially anticipated	-10	-130	-140	-280
Goods and services across all programmes: Cost efficiencies	-1	-1	-1	-4
Higher Education and Training	-53	-19	678	606
FET colleges conditional grant: Salary adjustments in respect of conditions of service	31	60	69	160
Transfer payment to the South African Qualifications Authority: Expanded mandate to provide on-going government employee qualification verification services	3	5	6	13
Transfer payment to the National Student Financial Aid Scheme: Student-centred model: Pilot and rollout of new student loans administration system	22	50	73	145
Goods and services and transfer payment to the Council for Higher Education: Cost efficiencies	-5	-6	-8	-19
Sector education and training authorities and National Skills Fund: Re-estimation of direct charges payable	-104	-127	538	307
Sport and Recreation	2	3	4	10
Transfer payment to the South African Institute for Drug-free Sport: Compliance with the expanded World Anti-Doping Agency code	4	4	5	13
Goods and services: Cost efficiencies	-1	-1	-1	-3
Provincial Equitable Share	1 763	3 016	3 512	8 290
Mainly for occupation specific compensation dispensation for therapists (in 2016/17), salary adjustments in respect of conditions of service and the upgrading of clerical posts	1 763	3 016	3 512	8 290
Net change to function baseline	1 449	1 863	3 038	6 349

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Health and Social Protection

Table 1.3 Health and Social Protection

Function / Vote	2014/15	2015/16	2016/17	MTEF total
R million				
2013 MTEF function baseline¹	285 319	304 176	321 314	910 809
2014 MTEF function baseline¹	285 650	305 428	324 949	916 028
Net change (percentage)	0.1%	0.4%	1.1%	0.6%
Women, Children and People with Disabilities	-	-	-	-
Goods and services	1	-	-	1
Compensation of employees: Capping of personnel costs	-1	-	-	-1
Social Development	-480	51	1 251	822
Establishment of substance abuse treatment centres in Northern Cape, Eastern Cape, Free State, and North West	50	51	51	152
Social grants: Lower than projected beneficiary numbers following the process of re-registration of recipients (first year) and provision for an increase in the projected future number of beneficiaries	-530	-	1 200	-500
Health	31	-54	750	728
Introduction of human papillomavirus vaccine which reduces the incidence of cervical cancer, to 500 000 Grade 4 pupils in 2014/15 and 2015/16	200	200	-	400
HIV and AIDS: Antiretroviral treatment	-	-	1 000	1 000
Equipment for forensic chemistry laboratories as well as commissioning the new laboratory in Durban	30	20	20	70
National South African demographic health survey in 2014/15	30	-	-	30
Establishment of the Office of Standards Compliance	25	40	45	110
Repair of health infrastructure damaged by disasters: Health facilities revitalisation grant	1	1	-	2
Goods and services: Cost efficiencies	-30	-30	-30	-90
National health grant: Aligning its growth to institutional capacity	-225	-285	-285	-794
Provincial Equitable Share	781	1 255	1 634	3 669
Mainly for salary adjustments in respect of conditions of service, the upgrading of clerical posts, the provision of shelters to victims of gender-based violence and the provision of the human papillomavirus vaccine by provincial governments from 2016/17 onwards	781	1 255	1 634	3 669
Net change to function baseline	332	1 252	3 635	5 219

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Defence, Public Order and Safety

