

2015 Appropriation Bill

Standing and Select Committees on Appropriations

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27 February 2015



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

2015 Appropriation Bill

- The Appropriation Bill provides for the appropriation of money from the National Revenue Fund in terms of section 213 of the Constitution, 1996 and section 15 of the Public Finance Management Act (PFMA), 1999
- Spending is subject to the PFMA and the provisions of the Appropriation Bill itself
- For transfers to sub-national government, the 2015 Division of Revenue Bill also contains provisions in terms of which spending must take place

2015 Appropriation Bill, cont.

- 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
 - 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
 - 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 2015

2015 Appropriation Bill, cont.

- Prior to the 2015 Appropriation Bill being promulgated, departments will 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 2014/15 financial year budget
 - After July, monthly expenditure can only amount to 10% of the 2014/15 budget
- Promulgation of the 2015 Appropriation Act is necessary as soon as possible:
 - To allow for monthly expenditure above the transitional provisions contained in the PFMA
 - To ensure expenditure in accordance with the vote and programme purposes as stated in the Act

Structure of the Bill

- The Bill is divided by vote and by main division within a vote (i.e. by programme)
- A purpose is set out for each vote and 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 allocations are specifically and exclusively appropriated and are also listed in the Division of Revenue Bill, 2015

National macro organisation of the state

- The new Cabinet announced by the President in May 2014 includes new ministerial portfolios and new departments, many of which include the reorganisation of previously existing votes, as listed in the table below:

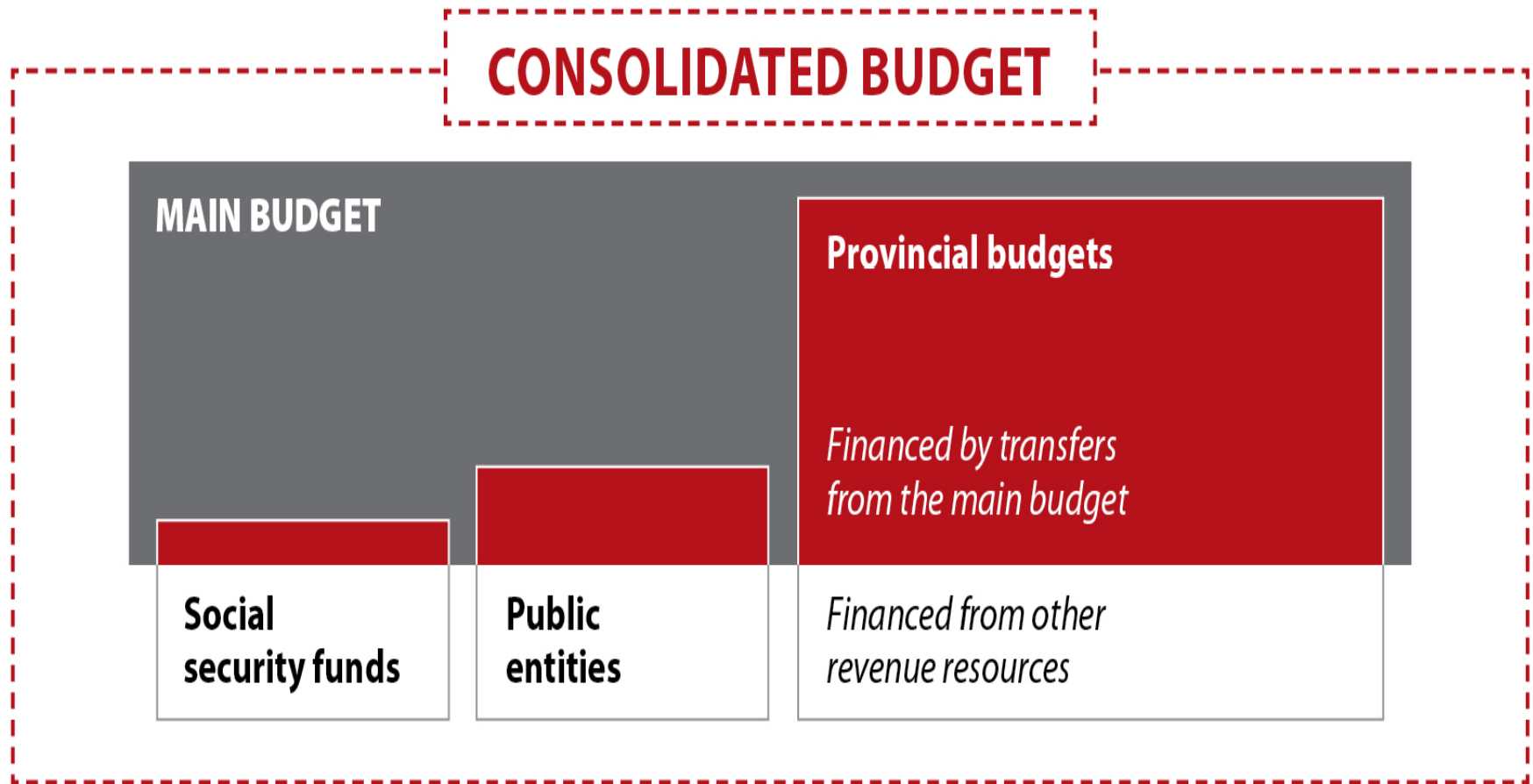
Newly created vote	Vote from which all or some functions have been shifted
Planning, Monitoring and Evaluation	The Presidency Performance Monitoring and Evaluation
Water and Sanitation	Human Settlements Water Affairs
Women	Women, Children and People with Disabilities
Small Business Development	Trade and Industry
Telecommunications and Postal Services	Public Enterprises Communications
Communications	Government Communication and Information System The Presidency Home Affairs
Office of the Chief Justice and Judicial Administration ¹	Justice and Constitutional Development

1. This Office was established in 2009. Prior to the 2015 Budget, the Office was included in the Justice and Constitutional Development vote.

