# Vote 10

# Public Service and Administration

| | |
|---|---|
| **Amount to be appropriated** | R137 285 000 |
| **Statutory appropriations** | – |
| Responsible Minister | Minister for the Public Service and Administration |
| Administering Department | Department of Public Service and Administration |
| Accounting Officer | Director-General of Public Service and Administration |

## Aim

*The aim of the Department of Public Service and Administration is to lead the modernisation of the public service by assisting government departments to implement their management policies, systems and structural solutions, within a generally applicable framework of norms and standards, in order to improve service delivery.*

## Key objectives and programmes

Improving service delivery and good governance across the three spheres of government is the main focus of the Department of Public Service and Administration (DPSA). Its approach, objectives and programmes aim to build an integrated system of governance through all spheres and to enhance the quality of service delivery through general civil service reforms and more targeted support.

In support of the identified priority areas, the Governance and Administration Cabinet Cluster identified the following focal areas for the medium term:

- Providing management and restructuring support to departments in all spheres of government
- Modernising government operations and developing human resources
- Monitoring and evaluating institutions to improve service delivery and leading Batho Pele
- Building and strengthening the inter-governmental systems and the centre of Government
- Developing risk management strategies for the public service, including an HIV/Aids policy
- Implementing initiatives to address corruption in the public service

In pursuing its goals, the Department of Public Service and Administration facilitates the building of capacity of departments in generic skills and competencies, such as managerial functions; offers advice to departments on improving service delivery; and manages information on public service personnel to assist decision-makers.

The Department continues leading negotiations with organised labour in the public service. A key objective for 2002 is to improve the capacity of the Senior Management Service of the public service by recruiting and retaining skilled personnel.

Aiming to develop and implement appropriate e-Government strategy, the Department will launch flagship information technology (IT) projects. It will pay particular attention to overseeing the work of the State Information and Technology Agency (SITA).

The Department is moving away from working at provincial level, and has begun to focus its service delivery improvement efforts on individual institutions that directly deliver services to the people of South Africa, such as schools, clinics and police stations. However it continues to coordinate its work with other government agencies.

The activities of the Department are organised into three programmes:

- *Administration* provides overall leadership, management and administrative guidance.
- *Functional Assistance to the Minister* provides for implementing the Department's mandate on human resource management and development, anti-corruption activities, the management of Government's IT strategy and the service delivery improvement programmes.
- *Auxiliary and Associated Services* caters for transfers to SITA.

## Strategic overview and key policy developments: 1998/99-2004/05

Since the inception of the Department of Public Service and Administration in 1996, it has issued a series of White Papers and reports culminating in the Public Service Laws Amendment Act (86 of 1998). The Act empowers senior managers, giving them greater control over their resources and personnel. Accountability has been strengthened by the agreement in terms of a Public Service Central Bargaining Chamber Resolution, which provides incentives for senior managers to enter into performance agreements.

New regulations for the public service and collective agreements were also implemented in 1998. The regulatory framework supports legislative reforms through a revised performance management system, streamlined disciplinary arrangements and the introduction of the Code of Remuneration to replace the cumbersome Personnel Administration Standards. These changes support greater managerial flexibility within a framework of predetermined norms and standards.

In 1999 the Department adjusted its priorities to focus more on implementation. Key achievements in the following years included:

- A wage policy aimed at stabilising personnel costs was developed.
- A new management framework based on the Public Service Act (103 of 1994) and Resolutions, came into effect in July 1999, and the Batho Pele Service Delivery Improvement Policy, was implemented.
- In 2000/01, measures were introduced to stabilise management capacity in the public service by establishing the initial parameters for the development of the Senior Management Service.

In 2000 the Department realigned its structures and resources in light of the newly articulated objectives. The new structure came into effect from 1 April 2001, and involved:

- The amalgamation of various branches into Integrated Human Resources
- The establishment of the Anti-Corruption and High Profile Cases subprogramme
- The combining of the Government Chief Information Office and the Public Service Information Unit into Information and Information Technology Management, and the establishment of the Information Technology and Knowledge Management Unit

## Expenditure estimates

Table 10.1: Public Service and Administration

| Programme | Expenditure outcome | | | | | Medium-term expenditure estimate | | |
|---|---|---|---|---|---|---|---|---|
| | Audited | Audited | Preliminary outcome | Adjusted appropriation | Revised estimate | | | |
| R thousand | 1998/99 | 1999/00 | 2000/01 | 2001/02 | | 2002/03 | 2003/04 | 2004/05 |
| 1 Administration | 21 007 | 20 741 | 26 520 | 29 386 | 27 900 | 30 242 | 32 341 | 34 679 |
| 2 Functional Assistance to the Minister | 34 991 | 25 201 | 27 133 | 43 757 | 36 243 | 62 041 | 71 458 | 77 960 |
| 3 Auxiliary and Associated Services | 96 316 | 110 506 | 31 094 | 26 593 | 26 593 | 45 002 | 50 002 | 2 |
| Total | 152 314 | 156 448 | 84 747 | 99 736 | 90 736 | 137 285 | 153 801 | 112 641 |
| Change to 2001 Budget Estimate | | | | 8 674 | (326) | 65 235 | 75 883 | |