Table 1.4 Defence, Public Order and Safety

Function / Vote	2014/15	2015/16	2016/17	MTEF total
R million				
2013 MTEF function baseline¹	161 664	170 348	180 726	512 738
2014 MTEF function baseline¹	162 514	171 348	182 626	516 488
Net change (percentage)	0.5%	0.6%	1.1%	0.7%
National Treasury	20	30	40	90
Transfer payment to the Financial Intelligence Centre: Strengthening the Institution	20	30	40	90
Correctional Services	-	-	-	-
Electronic equipment for monitoring parolees	32	33	33	99
Equipment for production workshops and agricultural activities: To develop the vocational skills of offenders	40	40	45	125
Goods and services: Cost efficiencies	-73	-73	-78	-223
Defence and Military Veterans	136	180	201	516
Salary adjustments: Conditions of service	194	393	446	1 033
South African Air Force: Improvement in operational capability	342	387	555	1 284
Military Health Services: Medical equipment and supplies	100	100	100	300
Transfer payment to the Special Defence Account: Adequacy of accumulated surplus	-400	-600	-800	-1 800
Goods and services: Cost efficiencies	-100	-100	-100	-300
Independent Police Investigative Directorate	-	-	-	-
Employment and training of approximately 44 new Investigators	12	13	14	40
Goods and services: Cost efficiencies	-3	-4	-5	-12
Compensation of employees: Migration of staff from the Administration programme to the Investigation and Information Management programme	-9	-9	-10	-28
Justice and Constitutional Development	102	103	414	618
Upgrading of 7 200 clerical posts	100	110	120	330
Salary adjustments: Conditions of service	22	23	24	68
Cost increases for accommodation leases and municipal services	200	210	310	720
Appointment of permanent personnel: For the department and National Prosecuting Authority	237	250	265	751
Transfer payments to Legal Aid South Africa and the South African Human Rights Commission: Increased human resource capacity and criminal justice sector revamp projects	51	53	57	161
Goods and services: Cost efficiencies	-301	-323	-352	-975
Capital works budget: Aligning its growth to institutional capacity	-207	-220	-10	-438
Police	593	688	1 245	2 525
Salary adjustments: Conditions of service	243	432	459	1 134
Upgrading of approximately 14 022 clerical posts	698	725	786	2 209
Vehicles: Expenditure reductions	-348	-470	-	-818
Net change to function baseline	850	1 000	1 900	3 750

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Local Government, Housing and Community Amenities

Table 1.5 Local Government, Housing and Community Amenities

Function / Vote	2014/15	2015/16	2016/17	MTEF total
R million				
2013 MTEF function baseline¹	122 219	135 205	142 440	399 864
2014 MTEF function baseline¹	122 728	135 705	142 940	401 372
Net change (percentage)	0.4%	0.4%	0.4%	0.4%
Cooperative Governance and Traditional Affairs	57	-308	-480	-731
Transfer payment to the Municipal Infrastructure Support Agency: Expansion of the municipal capacity building programme to 80 municipalities	20	20	20	60
Personnel to monitor municipal infrastructure grant expenditure throughout the country	10	11	11	32
Repair of municipal infrastructure damaged by disasters	37	22	–	59
Goods and services: Cost efficiencies	-10	-11	-11	-32
Municipal infrastructure grant: Aligning its growth to institutional capacity	0	-350	-500	-850
National Treasury	105	116	135	356
Integrated city development grant: Incentivise the planning of more integrated, efficient and accessible cities	105	116	135	356
Provision of technical infrastructure programmes implementation support to cities	50	50	50	150
Infrastructure skills development grant: Aligning its growth to institutional capacity	-50	-50	-50	-150
Human Settlements	315	96	-35	180
Informal settlement upgrading in mining towns that are experiencing rapid growth	180	–	–	180
Municipal human settlements capacity grant: For Cape Town, Ekurhuleni, eThekweni, Johannesburg, Nelson Mandela Bay and Tshwane to perform the housing function once it is devolved to them from provincial governments	300	300	300	900
Repair of housing infrastructure damaged by disasters	185	141	0	326
Urban settlements development grant: Aligning its growth to institutional capacity	-50	-45	-35	-130
Human settlements development grant: Capacitate metropolitan municipalities in anticipation of the housing function shifting to local government	-300	-300	-300	-900
Water Affairs	31	596	880	1 507
Regional bulk infrastructure grant: Acceleration of the delivery of bulk water and sanitation infrastructure in various geographical areas	84	350	500	934
Construction of Umzimvubu Dam and bulk water scheme	0	264	430	694
Additional personnel capacity: Organisational restructuring	8	35	56	99
Assistance to resource poor farmers and in the outer year, for transfer payments to the Amatola and uMgeni water boards for infrastructure projects	5	4	66	75
Repair of water infrastructure measuring instruments and other structures damaged by flood disasters	2	2	–	4
Goods and services: Cost efficiencies	-35	-13	-121	-170
Capital assets: Aligning its growth to institutional capacity	-33	-46	-50	-129
Net change to function baseline	509	499	500	1 508

¹ This table shows only the allocation of revenue from the National Revenue Fund for the function group. This differs from the presentation of the consolidated function group baseline presented in the Budget Review, which includes revenue generated from other sources.