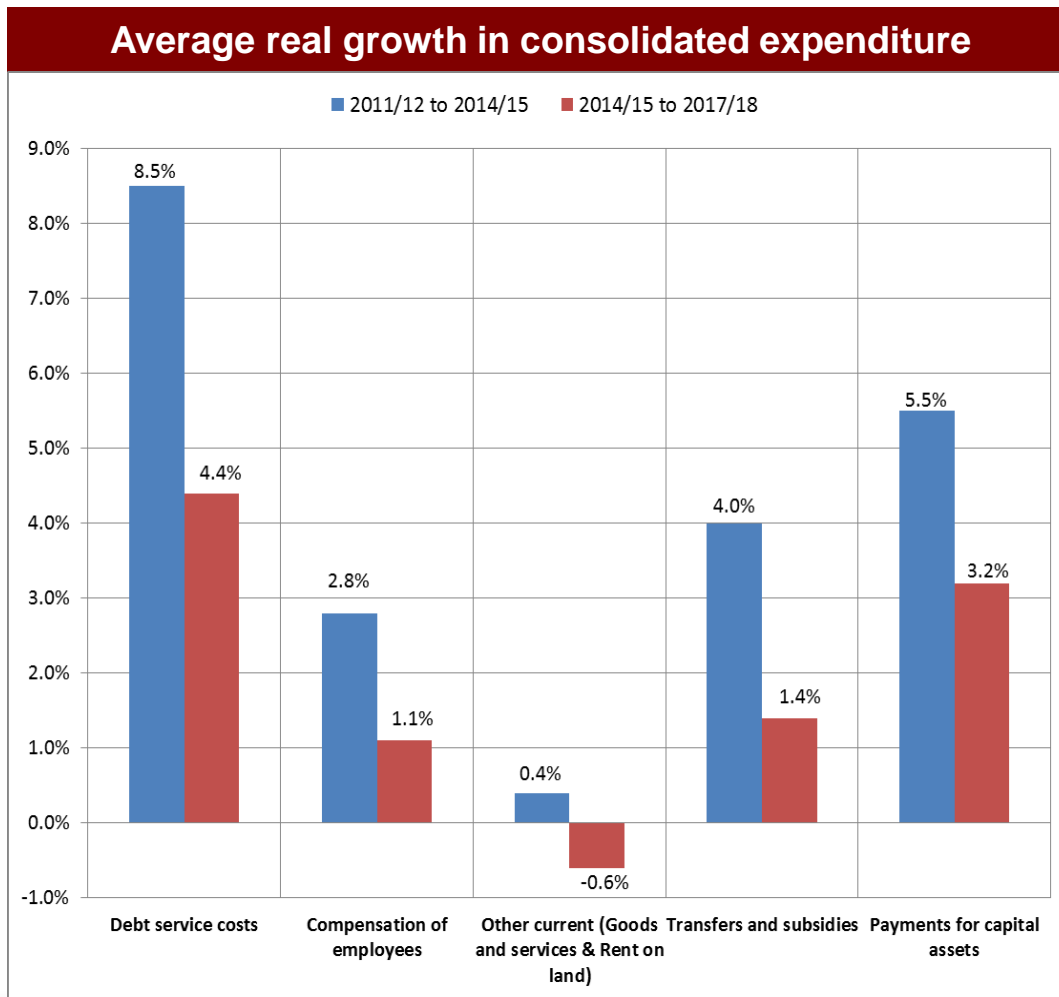
Reduced expenditure ceiling

- The expenditure ceiling was reduced by R25 billion in the first two years of the 2015 Medium Term Expenditure Framework (MTEF) period, R10 billion in 2015/16 and R15 billion in 2016/17
- To protect spending on core social obligations, the proposed reductions in the expenditure ceiling are focused on specific items:
 - Funding for posts that have been vacant for prolonged periods has been targeted;
 - Reductions of transfer payments to public entities are calculated either by aligning their planned growth rate to inflation, allowing for limited growth above inflation, or by decreasing transfers in order to reduce cash surpluses held by government entities. Surpluses held for specific projects are not impacted, to protect the level of services rendered to the public;
 - Budgets of the selected non-essential goods and services items are frozen at 2014/15 budget levels. This includes budgets for catering, entertainment, and particular categories of consultants; and
 - Capital project allocations that are projected to underspend have been reduced

Consolidated budget



Consolidated expenditure by economic classification



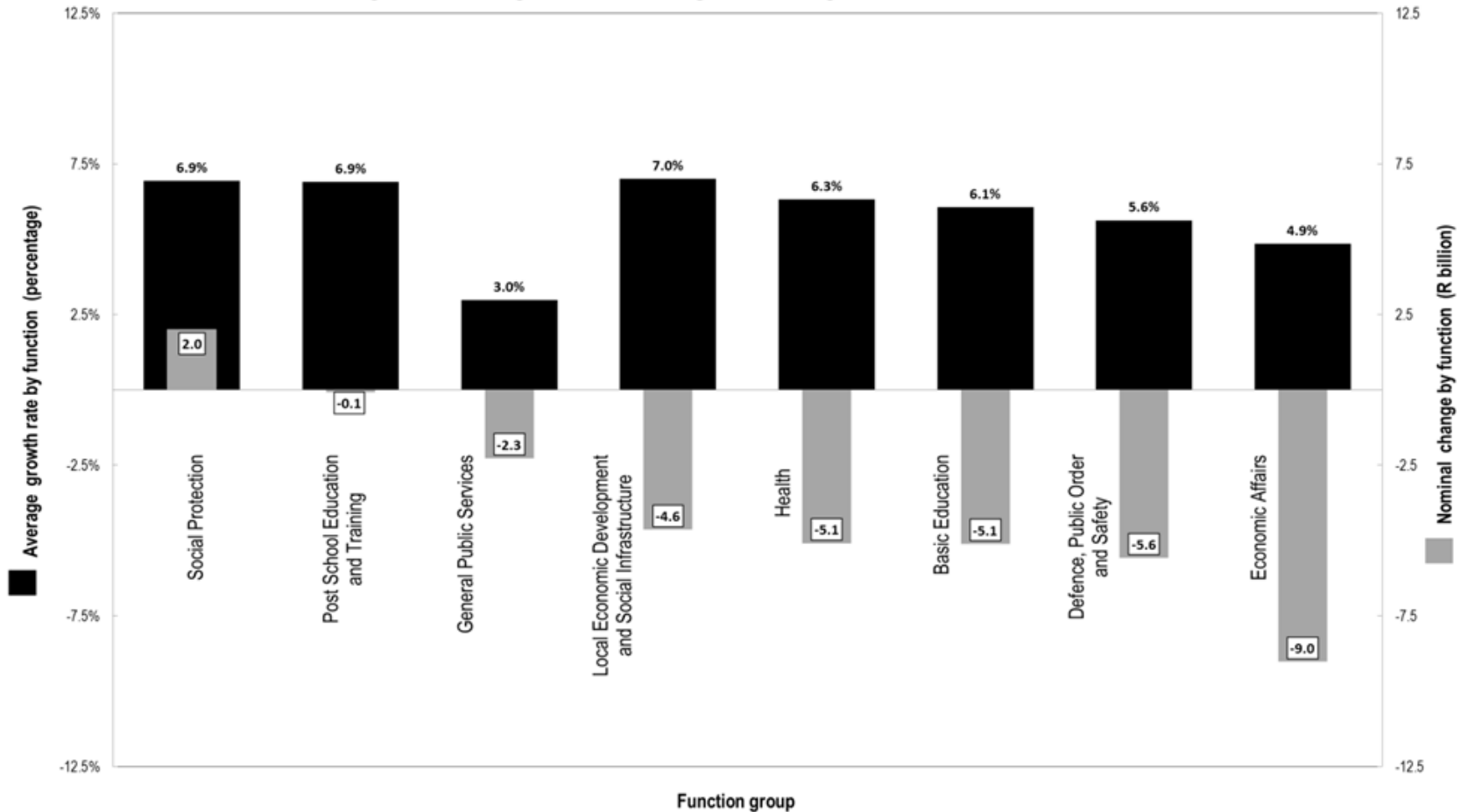
- Cost containment measures:
 - Compensation of employees growth declines
 - Growth in goods and services declines marginally to below real growth
 - Growth in transfers and subsidies declines strongly
- Growth in debt service costs declines to 4.4 per cent
- Payment for capital assets growth declines moderately