| R thousand | Expenditure outcome | | | | | Medium-term expenditure estimate | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | Audited | Audited | Preliminary outcome | Adjusted appropriation | Revised Estimate | | | |
| | 1998/99 | 1999/00 | 2000/01 | 2001/02 | | 2002/03 | 2003/04 | 2004/05 |
| **Economic classification** | | | | | | | | |
| **Current** | **50 613** | **49 490** | **51 736** | **70 495** | **61 795** | **89 117** | **99 416** | **106 971** |
| Personnel | 34 475 | 33 011 | 36 710 | 45 619 | 43 433 | 53 973 | 55 832 | 57 200 |
| Transfer payments | – | 5 203 | 55 | 1 | 1 | 1 | 1 | 1 |
| Other current | 16 138 | 11 276 | 14 971 | 24 875 | 18 361 | 35 143 | 43 583 | 49 770 |
| **Capital** | **101 701** | **106 958** | **33 011** | **29 241** | **28 941** | **48 168** | **54 385** | **5 670** |
| Transfer payments | 96 316 | 105 303 | 31 039 | 26 592 | 26 592 | 45 001 | 50 001 | 1 |
| Acquisition of capital assets | 5 385 | 1 655 | 1 972 | 2 649 | 2 349 | 3 167 | 4 384 | 5 669 |
| **Total** | **152 314** | **156 448** | **84 747** | **99 736** | **90 736** | **137 285** | **153 801** | **112 641** |
| **Standard items of expenditure** | | | | | | | | |
| Personnel | 34 475 | 33 011 | 36 710 | 45 619 | 43 433 | 53 973 | 55 832 | 57 200 |
| Administrative | 7 262 | 6 129 | 7 545 | 11 039 | 10 539 | 10 806 | 12 636 | 14 251 |
| Inventories | 1 767 | 834 | 2 453 | 2 444 | 1 830 | 9 404 | 7 655 | 6 662 |
| Equipment | 5 435 | 2 100 | 2 498 | 3 064 | 2 764 | 3 640 | 4 879 | 6 189 |
| Land and buildings | – | – | – | – | – | – | – | – |
| Professional and special services | 6 596 | 3 244 | 4 134 | 10 977 | 5 577 | 14 460 | 22 797 | 28 337 |
| Transfer payments | 96 316 | 110 506 | 31 094 | 26 593 | 26 593 | 45 002 | 50 002 | 2 |
| Miscellaneous | 463 | 624 | 313 | – | – | – | – | – |
| **Total** | **152 314** | **156 448** | **84 747** | **99 736** | **90 736** | **137 285** | **153 801** | **112 641** |

# Expenditure trends

The budget of the Department has two programmes related to the functioning of the Department itself, while *Auxiliary and Associated Services* consists of transfer payments to the State Information and Technology Agency. Excluding those transfers the Department's core budget grew by an average of 9,3 per cent per year between 1998/99 and 2001/02. During this period substantial donor funding was utilised to augment the Department operations, especially its targeting of service delivery innovation and improvement in provincial and national departments. In addition, an amount of R6 million was allocated to the Department in the adjustments estimate of 2001/02 to cater for the inclusion of funds transferred from the Public Services Sector Education and Training Authority's (PSeta) bank account to the Department, to increase the funding available for the functioning of the Seta.

Over the medium term, allocations have been increased quite significantly so that the Department can reduce its reliance on donor funding. The core budget increases by an annual average of 15,5 per cent a year between 2001/02 and 2004/05. Additional emphasis is placed on ensuring that Government, as employer, is ready to face the HIV/Aids epidemic. This includes additional staff who would focus on the HIV/Aids Action Campaign and related issues.

An additional R15 million has been set aside in the 2002/03 budget to develop the e-Government programme and implement flagship projects. In order to begin to fund service delivery improvement projects from within the Department's budget, an additional R6 million and R10 million have been allocated for 2003/04 and 2004/05 respectively.

Due to the labour-intensive nature of the work of the Department, the main expense remains personnel, amounting to 58,5 per cent of operating costs in 2002/03, and declining to 50,8 per cent in 2004/05. This fall indicates that the 18,3 per cent increase in personnel expenditure in 2002/03 is anomalous and is because additional human capacity was engaged to enhance the management of IT related projects throughout Government; to enhance the SITA oversight function of the Department;

and to ensure service delivery in line with the Skills Development Act (97 of 1998) through the PSeta. This led to substantial carry-through effects on the 2002/03 personnel budget. After 2002/03, however, the personnel budget increases by only 3,4 per cent and 2,5 per cent in each of the following years.

Relative to the projections made in the 2001 Budget, increased funds allocated to the Department have been channelled into non-personnel expenditure. Changes include increased funds to facilitate more travel for face-to-face interaction with role-players; increased allocations for printing handbooks, learning journals and pamphlets; and increased spending on specialist advice for IT and the development of HIV/Aids policies for the public service.