Employment and Social Security

Table 1.6 Employment and Social Security

Function / Vote	2014/15	2015/16	2016/17	MTEF total
R million				
2013 MTEF function baseline¹	18 756	19 474	20 528	58 758
2014 MTEF function baseline¹	18 273	19 091	22 094	59 458
Net change (percentage)	-2.6%	-2.0%	7.6%	1.2%
Cooperative Governance and Traditional Affairs	-132	-	1 072	940
Community work programme: Attaining a presence in every municipality by 2016/17	-	-	1 072	1 072
Community work programme: Aligning its growth to institutional capacity	-132	-	-	-132
Public Works	-125	-149	124	-149
Expanded public works programme integrated grant for provinces: Allowance for the strengthening of institutional delivery capacity	-22	-25	10	-37
Expanded public works programme integrated grant for municipalities: Allowance for the strengthening of institutional delivery capacity	-38	-42	10	-70
Social sector expanded public works programme integrated grant for provinces: Allowance for the strengthening of institutional delivery capacity	-15	-18	74	41
Non-state sector: Allowance for the strengthening of institutional capacity	-20	-24	65	22
Expanded public works programme: Rationalisation of management costs	-30	-40	-35	-105
National Treasury	-5	-5	-5	-15
Post-retirement medical benefits: Cost effective medical plans	-5	-5	-5	-15
Labour	-106	-107	100	-113
Human resource efficiencies	-106	-107	100	-113
Environmental Affairs	-86	-82	205	37
Environmental expanded public works programmes: Allowance for the strengthening of institutional delivery capacity	-32	-35	80	13
Working for water and Working on fire programmes: Allowance for the strengthening of institutional delivery capacity	-54	-47	125	24
Tourism	-29	-40	70	1
Domestic Tourism Programme: Allowance for the strengthening of institutional delivery capacity	-29	-40	70	1
Net change to function baseline	-483	-383	1 566	700

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Science and Technology and Environmental Affairs

Table 1.7 Science and Technology and Environmental Affairs

Function / Vote	2014/15	2015/16	2016/17	MTEF total
R million				
2013 MTEF function baseline¹	10 344	11 435	11 606	33 385
2014 MTEF function baseline¹	10 309	11 197	11 416	32 922
Net change (percentage)	-0.3%	-2.1%	-1.6%	-1.4%
Agriculture, Forestry and Fisheries	-40	-40	-40	-120
Transfer payment to the Agricultural Research Council: Cost reductions	-40	-40	-40	-120
Environmental Affairs	155	-88	-100	-33
Repair of roads and bridges damaged by floods	16	12	-	28
Goods and services: Cost efficiencies	-60	-80	-	-140
Transfer payment to the South African Weather Service: Cost reductions	-20	-20	-	-40
Economic competitiveness and support package: Green Fund: Support the transition to a green economy	250	-	-100	150
Economic competitiveness and support package: Oceans and marine research and development: Cost efficiencies	-31	-	-	-31
Mineral Resources	-20	-20	0	-40
Transfer payment to the Council for Geoscience: Cost reductions	-10	-10	-	-20
Transfer payment to the Council for Mineral Technology: Cost reductions	-10	-10	-	-20
Science and Technology	-130	-90	-50	-270
Transfer payment to the Council for Scientific and Industrial Research: Cost reductions	-	-40	-	-40
Transfer payment to the Technology Innovation Agency: Cost reductions	-30	-50	-50	-130
Economic competitiveness and support package: Industry partnerships: Cost efficiencies	-100	-	-	-100
Net change to function baseline	-35	-238	-190	-463

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Economic Services

Table 1.8 Economic Services

Function / Vote	2014/15	2015/16	2016/17	MTEF total
R million				
2013 MTEF function baseline¹	44 893	48 074	50 137	143 104
2014 MTEF function baseline¹	44 456	46 671	49 777	140 904
Net change (percentage)	-1.0%	-2.9%	-0.7%	-1.5%
Agriculture, Forestry and Fisheries	196	-116	-135	-56
Repair of farm infrastructure damaged by disasters	196	14	–	209
Transfer payment to the Land and Agricultural Development Bank of South Africa: Tailored financing solutions for emerging farmers	50	–	50	100
Compensation of employees: Capping of personnel costs	-20	-25	-25	-70
Goods and services: Cost efficiencies	-20	-20	-25	-65
Transfer payment to the Marine Living Resources Fund: Cost reductions	-10	-15	-20	-45
Comprehensive agricultural support programme grant and Land care programme grant: Aligning its growth to institutional capacity	–	-70	-80	-150
Economic competitiveness and support package: Agricultural colleges: Aligning its growth to institutional capacity	–	–	-35	-35
Economic Development	-56	-102	-8	-166
Goods and services: Cost efficiencies	-6	-6	-8	-20
Economic competitiveness and support package: Small Enterprise Finance Agency: Alternative source of funding through a shareholder loan	-50	-96	–	-146
Rural Development and Land Reform	-450	-700	-170	-1 320
Compensation of employees: Capping of personnel costs	-70	-70	-70	-210
Economic competitiveness and support package: National Rural Youth Service Corps: Aligning its growth to institutional capacity	-100	-200	-100	-400
Transfer payments for land restitution claims: Aligning its growth to institutional capacity	-280	-430	–	-710
Tourism	-3	-8	-9	-20
Goods and services: Cost efficiencies	-3	-8	-9	-20
Trade and Industry	-123	-477	-38	-638
Goods and services: Cost efficiencies	-23	-27	-35	-85
Economic competitiveness and support package: Special economic zones: Aligning its growth to institutional capacity	-100	-450	-3	-553
Net change to function baseline	-436	-1 403	-360	-2 200