Allocation of Main budget funding resources

- Resources within the Main budget lowered expenditure ceiling amount to R3.47 trillion over the 2015 MTEF period, R1.09 trillion in 2015/16, R1.15 trillion in 2016/17, and R1.22 trillion in 2017/18
- Non-interest expenditure grows at an average of 7.4 per cent over the 2015 MTEF period
- While overall expenditure growth rates have effectively been moderated, overall expenditure budgets continue to grow in real terms and fund government's targeted outcomes. Fiscal realities mean that this is not the case in all spending areas
- The pursuit of a specific priority will result in fewer resources being available for other priorities. Resources have thus been shifted from less urgent priorities or non-performing programmes. Through careful planning and consultation, some programmes have been rescheduled or their inception deferred in favour of more urgent deliverables
- An unallocated reserve of R65 billion is also made available over the 2015 MTEF period, amounting to R5 billion in 2015/16, R15 billion in 2016/17 and R45 billion in 2017/18. These funds are earmarked for unforeseen expenditure and emerging government priorities

Spending continues to grow in priority areas

Figure 1: Function growth rates following nominal changes to baselines for 2015/16 - 2017/18



Largest reprioritisation funding additions over the 2015 MTEF period and their accompanying 2015 Appropriation Bill vote shares

- Total Bill appropriation amounts to R679.5 billion in 2015/16, (excluding direct charges such as the provincial equitable share and debt-service costs)
- The following represent the largest reprioritised funding additions over the 2015 MTEF period:
 - Defence and Military Veterans (6.6% of total Bill appropriation)
 - R2.4 billion over the 2015 MTEF period, R980.7 million in 2015/16, R840.1 million in 2016/17 and R561.4 million in 2017/18 for the compensation of employees
 - R802.9 million over the 2015 MTEF period, R84.4 million in 2015/16, R261.9 million in 2016/17 and R456.5 million in 2017/18 for spares for military machinery and equipment, as well as the acquisition of transport aircraft to transport troops and equipment to deployment areas
 - Water and Sanitation (2.4% of total Bill appropriation)
 - R700 million in 2015/16 and 2016/17 respectively, for Regional bulk infrastructure allocations-in-kind
 - R906 million in 2017/18 for the augmentation of the Municipal water infrastructure allocations-in-kind
 - R550 million in 2017/18 for the Regional water programme to expand housing development and social infrastructure

Largest reprioritisation funding additions over the 2015 MTEF period and their accompanying 2015 Appropriation Bill vote shares, cont.

- Police (11.2% of total Bill appropriation)
 - R1.1 billion over the 2015 MTEF period, R352.9 million in 2015/16, R372.3 million in 2016/17 and R390.9 million in 2017/18 for the compensation of employees
- Rural Development and Land Reform (1.4% of total Bill appropriation)
 - R1.1 billion over the 2015 MTEF period, R461.1 million in 2015/16, R489.2 million in 2016/17 and R162.6 million in 2017/18 for the settlement of land restitution claims
- National Treasury (4% of total Bill appropriation)
 - R810.1 million over the 2015 MTEF period, R266 million in 2015/16, R270.9 million in 2016/17 and R273.2 million in 2017/18 for the inclusion of non-statutory forces within military pensions and other benefits
- Telecommunications and Postal Services (0.2% of total Bill appropriation)
 - R740 million over the 2015 MTEF period, R200 million in 2015/16, R268.3 million in 2016/17 and R271.7 million in 2017/18 to fund the SA Connect: Broadband policy pilot

Largest reprioritisation funding additions over the 2015 MTEF period and their accompanying 2015 Appropriation Bill vote shares, cont.

- Transport (7.9% of total Bill appropriation)
 - R705.1 million over the 2015 MTEF period, R45.2 million in 2015/16, R330.8 million in 2016/17 and R329 million in 2017/18 for the South African National Roads Agency: Moloto road upgrade
 - R647.9 million over the 2015 MTEF period, R163 million in 2015/16, R215 million in 2016/17 and R270 million in 2017/18 for the repair of transport infrastructure damaged by disasters
- Human Settlements (4.6% of total Bill appropriation)
 - R560.8 million over the 2015 MTEF period, R231.6 million in 2015/16, R195 million in 2016/17 and R134.3 million in 2017/18 for the repair of housing infrastructure damaged by disasters

Infrastructure Investment

- Investment in infrastructure supports long-term growth and development
- R813.1 billion in public-sector infrastructure expenditure over next three years
- R127.6 billion is included in the 2015 Appropriation Bill

Infrastructure expenditure estimates: 2015/16 to 2017/18

R million	Medium-term expenditure estimates			
	2015/16	2016/17	2017/18	MTEF
Transport	38 550	40 589	42 903	122 043
Cooperative Governance and Traditional Affairs	14 956	15 329	16 435	46 720
Basic Education	11 889	12 485	13 306	37 680
Water and Sanitation	8 512	9 700	9 488	27 700
Health	6 189	6 426	6 846	19 461
Energy	5 725	5 979	6 335	18 039
Higher Education and Training	3 301	3 503	3 676	10 480
Trade and Industry	1 330	1 820	1 035	4 185
Science and Technology	1 043	1 048	1 100	3 191
Police	999	1 210	1 271	3 480
Defence and Military Veterans	941	997	1 048	2 985
Correctional Services	776	863	907	2 546
Public Works	773	834	883	2 490
Other votes	32 598	35 103	36 670	104 371
Total vote infrastructure estimates	127 581	135 885	141 903	405 370
Other general government infrastructure investments	16 287	16 116	13 187	45 590
General government	143 868	152 001	155 090	450 960
Public Enterprises	130 134	121 297	110 725	362 157
Total public-sector infrastructure estimates	274 002	273 298	265 816	813 116