When SITA was established, the Department was made responsible for overseeing its work and for administering bridging finance of a capital nature in the form of transfer payments. These transfers declined between 1999/00 and 2001/02, to ensure that SITA would be self-sufficient by 2003/04. Due to an extended mandate given to SITA, however, transfers of R45 million and R50 million in 2002/03 and 2003/04 respectively have been provided.

## Departmental receipts

Total departmental receipts for 2002/03 are projected to be R119 000 and flow from parking fees, interest on debt, stale cheques and commissions paid.

Table 10.2: Departmental receipts

| R thousand | Revenue outcome | | | Adjusted appropriation | Medium-term revenue estimate | | |
|---|---|---|---|---|---|---|---|
| | Audited | Audited | Preliminary outcome | | | | |
| | 1998/99 | 1999/00 | 2000/01 | 2001/02 | 2002/03 | 2003/04 | 2004/05 |
| Non-tax revenue | 33 | 30 | 29 | 32 | 36 | 39 | 42 |
| Sales of goods and services | 33 | 30 | 29 | 32 | 36 | 39 | 42 |
| Financial transactions (recovery of loans and advances) | 480 | 89 | 150 | 33 | 83 | 97 | 108 |
| Total departmental receipts | 513 | 119 | 179 | 65 | 119 | 136 | 150 |

## Programme 1: Administration

The main functions of *Administration* are: public service policy management and leadership, comprising the Minister, Director-General and other senior managers; strategic support services; and corporate services. Overall, the programme provides policy and strategic leadership to the public service, enhancing its capability to deliver on Government's priorities and objectives. It also provides for the Department's support and administrative functions.

## Expenditure estimates

Table 10.3: Administration

| Subprogramme | Expenditure outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|---|---|---|---|---|---|---|---|
| | Audited | Audited | Preliminary outcome | | | | |
| R thousand | 1998/99 | 1999/00 | 2000/01 | 2001/02 | 2002/03 | 2003/04 | 2004/05 |
| Minister [1] | 504 | 475 | 544 | 646 | 685 | 722 | 759 |
| Management | 2 964 | 3 566 | 5 985 | 6 199 | 9 245 | 9 442 | 9 687 |
| Corporate Services | 17 539 | 16 700 | 19 991 | 22 541 | 20 312 | 22 177 | 24 233 |
| Total | 21 007 | 20 741 | 26 520 | 29 386 | 30 242 | 32 341 | 34 679 |
| Change to 2001 Budget Estimate | | | | 3 441 | 3 142 | 3 867 | |

[1] *Payable as from 1 April 2001. Salary: R516 812. Car allowance: R129 203.*

| R thousand | Expenditure outcome | | | Adjusted | Medium-term expenditure estimate | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| | Audited | Audited | Preliminary outcome | appropriation | | | |
| | 1998/99 | 1999/00 | 2000/01 | 2001/02 | 2002/03 | 2003/04 | 2004/05 |
| **Economic classification** | | | | | | | |
| **Current** | **16 548** | **19 877** | **25 301** | **27 516** | **30 042** | **31 884** | **34 216** |
|    Personnel | 10 608 | 11 966 | 14 009 | 16 615 | 20 565 | 21 231 | 21 681 |
|    Transfer payments | – | – | – | – | – | – | – |
|    Other current | 5 940 | 7 911 | 11 292 | 10 901 | 9 477 | 10 653 | 12 535 |
| **Capital** | **4 459** | **864** | **1 219** | **1 870** | **200** | **457** | **463** |
|    Transfer payments | – | – | – | – | – | – | – |
|    Acquisition of capital assets | 4 459 | 864 | 1 219 | 1 870 | 200 | 457 | 463 |
| **Total** | **21 007** | **20 741** | **26 520** | **29 386** | **30 242** | **32 341** | **34 679** |
| | | | | | | | |
| **Standard items of expenditure** | | | | | | | |
| Personnel | 10 608 | 11 966 | 14 009 | 16 615 | 20 565 | 21 231 | 21 681 |
| Administrative | 3 332 | 3 881 | 5 471 | 5 953 | 5 055 | 5 356 | 5 764 |
| Inventories | 699 | 627 | 1 547 | 814 | 953 | 1 052 | 1 091 |
| Equipment | 4 459 | 1 306 | 1 740 | 2 277 | 553 | 823 | 842 |
| Land and buildings | – | – | – | – | – | – | – |
| Professional and special services | 1 774 | 2 656 | 3 596 | 3 727 | 3 116 | 3 879 | 5 301 |
| Transfer payments | – | – | – | – | – | – | – |
| Miscellaneous | 135 | 305 | 157 | – | – | – | – |
| **Total** | **21 007** | **20 741** | **26 520** | **29 386** | **30 242** | **32 341** | **34 679** |

## Policy developments

The Minister for the Public Service and Administration coordinates the Governance and Administration Cabinet Cluster, which promotes the coordination and integration of the policies. The Director-General for Public Service and Administration is the chairperson of the corresponding Directors-General Cluster, which supports the work of the Committee by managing its priorities, including:

- Improving the capacity of Government by strengthening the inter-governmental system, fostering local government transformation and improving the quality of spending and human resource utilisation
- Strengthening the centre of Government by promoting integrated planning and budgeting, monitoring and evaluating delivery, integrating IT systems, and strengthening the Presidency
- Enhancing integrated service delivery through initiatives including those which aim to re-engineer departments and review regulatory requirements
- Promoting good governance through fostering national reconciliation, promoting community participation, combating corruption and supporting the development of the continent as a whole

The Minister and Director-General also play roles in a number of public administration organisations. These include the Commonwealth Association of Public Administration and Management, and the International Institute for Administrative Sciences. The Director-General is active in other relevant organisations to support the New Partnership for Africa's Development (NEPAD) and other international engagements, providing policy inputs on strategic policy issues, and establishing regional and international programmes.

## Expenditure trends

*Administration* shows an average annual growth of 5,7 per cent from 2001/02 to 2004/05. The growth in personnel expenditure, however, shows an increase of 23,8 per cent between 2001/02 and

2002/03. This sharp increase was because of the need to review capacity requirements, resulting in the creation and upgrading of critical posts in senior management and other areas.

# Programme 2: Functional Assistance to the Minister

*Functional Assistance to the Minister* provides support to the Minister by developing appropriate policy and strategic interventions, and facilitating their implementation. There are four subprogrammes:

- Integrated Human Resources establishes and enhances, through negotiations and related interventions, human resource management and development practices in the public service.
- Information and Information Technology Management ensures that information and IT in Government are appropriately and effectively used.
- Service Delivery Improvement engages in supportive interventions and partnerships which enhance efficiency and effectiveness in the public service.
- Anti-Corruption and High Profile Cases facilitates the establishment of strategies to fight corruption and enhance ethical conduct in the public service.

## Expenditure estimates

Table 10.4: Functional Assistance to the Minister

| Subprogramme | Expenditure outcome | | | | Medium-term expenditure estimate | | |
|---|---|---|---|---|---|---|---|
| | Audited | Audited | Preliminary outcome | Adjusted appropriation | | | |
| R thousand | 1998/99 | 1999/00 | 2000/01 | 2001/02 | 2002/03 | 2003/04 | 2004/05 |
| Integrated Human Resources | 16 224 | 15 767 | 16 489 | 30 716 | 28 041 | 28 404 | 29 512 |
| Information and Information Technology Management | 8 054 | 4 083 | 1 311 | 2 544 | 21 334 | 21 445 | 22 203 |
| Service Delivery Improvement | 10 713 | 5 351 | 9 333 | 10 497 | 10 821 | 19 831 | 24 416 |
| Anti-Corruption and High Profile Cases | – | – | – | – | 1 845 | 1 778 | 1 829 |
| **Total** | **34 991** | **25 201** | **27 133** | **43 757** | **62 041** | **71 458** | **77 960** |
| Change to 2001 Budget Estimate | | | | 5 233 | 17 093 | 22 016 | |

| Economic classification | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Current** | **34 065** | **24 410** | **26 380** | **42 978** | **59 074** | **67 531** | **72 754** |
| Personnel | 23 867 | 21 045 | 22 701 | 29 004 | 33 408 | 34 601 | 35 519 |
| Transfer payments | – | – | – | – | – | – | – |
| Other current | 10 198 | 3 365 | 3 679 | 13 974 | 25 666 | 32 930 | 37 235 |
| **Capital** | **926** | **791** | **753** | **779** | **2 967** | **3 927** | **5 206** |
| Transfer payments | – | – | – | – | – | – | – |
| Acquisition of capital assets | 926 | 791 | 753 | 779 | 2 967 | 3 927 | 5 206 |
| **Total** | **34 991** | **25 201** | **27 133** | **43 757** | **62 041** | **71 458** | **77 960** |

| Standard items of expenditure | | | | | | | |
|---|---|---|---|---|---|---|---|
| Personnel | 23 867 | 21 045 | 22 701 | 29 004 | 33 408 | 34 601 | 35 519 |
| Administrative | 3 930 | 2 248 | 2 074 | 5 086 | 5 751 | 7 280 | 8 487 |
| Inventories | 1 068 | 207 | 906 | 1 630 | 8 451 | 6 603 | 5 571 |
| Equipment | 976 | 794 | 758 | 787 | 3 087 | 4 056 | 5 347 |
| Land and buildings | – | – | – | – | – | – | – |
| Professional and special services | 4 822 | 588 | 538 | 7 250 | 11 344 | 18 918 | 23 036 |
| Transfer payments | – | – | – | – | – | – | – |
| Miscellaneous | 328 | 319 | 156 | – | – | – | – |
| **Total** | **34 991** | **25 201** | **27 133** | **43 757** | **62 041** | **71 458** | **77 960** |

**Policy developments**

Integrated Human Resources was established following the integration of a number of subprogrammes in April 2001. Its policy-making and regulatory functions include managing negotiations related to remuneration and benefits, leading the Department's investigations into restructuring options for the public service, and housing the PSeta.