1. This table shows only the allocation of revenue from the National Revenue Fund for the function group. This differs from the presentation of the consolidated function group baseline presented in the Budget Review, which includes revenue generated from other sources.

General Public Services

Table 1.9 General Public Services

Function / Vote	2014/15	2015/16	2016/17	MTEF total
R million				
2013 MTEF function baseline¹	59 466	62 114	62 444	184 023
2014 MTEF function baseline¹	58 481	61 155	61 820	181 456
Net change (percentage)	-1.7%	-1.5%	-1.0%	-1.4%
The Presidency	26	15	25	66
National income dynamics study: Fourth survey	30	20	30	80
Transfer payment to the National Youth Development Agency: Cost efficiencies	-3	-3	-3	-10
Goods and services: Cost efficiencies	-1	-1	-1	-4
Home Affairs	-270	-203	247	-225
Rollout of ID smart card: Issuing costs	-	-	80	80
Rescheduling of IT system modernisation projects	-100	-100	200	-
Rescheduling of upgrading, maintenance and repairs of infrastructure facilities and staff accommodation at border posts	-70	-	70	-
Goods and services: Cost efficiencies	-100	-103	-103	-305
International Relations and Cooperation	-110	-133	-113	-356
2014 presidential inauguration	80	-	-	80
Financial support to the Chairperson of the African Union	36	38	40	115
Transfer payment to the African Renaissance Fund: Adequacy of accumulated surplus	-224	-167	-149	-540
Transfer payment to the South African Development Partnership Agency: Capacity building	8	8	9	25
Goods and services: Cost efficiencies	-10	-13	-13	-36
Performance Monitoring and Evaluation	6	9	9	24
Establishment of a secretariat for the interdepartmental committee reviewing the revitalisation of distressed mining communities	3	3	3	9
Strategic and annual performance planning: Guidance and oversight to institutions	4	6	6	16

General Public Services, cont.

Function / Vote	2014/15	2015/16	2016/17	MTEF total
R million				
Public Works	-334	-286	-357	-976
Infrastructure projects in the Immovable Assets Management programme: Aligning its growth to institutional capacity	-220	-180	-250	-650
Goods and services: Cost efficiencies	-50	-50	-50	-150
Transfer payment to the Property Management Trading Entity: Adequacy of accumulated surplus	-50	-50	-50	-150
Compensation of employees: Capping of personnel costs	-14	-6	-7	-26
National Treasury	-597	-490	-403	-1 490
Transfer payment to the South African Revenue Service: Adequacy of accumulated surplus	-543	-437	-375	-1 355
Goods and services: Cost efficiencies	-28	-28	-4	-61
Closing out of transfer payment for financial and technical support for African relief programmes, as well as lower levels of anticipated expenditure in respect of common monetary area compensation	-25	-25	-25	-75
Public Service and Administration	16	-3	-4	9
Goods and services: Cost efficiencies	-8	-9	-10	-27
Presidential Public Service Remuneration Review Commission: Review of the remuneration policy framework of the public service	10	-	-	10
Transfer payment to the Public Service Commission: Address capacity constraints in the commission's monitoring and evaluation programme	14	6	7	26
Statistics South Africa	278	131	-29	417
Upfront capital contribution in respect of the public private partnership agreement entered into for new head office accommodation	282	135	-	417
Goods and services: Cost efficiencies	-4	-4	-29	-36
Net change to function baseline	-984	-959	-624	-2 567

1. This table shows only the allocation of revenue from the National Revenue Fund for the function group. This differs from the presentation of the consolidated function group baseline presented in the Budget Review, which includes revenue generated from other sources.