Thank-you

Annexure: Nominal changes to function baselines by vote: Social Protection

Social Protection

Function / Vote

R million	2015/16	2016/17	2017/18	MTEF total
2014 MTEF function baseline	154 114	163 572	176 258	493 944
2015 MTEF function baseline	154 493	165 343	176 121	495 957
Annual growth rate (percentage)	7.3%	7.0%	6.5%	6.9%
Net change from the 2014 Baseline (percentage)	0.2%	1.1%	-0.1%	0.4%
Social Development	470	1 907	-47	2 329
South African Social Security Agency: Alignment of its planned growth to institutional capacity	-173	-126	-79	-377
Goods and services: Cost containment measures	-10	-19	-21	-50
Reduction in number of vacant posts	-3	-2	-3	-8
Machinery and equipment: Cost containment measures	0	-1	-1	-2
Employment of personnel: Increasing capacity within the monitoring and evaluation unit, for establishing the early childhood development office to monitor and coordinate the effective delivery of services; and for capturing data and screenings conducted against the child protection register	13	12	12	37
2014 national macro organisation of the state: New deputy minister	5	5	6	16
Food relief: Employment of personnel to oversee the household food and nutrition programme	6	6	6	17
Victim empowerment programmes: Support to domestic non-governmental organisations, setting up safe houses and emergency response teams for crisis intervention and trauma counselling, and implementation of empowerment programmes and awareness campaigns	7	7	7	21
Project Mikondzo: Monitoring service delivery at the community level	25	25	25	75
Social grants: Anticipated increase in the number of grant beneficiaries	600	2 000	0	2 600
National Treasury	-91	-136	-89	-316
Provincial equitable share: Baseline reduction	-91	-136	-89	-316
Net change to function baseline	378	1 771	-136	2 013

Post School Education and Training

Post-School Education and Training

Function / Vote	2015/16	2016/17	2017/18	MTEF total
R million				
2014 MTEF function baseline	58 319	62 401	66 009	186 729
2015 MTEF function baseline	58 298	62 370	65 987	186 655
Annual growth rate (percentage)	7.9%	7.0%	5.8%	6.9%
Net change from the 2014 Baseline (percentage)	0.0%	-0.1%	0.0%	0.0%
Higher Education and Training	-21	-32	-21	-74
Goods and services: Cost containment measures	-11	-18	-20	-48
South African Qualifications Authority: Adequacy of accumulated surplus	-4	-6	-1	-11
Council on Higher Education: Adequacy of accumulated surplus	-3	-5	0	-8
Quality Council for Trades and Occupations: Adequacy of accumulated surplus	-3	-3	0	-5
Machinery and equipment: Cost containment measures	-1	-1	-1	-2
Net change to function baseline	-21	-32	-21	-74

Basic Education

Basic Education

Function / Vote

R million	2015/16	2016/17	2017/18	MTEF total
2014 MTEF function baseline	199 063	211 484	223 091	633 638
2015 MTEF function baseline	197 608	209 296	221 624	628 528
Annual growth rate (percentage)	6.4%	5.9%	5.9%	6.1%
Net change from the 2014 Baseline (percentage)	-0.7%	-1.0%	-0.7%	-0.8%
Basic Education	-379	-569	-398	-1 346
Technical secondary schools recapitalisation grant: Funding transferred to the Maths, science and technology grant	-244	-257	-270	-771
Education infrastructure grant: Cost containment measures	-214	-319	-209	-742
School infrastructure backlogs allocation-in-kind: Alignment of its planned growth to institutional capacity	-121	-177	-117	-415
Dinaledi schools grant: Funding transferred to the Maths, science and technology grant	-116	-122	-129	-367
Kha Ri Gude: Initial targets of reducing illiteracy in 4.7 million adults to be reached by 2015/16	-20	-30	-150	-200
Goods and services: Cost containment measures	-31	-53	-59	-143
Technical secondary schools recapitalisation grant: Cost containment measures	-6	-8	-5	-19
HIV and AIDS (life skills education) grant: Cost containment measures	-5	-8	-5	-18
Dinaledi schools grant: Cost containment measures	-3	-4	-3	-9
Oversight over the Maths, science and technology grant	5	5	6	16
National Education Collaboration Trust: Piloting of interventions to improve the quality of basic education	20	30	150	200
Creation of the Maths, science and technology grant	356	374	393	1 123
National Treasury	-1 075	-1 619	-1 069	-3 764
Provincial equitable share: Baseline reduction	-1 075	-1 619	-1 069	-3 764
Net change to function baseline	-1 454	-2 188	-1 468	-5 110

Health

Health				
Function / Vote				
R million	2015/16	2016/17	2017/18	MTEF total
2014 MTEF function baseline	153 157	162 794	172 618	488 570
2015 MTEF function baseline	151 725	160 618	171 137	483 480
Annual growth rate (percentage)	6.5%	5.9%	6.5%	6.3%
Net change from the 2014 Baseline (percentage)	-0.9%	-1.3%	-0.9%	-1.0%
Health	-610	-928	-652	-2 190
National tertiary services grant: Alignment of its planned growth to institutional capacity	-238	-353	-234	-824
Goods and services: Cost containment measures	-97	-200	-173	-471
Health facility revitalisation grant: Alignment of its planned growth to institutional capacity	-123	-180	-118	-420
Payments for capital assets: Cost containment measures	-69	-109	-72	-250
National health grant: Health facility revitalisation and national health insurance components: Alignment of its planned growth to institutional capacity	-65	-54	-71	-190
Health professions training and development grant: Cost containment measures	-54	-81	-53	-188
Council for Medical Schemes: Adequacy of accumulated surplus	-2	-4	0	-6
National health insurance grant: Cost containment measures	-2	-2	-2	-6
Sector-wide procurement programme: Research on alternative medicine supply models and data systems	3	3	3	8
Repair of health infrastructure damaged by disasters	10	0	0	10
Forensic chemistry laboratories: Improving capacity through the use of reagents and other consumables to reduce case backlogs	4	4	4	12
International health and development: Establishment of health attaché office in Cuba, and increased World Health Organisation membership fees	4	11	10	24
Port health services unit: Shift from provincial to national government	8	9	9	26
Office of Health Standards Compliance: Establishment of the entity to inspect health care facilities	12	29	45	85
National Treasury	-822	-1 248	-829	-2 899
Provincial equitable share: Baseline reduction	-822	-1 248	-829	-2 899
Net change to function baseline	-1 432	-2 176	-1 481	-5 089