The Information and Information Technology Management component is split into the Office of the Government Chief Information Officer and the Public Service Information Management Unit. The Government Chief Information Officer has three main focal areas:

- Establishing approaches to IT management, acquisition and utilisation to enhance e-Government efforts
- Coordinating the work of the Government Information Technology Officers' Council, comprising the chief information officers of government departments, which advises Government on IT issues and markets the e-Government approaches to service delivery
- Overseeing SITA and managing IT related projects on behalf of Government.

The Information Management Unit's main objectives are:

- To establish and facilitate the necessary access to information on governance, administration and service delivery for analysis, effective service innovation and decision-making
- To maintain the necessary public service information and to ensure the appropriate structuring of information and information access

Service Delivery Improvement was established in 1999 with the aim of building capacity in Government. It engages with public service institutions to assist them to improve the services offered to the public, as well as the manner in which they are offered.

The Anti-Corruption and High Profile Cases subprogramme was established in April 2001 and facilitates the development and implementation of a national anti-corruption strategy, focusing on the public service. The other major focal area is enhancing and facilitating the management of selected high profile disciplinary cases. The subprogramme promotes integrated and coordinated work through partnerships with stakeholders and departments in developing and implementing policy and has promoted regional and international cooperation in anti-corruption activities.

**Expenditure trends**

The Department of Public Service and Administration's strategy is to reduce the dependence on donor funding and increase its self-sufficiency. In 1998/99 this programme constituted 62,5 per cent of the Department's budget (transfer payments to SITA excluded). This proportion has grown to 67,2 per cent in 2002/03 and will grow to 69,2 per cent in 2004/05, with an average annual growth of 21,2 per cent until 2004/05. These increases include provisions for newly instituted HIV/Aids projects, e-Government projects, and Service Delivery Improvement to ensure continued support to the provinces and service delivery institutions directly.

## Key outputs, indicators and targets

### Functional Assistance to the Minister

| Subprogramme | Output | Output measure/indicator | Target |
|---|---|---|---|
| Integrated Human Resources | Improve attraction, selection and performance management of Senior Management Service (SMS) | Implement of SMS competency and performance management frameworks | April 2002 |
| | | Establish a database on SMS | June 2002 |
| | | Develop and publish ethics protocols for SMS | August 2002 |
| | | Review panel established and operational | September 2002 |
| | Improve staff selection, recruitment and retention | Guidelines developed and implemented and minimum standards published | May 2002 |
| | Facilitate the institution of systems/ programmes that enable departments to respond effectively to HIV/Aids | Needs analysis conducted | June 2002 |
| | | Toll-free Hope line established | |
| | | Introduction of Hope Awards | |
| | | Pilot voluntary testing and counselling | |
| | | Communication strategy | |
| | Communication campaigns for public sector strategies | Public Service Human Resource Development Strategy | June 2002 |
| | | Public Service Scarce Skills Strategy | June 2002 |
| | | Public Service Internship Framework | June 2002 |
| | Strengthen skills development institutions | Sector Skills Plan submitted to Department of Labour | May 2002 |
| | | PSeta operational as Education and Training Quality Assurance (ETQA) body | September 2002 |
| | Agreement on restructured benefits and remuneration | Cost-effective pension and medical benefits | April 2002 |
| | | Appropriate housing benefit proposed | December 2002 |
| | | Health risk management policy agreed | September 2002 |
| | | Implement restructured Foreign Service Dispensation | April 2002 |
| | | Establish acceptable salary benchmarks | December 2002 |
| | | All SMS jobs correctly graded | December 2002 |
| | | Benchmark job descriptions/grades for select occupations | December 2002 |
| | | Performance based pay progression and career pathing implemented | April 2002 |
| | | Review remuneration and incentive scheme for levels 11 and 12 and other professions | June 2002 |
| | | Consolidate a Public Service Labour Relations Framework | September 2002 |
| | | Guide on negotiations in public service developed | February 2003 |
| Information and Information Technology Management | e-Government policy and regulations | Regulation/frameworks for: information plans, operational plans, technology, information security, interoperability, IT acquisition and a strategy for e-Government | June 2002 |
| | Record systems and projects | Database in existence on existing systems and projects | October 2002 |
| | Electronic portals | Government-to-government portal created | December 2003 |
| | | Revamping of www.gov.za website | September 2002 |
| | Access to information for analysis and decision-making | Established networks and user-friendly platform for governance, administration and service delivery data | December 2002 |
| Service Delivery Improvement | User guidelines and manuals and best practice reports | Guidelines, manuals and best practice reports published | 1 per quarter |
| Anti-Corruption and High Profile Cases | Anti-corruption strategy | Strategy to be approved by Cabinet | Roll-out to 2004/05 |
| | | Promote international cooperation on corruption | UN convention |
| | Information on corruption | Accurate information available | March 2003 |

# Programme 3: Auxiliary and Associated Services

At present this programme serves to facilitate the transfer of funds to SITA.

## Expenditure estimates

Table 10.5: Auxiliary and Associated Services

| Subprogramme | Expenditure outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|---|---|---|---|---|---|---|---|
| | Audited | Audited | Preliminary outcome | | | | |
| R thousand | 1998/99 | 1999/00 | 2000/01 | 2001/02 | 2002/03 | 2003/04 | 2004/05 |
| State Information Technology Agency (SITA) | 96 316 | 110 506 | 31 040 | 26 593 | 45 002 | 50 002 | 2 |
| Public Service Sector Education and Training Authority | – | – | 54 | – | – | – | – |
| **Total** | **96 316** | **110 506** | **31 094** | **26 593** | **45 002** | **50 002** | **2** |
| Change to 2001 Budget Estimate | | | | – | 45 000 | 50 000 | |
| | | | | | | | |
| **Economic classification** | | | | | | | |
| **Current** | **–** | **5 203** | **55** | **1** | **1** | **1** | **1** |
| Personnel | – | – | – | – | – | – | – |
| Transfer payments | – | 5 203 | 55 | 1 | 1 | 1 | 1 |
| Other current | – | – | – | – | – | – | – |
| **Capital** | **96 316** | **105 303** | **31 039** | **26 592** | **45 001** | **50 001** | **1** |
| Transfer payments | 96 316 | 105 303 | 31 039 | 26 592 | 45 001 | 50 001 | 1 |
| Acquisition of capital assets | – | – | – | – | – | – | – |
| | | | | | | | |
| **Total** | **96 316** | **110 506** | **31 094** | **26 593** | **45 002** | **50 002** | **2** |
| | | | | | | | |
| **Standard items of expenditure** | | | | | | | |
| Personnel | – | – | – | – | – | – | – |
| Administrative | – | – | – | – | – | – | – |
| Inventories | – | – | – | – | – | – | – |
| Equipment | – | – | – | – | – | – | – |
| Land and buildings | – | – | – | – | – | – | – |
| Professional and special services | – | – | – | – | – | – | – |
| Transfer payments | 96 316 | 110 506 | 31 094 | 26 593 | 45 002 | 50 002 | 2 |
| Miscellaneous | – | – | – | – | – | – | – |
| **Total** | **96 316** | **110 506** | **31 094** | **26 593** | **45 002** | **50 002** | **2** |

# Public entities reporting to the Minister

## State Information Technology Agency

The Department oversees the State Information Technology Agency (SITA) which is a state-owned enterprise established to provide IT, information systems and related services to, or on behalf of, participating organs of State and to act as an agent of government in the development and maintenance of government IT systems.

SITA is currently integrating a restructuring process to ensure that it will be able to meet the demands of national departments and provincial governments more effectively. It has developed strategies for integrating the systems of government organs and to facilitate partnerships with industry.

The initial funding of SITA was in the form of transfer payments between 1999/00 and 2001/02. These transfers were a form of bridging finance of a capital nature from the former Central Computer Services, Infoplan (Department of Defence) and the South African Police Service. They were reduced substantially over this period on the premise that SITA would become self-sufficient and that all its expenditure requirements would be funded from fees charged for services provided in

terms of service level agreements. In this regard, and to improve self-sufficiency, approval has recently been obtained from National Treasury to increase the rates for services provided.

In addition to this, however, increased allocations of R34 million and R50 million for 2002/03 and 2003/04 respectively have been made. These allow SITA to create a virtual private network for Government in order to deliver a network that will provide economies of scale, while enhancing security, inter-operability and compatibility. In addition, it will free resources from monitoring a duplicate network infrastructure. The continuation of the infrastructure allocation to SITA will be directly related to progress on the roll-out of the network in 2002/03.

**Annexure**

## Vote 10: Public Service and Administration

Table 10.6: Summary of expenditure trends and estimates per programme

Table 10.7: Summary of expenditure trends and estimates per economic classification

Table 10.8: Summary of expenditure trends and estimates per standard item

Table 10.9: Summary of transfers and subsidies per programme

Table 10.10: Summary of personnel numbers and costs

Table 10.11: Summary of expenditure on training

Table 10.12: Summary of information and communications technology expenditure

**Table 10.6: Summary of expenditure trends and estimates per programme**

| | Expenditure outcome | | | Main appropriation | Adjustments appropriation | | | Revised estimate | Medium-term expenditure estimate | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Audited | Audited | Preliminary outcome | | Rollovers from 2000/01 | Other adjustments | Adjusted appropriation | | Current | Capital | Total | | |
| R thousand | 1998/99 | 1999/00 | 2000/01 | | | 2001/02 | | | | 2002/03 | | 2003/04 | 2004/05 |
| 1  Administration | 21 007 | 20 741 | 26 520 | 25 945 | 1 808 | 1 633 | 29 386 | 27 900 | 30 042 | 200 | 30 242 | 32 341 | 34 679 |
| 2  Functional Assistance to the Minister | 34 991 | 25 201 | 27 133 | 38 524 | 866 | 4 367 | 43 757 | 36 243 | 59 074 | 2 967 | 62 041 | 71 458 | 77 960 |
| 3  Auxiliary and Associated Services | 96 316 | 110 506 | 31 094 | 26 593 | – | – | 26 593 | 26 593 | 1 | 45 001 | 45 002 | 50 002 | 2 |
| **Total** | **152 314** | **156 448** | **84 747** | **91 062** | **2 674** | **6 000** | **99 736** | **90 736** | **89 117** | **48 168** | **137 285** | **153 801** | **112 641** |
| Change to 2001 Budget Estimate | | | | | | | 8 674 | (326) | | | 65 235 | 75 883 | |