Local Economic Development and Social Infrastructure

Local Economic Development and Social Infrastructure

Function / Vote	2015/16	2016/17	2017/18	MTEF total
R million				
2014 MTEF function baseline	190 586	200 881	211 010	602 477
2015 MTEF function baseline	189 294	198 306	210 235	597 834
Annual growth rate (percentage)	10.3%	4.8%	6.0%	7.0%
Net change from the 2014 Baseline (percentage)	-0.7%	-1.3%	-0.4%	-0.8%
Agriculture, Forestry and Fisheries	-88	-135	-104	-327
Comprehensive agricultural support programme grant Cost containment measures and completion of projects	-75	-122	-90	-286
Goods and services: Cost containment measures	-10	-11	-12	-32
Reduction in number of vacant posts	-3	-3	-3	-8
Cooperative Governance and Traditional Affairs	-158	-275	-178	-611
Municipal infrastructure grant Cost containment measures	-142	-219	-120	-481
Provincial disaster grant Cost containment measures	-101	-104	-103	-307
Municipal disaster grant Cost containment measures	-115	-126	-116	-358
Municipal systems improvement grant Cost containment measures	-10	-16	-10	-36
Community work programme: Housing development and social infrastructure	4	0	120	124
Municipal demarcation transition grant Gauteng and KwaZulu-Natal municipal restructuring costs	39	50	50	139
Repair to municipal infrastructure damaged by disasters	167	140	0	307
Arts and Culture	-55	-85	-54	-194
Goods and services: Cost containment measures	-4	-19	-21	-44
Freedom Park Pretoria: Adequacy of accumulated surplus and cost containment measures	-8	-12	0	-20
Playhouse Company: Adequacy of accumulated surplus	-6	-6	0	-12
Performing arts projects: Cost containment measures	-5	0	0	-5
Reduction in number of vacant posts	-1	-1	-1	-4
Mzansi Golden Economy: Public art Cost containment measures	-1	-1	-1	-4
Machinery and equipment for filming and archiving	0	-1	-1	-2
Community library services grant Cost containment measures	-30	-44	-29	-103

Local Economic Development and Social Infrastructure, cont.

Function / Vote	2015/16	2016/17	2017/18	MTEF total
R million				
Energy	-117	-173	-124	-413
Integrated national electrification programme grant: Cost containment measures	-76	-129	-76	-281
Eskom: Integrated national electrification programme allocation-in-kind: Cost containment measures	-37	-39	-43	-118
Reduction in number of vacant posts	-3	-3	-3	-9
Goods and services: Cost containment measures	-1	-2	-2	-6
Human Settlements	-714	-1 039	-716	-2 468
Human settlements development grant: Cost containment measures	-561	-721	-504	-1 786
Social Housing Regulatory Authority: Restructuring of capital grant	-200	-200	-200	-600
Municipal human settlements capacity grant: Cost containment measures	-200	-200	-200	-600
Urban settlements development grant: Cost containment measures	-100	-156	-85	-342
Reduction in number of vacant posts	-55	-58	-64	-177
National upgrading support programme: Alignment of its planned growth to institutional capacity	-20	-20	-20	-60
Goods and services: Cost containment measures	-6	-22	-24	-52
Social Housing Regulatory Authority: Adequacy of accumulated surplus	-22	-10	-2	-34
Community Schemes Ombud Services: Adequacy of accumulated surplus	-13	-4	0	-18
Nelson Mandela Bay Metropolitan University: Project completed	-4	-4	-5	-13
Scholarship programme: Students in the built environment sectors	4	4	5	13
Rural Housing Loan Fund: Loans to low income rural households	0	0	50	50
National Urban Reconstruction and Housing Agency: Repayment of the loan facility	61	0	0	61
Housing Development Agency: Project management and informal settlement upgrading support	72	57	100	229
National Housing Finance Corporation: Affordable housing finance for low income households	100	100	100	300
Repair of housing infrastructure damaged by disasters	232	195	134	561

Local Economic Development and Social Infrastructure, cont.

Function / Vote	2015/16	2016/17	2017/18	MTEF total
R million				
National Treasury	-314	-484	-320	-1 118
Neighbourhood development partnership grant: Alignment of its planned growth to inflationary projections	-22	-38	-22	-82
Local government financial management grant: Providing for growth that is marginally above inflation	-17	-29	-17	-64
Integrated cities development grant: Alignment of its planned growth to institutional capacity	-15	-26	-15	-56
Infrastructure skills development grant: Providing for growth that is marginally above inflation	-5	-8	-5	-18
Goods and services: Cost containment measures	-4	-4	-9	-17
Provincial equitable share: Baseline reduction	-251	-379	-251	-881
Rural Development and Land Reform	-188	-261	-289	-737
Reduction in number of vacant posts	-195	-360	-226	-782
Agricultural Land Holding Account: Restructuring of the account	-278	-311	-140	-728
Goods and services: Cost containment measures	-245	-260	-157	-663
Machinery and equipment: Cost containment measures	-1	-2	-2	-5
Registration of Deeds Trading Account: Cost containment measures	-1	-1	-1	-3
Implementation of an electronic cadastral system	11	10	0	21
Establishment of the Office of the Valuer-General	33	35	76	144
Implementation of the Spatial Planning Land Use Management Act (2013)	27	139	0	165
Settlement of land restitution claims: Administration, research, and payment of claims	461	489	163	1 113
Sport and Recreation South Africa	-27	-38	-34	-99
Mass participation and sport development grant: Cost containment measures	-13	-18	-12	-43
Goods and services: Cost containment measures	-11	-15	-16	-42
Reduction in number of vacant posts	-6	-7	-7	-20
Boxing South Africa: Establishment of an inspectorate unit	2	2	2	7

Local Economic Development and Social Infrastructure, cont.