Table 10.7: Summary of expenditure trends and estimates per economic classification

| R thousand | Expenditure outcome | | | Main appropriation | Adjustments appropriation | | | Revised estimate | Medium-term expenditure estimate | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Audited | Audited | Preliminary outcome | | Rollovers from 2000/01 | Other adjustments | Adjusted appropriation | | Current | Capital | Total | | |
| | 1998/99 | 1999/00 | 2000/01 | | | 2001/02 | | | | 2002/03 | | 2003/04 | 2004/05 |
| Current | 50 613 | 49 490 | 51 736 | 63 694 | 1 150 | 5 651 | 70 495 | 61 795 | 89 117 | – | 89 117 | 99 416 | 106 971 |
| Personnel | 34 475 | 33 011 | 36 710 | 45 619 | – | – | 45 619 | 43 433 | 53 973 | – | 53 973 | 55 832 | 57 200 |
| Salaries and wages | 22 930 | 23 750 | 27 393 | 33 327 | – | – | 33 327 | 31 141 | 40 534 | – | 40 534 | 42 494 | 43 341 |
| Other | 11 545 | 9 261 | 9 317 | 12 292 | – | – | 12 292 | 12 292 | 13 439 | – | 13 439 | 13 338 | 13 859 |
| Transfer payments | – | 5 203 | 55 | 1 | – | – | 1 | 1 | 1 | – | 1 | 1 | 1 |
| Subsidies to business enterprises | – | 5 203 | 55 | 1 | – | – | 1 | 1 | 1 | – | 1 | 1 | 1 |
| Other levels of government | | | | | | | | | | | | | |
| social security funds | – | – | – | – | – | – | – | – | – | – | – | – | – |
| universities and technikons | – | – | – | – | – | – | – | – | – | – | – | – | – |
| extra-budgetary institutions | – | – | – | – | – | – | – | – | – | – | – | – | – |
| provincial government | – | – | – | – | – | – | – | – | – | – | – | – | – |
| local government | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Households and non-profit institutions | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Foreign countries and international credit institutions | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Other | 16 138 | 11 276 | 14 971 | 18 074 | 1 150 | 5 651 | 24 875 | 18 361 | 35 143 | – | 35 143 | 43 583 | 49 770 |
| Capital | 101 701 | 106 958 | 33 011 | 27 368 | 1 524 | 349 | 29 241 | 28 941 | – | 48 168 | 48 168 | 54 385 | 5 670 |
| Transfer payments | 96 316 | 105 303 | 31 039 | 26 592 | – | – | 26 592 | 26 592 | – | 45 001 | 45 001 | 50 001 | 1 |
| Other levels of government | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Other capital transfers | 96 316 | 105 303 | 31 039 | 26 592 | – | – | 26 592 | 26 592 | – | 45 001 | 45 001 | 50 001 | 1 |
| Movable capital | 5 385 | 1 655 | 1 972 | 776 | 1 524 | 349 | 2 649 | 2 349 | – | 3 167 | 3 167 | 4 384 | 5 669 |
| Motor vehicles (transport) | – | – | 268 | – | – | – | – | – | – | – | – | – | – |
| Equipment - Computers | 3 057 | 1 532 | 1 040 | 485 | 116 | 349 | 950 | 950 | – | 3 023 | 3 023 | 4 079 | 5 354 |
| Equipment - Other office equipment | – | 80 | 484 | 291 | – | – | 291 | 191 | – | 104 | 104 | 105 | 115 |
| Other | 2 328 | 43 | 180 | – | 1 408 | – | 1 408 | 1 208 | – | 40 | 40 | 200 | 200 |
| Fixed capital | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Land | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Buildings | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Infrastructure | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Other | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Total | 152 314 | 156 448 | 84 747 | 91 062 | 2 674 | 6 000 | 99 736 | 90 736 | 89 117 | 48 168 | 137 285 | 153 801 | 112 641 |