Function / Vote	2015/16	2016/17	2017/18	MTEF total
R million				
Transport	-191	-603	-363	-1 158
Public transport infrastructure grant: Cost containment measures	-188	-304	-180	-671
Taxi recapitalisation: Alignment of its planned growth to institutional capacity	-1	-284	-274	-559
Public transport operations grant: Cost containment measures	-113	-168	-111	-392
Passenger Rail Agency of South Africa: Alignment of its planned growth to the agreement for providing new rolling stock	-45	-48	-53	-146
Goods and services: Cost containment measures	-4	-11	-12	-27
Reduction in number of vacant posts	-3	-3	-3	-9
Railway Safety Regulator: Adequacy of accumulated surplus	0	-1	0	-1
Repair to transport infrastructure damaged by disasters	163	215	270	648
Water and Sanitation	561	518	1 406	2 484
Goods and services: Cost containment measures	-24	-42	-46	-113
Reduction in number of vacant posts	-22	-22	-24	-68
Water services operating subsidy grant: Alignment of its planned growth to inflationary projections	-17	-29	-17	-64
Machinery and equipment: Cost containment measures	-3	-6	-6	-15
Repair to water infrastructure damaged by disasters	7	0	0	7
Acid mine drainage: Short term interventions	0	44	50	94
Regional water programme: Housing development, and social infrastructure	0	0	550	550
Rural households infrastructure grant: Cost containment measures	-3	-11	-7	-21
Municipal water infrastructure grant: Alignment of its planned growth to inflationary projections	-76	-116	906	714
Regional bulk infrastructure grant: Shift from the Water Trading Entity	700	700	0	1 400
Net change to function baseline	-1 292	-2 575	-775	-4 643

Defence, Public Order and Safety

Defence, Public Order and Safety

Function / Vote

R million	2015/16	2016/17	2017/18	MTEF total
2014 MTEF function baseline	170 170	181 295	191 808	543 272
2015 MTEF function baseline	168 793	178 694	190 209	537 696
Annual growth rate (percentage)	4.6%	5.9%	6.4%	5.6%
Net change from the 2014 Baseline (percentage)	-0.8%	-1.4%	-0.8%	-1.0%
National Treasury	-14	-27	-9	-50
Financial Intelligence Centre: Retention of personnel, and procurement of information and communication technology	18	20	22	60
Provincial equitable share: Baseline reduction	-32	-47	-31	-110
Correctional Services	-178	-223	-245	-646
Goods and services: Cost containment measures, mainly on audit costs, computer services and contractors	-114	-95	-105	-315
Reduction in number of vacant posts	-43	-38	-40	-121
Payments for capital assets: Information technology equipment	-20	-89	-100	-210
Defence and Military Veterans	-722	-1 062	-985	-2 769
Goods and services: Cost containment measures	-1 377	-1 678	-1 652	-4 708
Special Defence Account: Alignment of its planned growth to inflationary projections	-256	-243	-268	-768
Armaments Corporation of South Africa: Adequacy of accumulated surplus	-129	-199	-35	-362
Military Veterans: Goods and services: Cost containment measures	-25	-43	-48	-116
Spares for military machinery and equipment, and acquisition of transport aircraft to transport troops and equipment to deployment areas	84	262	457	803
Compensation of employees funding requirements	981	840	561	2 382
Independent Police Investigative Directorate	-12	-16	-18	-46
Goods and services: Cost containment measures	-7	-11	-12	-30
Reduction in number of vacant posts	-5	-5	-5	-15

Defence, Public Order and Safety, cont.

Function / Vote R million	2015/16	2016/17	2017/18	MTEF total
Justice and Constitutional Development	-287	-406	-330	-1 022
Goods and services: Cost containment measures	-129	-255	-279	-664
Capital works projects, mainly due to delays in the execution of capital works projects, and justice modernisation projects: Alignment of its planned growth to institutional capacity	-167	-182	-197	-547
Legal Aid South Africa: Adequacy of accumulated surplus	-62	-93	0	-155
Direct charges: Employment of additional magistrates	-43	-47	-51	-141
Reduction in number of vacant posts	-74	-20	-22	-116
Machinery and equipment: Cost containment measures	-29	-41	-45	-115
Special Investigating Unit: Adequacy of accumulated surplus	-9	-13	0	-22
South African Human Rights Commission: Employment of an additional commissioner and legal staff	7	8	9	25
Office of the Family Advocate: Capacitation of the office	16	16	17	49
Public Protector of South Africa: Employment of additional investigators and permanent retention of 70 investigators previously appointed on contract	15	20	25	60
National Prosecuting Authority: Employment of additional prosecutors	25	27	29	81
Transformation of state legal services: Appointment of the solicitor-general and state attorneys	34	36	38	108
Legal Aid South Africa: Employment of public defenders to complement the increase in magistrates' capacity to reduce case backlogs	39	42	45	127
Capacitation of courts in rural areas: Employment of 67 court administrators	74	79	83	236
Establishment of the Office of the Chief Justice: Compensation of employees and accommodation leases	16	17	18	51
Police	-164	-867	-11	-1 043
Goods and services: Cost containment measures	-366	-586	-635	-1 588
Buildings and other fixed structures: Alignment of its planned growth to institutional capacity	-151	-159	-167	-477
Transport equipment: Extending the replacement cycle of vehicles	0	-494	400	-94
Compensation of employees funding requirements	353	372	391	1 116
Net change to function baseline	-1 377	-2 600	-1 599	-5 576

Economic Affairs

Economic Affairs				
Function / Vote	2015/16	2016/17	2017/18	MTEF total
2014 MTEF function baseline	114 097	122 578	125 890	362 564
2015 MTEF function baseline	111 311	118 823	123 419	353 553
Average rate of growth (percentage)				10.8%
Annual growth rate (percentage)	4.0%	6.7%	3.9%	4.9%
Net change from the 2014 Baseline (percentage)	-2.4%	-3.1%	-2.0%	-2.5%
Agriculture, Forestry and Fisheries	-150	-197	-98	-444
Goods and services: Cost containment measures	-45	-76	-84	-205
Agricultural Research Council: Adequacy of accumulated surplus	-77	-117	-1	-195
Reduction in number of vacant posts	-47	-42	-48	-137
Ilima/Letsema projects grant: Alignment of its planned growth to institutional capacity	-11	-16	-11	-38
Machinery and equipment: Cost containment measures	-3	-4	-4	-10
National Agricultural Marketing Council: Adequacy of accumulated surplus	-3	-5	0	-8
LandCare programme grant: Poverty relief and infrastructure development component: Alignment of its planned growth to institutional capacity	-2	-2	-1	-6
National Research Foundation: Adequacy of accumulated surplus	-1	-1	-1	-3
Comprehensive agricultural support programme grant: Repair of agricultural infrastructure damaged by disasters	38	66	53	157
Telecommunications and Postal Services	176	156	233	565
Universal Service and Access Fund: Adequacy of accumulated surplus	-50	-70	0	-120
Goods and services: Cost containment measures	-7	-17	-19	-44
Reduction in number of vacant posts	-11	-12	-13	-36
Universal Service and Access Fund: Broadcasting digital migration: Adequacy of accumulated surplus	-15	-5	-5	-25
National Electronic Media Institute of South Africa: Adequacy of accumulated surplus	-3	-5	0	-8
Universal Service and Access Agency of South Africa: Adequacy of accumulated surplus	-2	-3	0	-5
Machinery and equipment: Cost containment measures	0	-1	-1	-1
South African Post Office: New delivery model	65	0	0	65
Funding of pilot for SA Connect: Broadband policy	200	268	272	740

Economic Affairs, cont.

Function / Vote	2015/16	2016/17	2017/18	MTEF total
R million				
Cooperative Governance and Traditional Affairs	-129	-457	0	-586
Community work programme: Alignment of its planned growth to institutional capacity	-129	-457	0	-586
Economic Development	0	-32	-27	-58
Reduction in number of vacant posts	-16	-12	-13	-41
Goods and services: Cost containment measures	-4	-12	-13	-29
International Trade Administration Commission: Adequacy of accumulated surplus	-5	-7	0	-12
Inquiry into Private Health Care in South Africa	25	0	0	25
Energy	-390	-517	-350	-1 257
Eskom: Solar water heater project: Alignment of its planned growth to institutional capacity	-302	-365	-296	-962
South African Nuclear Energy Corporation Limited: Adequacy of accumulated surplus	-27	-40	0	-67
Goods and services: Cost containment measures	-14	-39	-43	-97
Reduction in number of vacant posts	-19	-21	-23	-63
South African National Energy Development Institute: Adequacy of accumulated surplus	-24	-36	0	-61
Energy efficiency and demand side management grant: Cost containment measures	-10	-18	-11	-39
National Nuclear Regulator: Adequacy of accumulated surplus	-13	-20	0	-34
Machinery and equipment: Cost containment measures	0	-1	-1	-1
Skills development grants: Learnership programmes, and special training and development projects	4	5	6	15
Nuclear Energy Corporation of South Africa: Decommissioning and decontamination of old strategic nuclear facilities	16	17	18	51
Environmental Affairs	-32	-92	-101	-226
Goods and services: Cost containment measures	-16	-35	-39	-90
Development Bank of Southern Africa: The Green Fund: Adequacy of accumulated surplus	0	-36	-40	-75
Reduction in number of vacant posts	-15	-16	-18	-49
Machinery and equipment: Cost containment measures	-2	-4	-5	-11

Economic Affairs, cont.

Function / Vote	2015/16	2016/17	2017/18	MTEF total
R million				
Health	-1	-8	-9	-17
Goods and services: Cost containment measures	-1	-8	-8	-17
Labour	8	-50	-55	-96
Goods and services: Cost containment measures	-15	-22	-25	-62
Filling of posts in the current year and reduction in number of vacant posts in the outer years	9	-25	-28	-44
Commission for Conciliation, Mediation and Arbitration: Adequacy of accumulated surplus and cost containment measures	-2	-2	-3	-7
Vehicles required to conduct inspections	17	0	0	16
Mineral Resources	19	21	36	76
Goods and services: Cost containment measures	-13	-22	-25	-60
Mine Health and Safety Council: Adequacy of accumulated surplus	-6	-6	0	-11
Office furniture: Cost containment measures	0	-1	-1	-2
Enforcement of the Minerals and Petroleum Resources Development Act (2002)	10	14	18	42
Shale gas exploration: Consultations, advocacy and research	28	36	44	108
National Treasury	-248	-364	-246	-858
Civilian and military pensions: Lower costs from the shift of retired civil servants from the Medihelp medical scheme to the Government Employees Medical Scheme	-276	-283	-286	-845
Employment Creation Facilitation Fund: Cost containment measures	0	-1	-4	-4
Military pensions and other benefits: Inclusion of non-statutory forces	266	271	273	810
Provincial equitable share: Baseline reduction	-237	-351	-229	-817
Public Works	-18	-76	-52	-146
Expanded public works programme: Integrated grant for provinces, municipalities and the non-state sector: Alignment of its planned growth to institutional capacity	-14	-67	-41	-122
Goods and services: Cost containment measures	-2	-7	-8	-17
Reduction in number of vacant posts	-2	-2	-2	-6
Rural Development and Land Reform	-7	-21	-23	-50
Reduction in number of vacant posts	-7	-20	-23	-50



Economic Affairs, cont.

Function / Vote	2015/16	2016/17	2017/18	MTEF total
R million				
Science and Technology	-72	-73	-83	-228
Economic competitiveness and support package: Technology research and development; and internship programme projects completed	-15	-20	-25	-60
Goods and services: Cost containment measures	-9	-12	-14	-35
Local manufacturing capacity: Providing for growth that is marginally above inflation	-11	-11	-12	-35
National Research Foundation: Adequacy of accumulated surplus	-9	-9	-10	-28
Research and development infrastructure: Providing for growth that is marginally above inflation	-8	-8	-9	-24
Square Kilometre Array: Adequacy of accumulated surplus	-7	-7	-8	-22
Reduction in number of vacant posts	-11	-3	-4	-18
Strategic science platforms: Providing for growth that is marginally above inflation	-2	-2	-2	-5
Tourism	-63	-23	-25	-112
Goods and services: Cost containment measures	-12	-16	-18	-47
Social responsibility implementation subprogramme: Moderation of the growth in the programme	-44	0	0	-44
Reduction in number of vacant posts	-6	-5	-6	-17
Machinery and equipment and transport equipment	0	-2	-2	-3
Trade and Industry	-226	-326	-226	-777
Special economic zones: Alignment of planned growth to institutional capacity	-60	-104	-115	-280
Manufacturing development incentives: Alignment of planned growth to institutional capacity	-68	-70	-72	-210
South African Bureau of Standards: Adequacy of accumulated surplus	-45	-68	0	-113
Reduction in number of vacant posts	-34	-31	-35	-100
Goods and services: Cost containment measures	-19	-33	-36	-88
National Regulator for Compulsory Specifications: Adequacy of accumulated surplus	-24	-36	0	-61
Council for Scientific and Industrial Research: Alignment of its planned growth to institutional capacity	-14	-15	-16	-45
Industrial Development Corporation: Customised Sector Programme: Alignment of its planned growth to institutional capacity	-10	-10	-11	-31
South African National Accreditation System: Adequacy of accumulated surplus	-12	-17	0	-29
Increasing the international footprint of investment promotion offices on the African continent and in BRICS countries	10	10	10	30
Export Credit Insurance Corporation interest make-up scheme: Support to South African exporters to access new export markets, as well as to diversify South African exports	50	50	50	150

Economic Affairs, cont.