**Table 10.8: Summary of expenditure trends and estimates per standard item**

| R thousand | Expenditure outcome | | | Main appropriation | Adjustments appropriation | | | Revised estimate | Medium-term expenditure estimate | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Audited | Audited | Preliminary outcome | | Rollovers from 2000/01 | Other adjustments | Adjusted appropriation | | Current | Capital | Total | | |
| | 1998/99 | 1999/00 | 2000/01 | | | 2001/02 | | | | 2002/03 | | 2003/04 | 2004/05 |
| Personnel | 34 475 | 33 011 | 36 710 | 45 619 | – | – | 45 619 | 43 433 | 53 973 | – | 53 973 | 55 832 | 57 200 |
| Administrative | 7 262 | 6 129 | 7 545 | 9 212 | – | 1 827 | 11 039 | 10 539 | 10 806 | – | 10 806 | 12 636 | 14 251 |
| Inventories | 1 767 | 834 | 2 453 | 2 120 | – | 324 | 2 444 | 1 830 | 9 404 | – | 9 404 | 7 655 | 6 662 |
| Equipment | 5 435 | 2 100 | 2 498 | 1 191 | 1 524 | 349 | 3 064 | 2 764 | 473 | 3 167 | 3 640 | 4 879 | 6 189 |
| Land and buildings | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Professional and special services | 6 596 | 3 244 | 4 134 | 6 327 | 1 150 | 3 500 | 10 977 | 5 577 | 14 460 | – | 14 460 | 22 797 | 28 337 |
| Transfer payments | 96 316 | 110 506 | 31 094 | 26 593 | – | – | 26 593 | 26 593 | 1 | 45 001 | 45 002 | 50 002 | 2 |
| Miscellaneous | 463 | 624 | 313 | – | – | – | – | – | – | – | – | – | – |
| **Total** | **152 314** | **156 448** | **84 747** | **91 062** | **2 674** | **6 000** | **99 736** | **90 736** | **89 117** | **48 168** | **137 285** | **153 801** | **112 641** |

**Table 10.9: Summary of transfers and subsidies per programme**

| R thousand | Expenditure outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Audited | Audited | Preliminary outcome | | Current | Capital | Total | | |
| | 1998/99 | 1999/00 | 2000/01 | 2001/02 | | 2002/03 | | 2003/04 | 2004/05 |
| **3  Auxiliary and Associated Services** | **96 316** | **110 506** | **31 094** | **26 593** | **1** | **45 001** | **45 002** | **50 002** | **2** |
| State Information Technology Agency (SITA) | 96 316 | 110 506 | 31 094 | 26 593 | 1 | 45 001 | 45 002 | 50 002 | 2 |
| **Total** | **96 316** | **110 506** | **31 094** | **26 593** | **1** | **45 001** | **45 002** | **50 002** | **2** |

### Table 10.10:  Summary of personnel numbers and costs[1]

| Personnel numbers | 1998/99 | 1999/00 | 2000/01 | 2001/02 | 2002/03 |
|---|---|---|---|---|---|
| 1  Administration | 131 | 126 | 120 | 109 | 109 |
| 2  Functional Assistance to the Minister | 159 | 148 | 150 | 149 | 151 |
| **Total** | **290** | **274** | **270** | **258** | **260** |
| Total personnel cost (R thousand) | 34 475 | 33 011 | 36 710 | 45 619 | 53 973 |
| Unit cost (R thousand) | 118.9 | 120.5 | 136.0 | 176.8 | 207.6 |

[1] *Full-time equivalent*

### Table 10.11: Summary of expenditure on training

| | Expenditure outcome | | Adjusted appropriation | Medium-term expenditure estimate | | |
|---|---|---|---|---|---|---|
| | Audited | Preliminary outcome | | | | |
| R thousand | 1999/00 | 2000/01 | 2001/02 | 2002/03 | 2003/04 | 2004/05 |
| 1  Administration | 121 | 278 | 224 | 476 | 485 | 504 |
| 2  Functional Assistance to the Minister | 150 | 403 | 517 | 334 | 346 | 355 |
| **Total** | **271** | **681** | **741** | **810** | **831** | **859** |

**Table 10.12: Summary of information and communications technology expenditure**

| R thousand | Adjusted appropriation 2001/02 | Medium-term expenditure estimate | | |
|---|---|---|---|---|
| | | 2002/03 | 2003/04 | 2004/05 |
| **1  Administration** | **338** | **217** | **222** | **230** |
| Technology | 338 | 217 | 222 | 230 |
| Hardware | 250 | 171 | 186 | 190 |
| Software and licences | 88 | 46 | 36 | 40 |
| Audio-visual equipment | – | – | – | – |
| Systems | – | – | – | – |
| IT services | – | – | – | – |
| Consulting | – | – | – | – |
| Outsourcing | – | – | – | – |
| | | | | |
| **2  Functional Assistance to the Minister** | **805** | **15 070** | **15 129** | **15 204** |
| Technology | 805 | 9 890 | 8 829 | 8 754 |
| Hardware | 700 | 2 852 | 3 893 | 5 164 |
| Software and licences | 55 | 7 038 | 4 936 | 3 590 |
| Audio-visual equipment | 50 | – | – | – |
| Systems | – | – | – | – |
| IT services | – | 5 180 | 6 300 | 6 450 |
| Consulting | – | 4 100 | 4 700 | 4 950 |
| Outsourcing | – | 1 080 | 1 600 | 1 500 |
| | | | | |
| **Total** | **1 143** | **15 287** | **15 351** | **15 434** |