Function / Vote R million	2015/16	2016/17	2017/18	MTEF total
Small Business Development	-5	-27	49	16
2014 national macro organisation of the state: Establishment of department, and interventions to assist SMME businesses and cooperatives	44	46	49	139
Small Enterprise Development Agency: Adequacy of accumulated surplus	-49	-74	0	-123
Water and Sanitation	-1 384	-1 564	-1 497	-4 444
Water Trading Entity: Portion of the accumulated surplus shifted to the regional bulk infrastructure grant and the municipal water infrastructure grant	-1 289	-1 340	-1 249	-3 878
Goods and services: Cost containment measures	-69	-197	-218	-484
Reduction in number of vacant posts	-24	-24	-26	-75
Machinery and equipment: Cost containment measures	-2	-3	-3	-8
Transport	-265	-107	1	-371
Provincial roads maintenance grant: Roads maintenance component				
Reprioritisation and cost containment measures	-265	-369	-269	-902
Reduction in number of vacant posts	-25	-26	-29	-81
Goods and services: Cost containment measures	-10	-26	-29	-66
South African Maritime Safety Authority: Adequacy of accumulated surplus	-5	-7	0	-12
Road Traffic Infringement Agency: Adequacy of accumulated surplus	-5	-7	0	-11
Rural roads asset management systems grant: Cost containment measures	-1	-1	-1	-3
South African National Roads Agency: Moloto road upgrade	45	331	329	705
Net change to function baseline	-2 786	-3 755	-2 471	-9 011

General Public Services

Table 1.8 General Public Services

Function / Vote	2015/16	2016/17	2017/18	MTEF total
R million				
2014 MTEF function baseline	60 437	61 418	64 080	185 935
2015 MTEF function baseline	59 383	60 523	63 754	183 659
Annual growth rate (percentage)	1.7%	1.9%	5.3%	3.0%
Net change from the 2014 Baseline (percentage)	-1.7%	-1.5%	-0.5%	-1.2%
The Presidency	-15	-33	-37	-85
Goods and services: Cost containment measures	-11	-28	-31	-69
Reduction in number of vacant posts	-6	-3	-5	-13
Machinery and equipment: Cost containment measures	-2	-4	-5	-11
Direct charge: Deputy President's salary	3	3	3	8
Parliament	-27	-33	-36	-96
Reduction in number of vacant posts	-22	-16	-18	-56
Goods and services: Cost containment measures	-5	-16	-18	-39
Home Affairs	-27	-123	-90	-240
Goods and services: Cost containment measures	-48	-132	-144	-324
Electoral Commission: Adequacy of accumulated surplus	-24	-37	0	-61
Transport equipment: Cost containment measures	-1	-1	-1	-3
Electronic document management system: Computer equipment	10	10	10	30
Implementation of new immigration regulations: Employment of 111 immigration inspectors	36	37	45	118
International Relations and Cooperation	-335	-467	-168	-971
African Renaissance and International Cooperation Fund: Adequacy of accumulated surplus	-213	-316	-2	-530
Goods and services: Cost containment measures	-54	-89	-98	-242
Reduction in number of vacant posts	-68	-62	-68	-198
Communications	-63	-73	-72	-208
Goods and services: Cost containment measures	2	-4	-5	-8
Brand South Africa: Adequacy of accumulated surplus	-3	-4	0	-6
Film and Publication Board: Adequacy of accumulated surplus	-1	-1	0	-1
South African Broadcasting Corporation: Digitisation project completed	-65	-68	-72	-205
2014 national macro organisation of the state: Ministry and Deputy Ministry	4	4	5	13

General Public Services, cont.

Function / Vote	2015/16	2016/17	2017/18	MTEF total
R million				
Public Works	-117	-128	-101	-345
Property Management Trading Entity: Immovable asset management programme: Alignment of its planned growth to institutional capacity	-71	-51	-46	-168
Goods and services: Cost containment measures	-9	-29	-32	-70
Reduction in number of vacant posts	-18	-19	-21	-57
Construction Industry Development Board: Adequacy of accumulated surplus	-16	-24	0	-39
Council for the Built Environment: Adequacy of accumulated surplus	-2	-3	0	-6
Machinery and equipment: Cost containment measures	-1	-2	-2	-5
Planning, Monitoring and Evaluation	-27	-56	-49	-132
National Youth Development Agency: Cost containment measures	-13	-39	-30	-82
Reduction in number of vacant posts	-11	-12	-13	-36
Goods and services: Cost containment measures	-3	-5	-5	-13
Machinery and equipment: Cost containment measures	0	-1	-1	-1
National Treasury	-508	-308	225	-591
Provincial equitable share: Baseline reduction	-121	-180	-119	-421
South African Revenue Service: Adequacy of accumulated surplus	-464	-75	381	-158
Reduction in number of vacant posts	-38	-39	-43	-119
Goods and services: Cost containment measures	-7	-10	-4	-20
Independent Regulatory Board for Auditors: Adequacy of accumulated surplus	-6	-9	0	-15
Information technology and other equipment: Cost containment measures	-1	-3	-3	-7
Cooperative Banks Development Agency: Adequacy of accumulated surplus	-1	-2	0	-3
Accounting Standards Board: Adequacy of accumulated surplus	0	-1	0	-1
Government Pensions Administration Agency: To clear claim backlogs, and capacity for the special pensions oversight function	11	12	13	35
Direct charge: National revenue fund payments	121	0	0	121
Public Enterprises	-8	-7	-8	-24
Goods and services: Cost containment measures	-8	-7	-8	-23



General Public Services, cont.

Function / Vote R million	2015/16	2016/17	2017/18	MTEF total
Public Service and Administration	54	49	45	148
Goods and services: Cost containment measures	-25	-26	-29	-79
Reduction in number of vacant posts	-6	-6	-7	-18
National School of Government: Alignment of its planned growth to institutional capacity	-4	-5	-6	-16
Machinery and equipment: Cost containment measures	0	0	-1	-1
Presidential Public Service Remuneration Review Commission: Extension of commission's term to May 2015	6	0	0	6
Centre for Public Service Innovation: Establishment of a corporate services unit	4	6	6	15
Public Service Commission: Lease costs	11	10	6	27
Public Service Sector Education and Training Authority: Skills development project plans	68	72	75	215
Statistics South Africa	61	349	3	414
Goods and services: Cost containment measures	-10	-17	-19	-46
Reduction in number of vacant posts	-17	-12	-13	-43
Information technology equipment: Cost containment measures	-1	-3	-3	-7
Large sample community survey	89	381	39	509
Cooperative Governance and Traditional Affairs	-39	-60	-35	-134
Goods and services: Cost containment measures	-23	-33	-37	-93
South African Local Government Association: Adequacy of accumulated surplus	-19	-28	0	-47
Machinery and equipment: Cost containment measures	-2	-2	-2	-6
2014 national macro organisation of the state: Department of Traditional Affairs: Deputy ministry	4	3	3	11
Women	-4	-6	-2	-13
Commission for Gender Equality: Adequacy of accumulated surplus	-3	-5	0	-8
Goods and services: Cost containment measures	-1	-2	-2	-5
Net change to function baseline	-1 055	-895	-326	-2 276