

Vote 12

South African Management Development Institute

	2003/04 To be appropriated	2004/05	2005/06
MTEF allocations	R42 261 000	R38 759 000	R35 211 000
Statutory amounts	–	–	–
Responsible Minister	Minister for the Public Service and Administration		
Administering Department	South African Management Development Institute		
Accounting Officer	Director-General of the South African Management Development Institute		

Aim

The aim of the South African Management Development Institute (SAMDI) is to provide practical, client-driven, organisational development interventions that lead to improved performance and service delivery in the public sector.

Programme purpose and measurable objectives

Programme 1: Administration

Purpose: Facilitate the overall management of the Department and provide support services.

Programme 2: Public Sector Organisational and Staff Development

Purpose: Provide a range of interventions that develop organisations, improve their performance, and raise levels of service delivery, through competency-based training and conducting relevant client-driven research.

Measurable objective: To co-ordinate and manage the training of officials in national and provincial departments, thereby improving performance and service delivery.

Strategic overview and key policy developments: 1999/00 – 2005/06

Towards the end of 1999, Government initiated the restructuring of SAMDI into an organisation that would address the skills gaps in the public service. The restructuring of SAMDI resulted in a new vision and mission, and an appropriate new organisational design. Fundamental to these changes was promoting a new organisational culture that is committed to accelerating socio-economic development, and which has a professional approach to service delivery to SAMDI's client departments.

During 2001, SAMDI's approach to service delivery shifted from being supply-driven to demand-driven. The benefits of this change were confirmed by the results of an impact study conducted at the beginning of 2002. SAMDI is now positioned to be a significant provider of human resource development (HRD) services to departments, and more recently to parastatals and local

government. SAMDI has also been active in capacity-building initiatives in the Southern African Development Community (SADC) region and the Commonwealth.

In April 2002, Cabinet approved the Human Resource Development Strategy for the Public Service, which builds on the foundation provided by the National Skills Development Strategy and the Human Resource Development Strategy for South Africa. The strategy mandates SAMDI to provide a centralised government training resource that facilitates the co-ordination of training, training needs analysis, skills/competency audits and public sector training.

Over the medium term SAMDI is planning to expand in the following areas:

- Internship programme: In 2002/03 SAMDI initiated an internship programme which seeks to build the skills of school-leavers and university graduates in preparation for the job market. Due to the overwhelming number of applications, SAMDI will increase the number of interns from 20 in 2002/03 to 40 in 2003/04.
- International partnerships:
 - Malaysia: Collaboration with the Malaysian National Institute of Public Administration (INTAN) covered leadership development, training of trainers and middle management training. The collaboration is continuing under the Malaysian Technical Cooperation Programme (MTCP).
 - Rwanda: Areas of possible collaboration were already identified and further discussions to finalise the Action Plan for 2003 with the Rwandan Institute of Administration and Management, as part of the Foreign Affairs delegation, will continue.
 - Namibia: The Department continues its collaboration with Namibia to establish a public service training institute in that country.
- Extending operations to the local government sector: With the assistance of service providers such as tertiary institutions, SAMDI is currently adapting its management development programmes for local government administration. These programmes will include leadership and management training for top, middle and emerging management levels.

Following a Cabinet decision that SAMDI should be transformed into an institution that plays a critical role in management and organisational development in order to accelerate service delivery, the Trading Account for Training was established in 2002/03. In 2003/04 all the directorates (formerly part of the *Public Sector Organisational and Staff Development* programme) will be incorporated into the Training Trading Account (which is housed within the Institute), with the exception of the Organisational Development and Training Services directorate. The Trading Account functions as a cost-recovery mechanism for all the training programmes SAMDI presents to departments and is intended to be self-sustainable over the longer term. As full cost recovery is phased in over the medium term, revenue from the Trading Account is expected to increase, which will result in a decrease in funding from the National Revenue Fund.

Expenditure estimates

Table 12.1: South African Management Development Institute

Programme	Expenditure outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome					
R thousand	1999/00	2000/01	2001/02	2002/03		2003/04	2004/05	2005/06
1 Administration	4 468	7 091	8 939	9 111	9 111	14 079	16 286	17 262
2 Public Sector Organisational and Staff Development	10 009	11 533	13 856	17 259	17 259	28 182	22 473	17 949
Total	14 477	18 624	22 795	26 370	26 370	42 261	38 759	35 211
Change to 2002 Budget Estimate				5 726	5 726	20 632	15 828	

	Expenditure outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome					
R thousand	1999/00	2000/01	2001/02	2002/03		2003/04	2004/05	2005/06
Economic classification								
Current	13 082	17 285	20 632	25 447	25 447	41 499	37 954	34 370
Personnel	8 539	10 152	13 484	15 630	15 630	7 615	8 099	8 550
Transfer payments	–	–	–	4 270	4 270	25 629	19 661	14 726
Other current	4 543	7 133	7 148	5 547	5 547	8 255	10 194	11 094
Capital	1 395	1 339	2 163	923	923	762	805	841
Transfer payments	–	–	–	–	–	–	–	–
Acquisition of capital assets	1 395	1 339	2 163	923	923	762	805	841
Total	14 477	18 624	22 795	26 370	26 370	42 261	38 759	35 211
Standard items of expenditure								
Personnel	8 539	10 152	13 484	15 630	15 630	7 615	8 099	8 550
Administrative	1 629	2 591	3 181	1 963	1 963	2 218	2 330	2 590
Inventories	665	930	977	1 036	1 036	1 609	1 654	1 776
Equipment	1 797	1 798	2 741	1 406	1 406	2 229	2 294	2 436
Land and buildings	–	–	–	–	–	–	1 628	1 765
Professional and special services	1 715	3 097	2 412	2 065	2 065	2 961	3 093	3 368
Transfer payments	–	–	–	4 270	4 270	25 629	19 661	14 726
Miscellaneous	132	56	–	–	–	–	–	–
Total	14 477	18 624	22 795	26 370	26 370	42 261	38 759	35 211

Expenditure trends

Expenditure grew at an average annual rate of 22,1 per cent per year between 1999/00 and 2002/03. This was a result of the increase in training programmes presented to departments.

An additional R4,9 million was allocated to the Vote in 2002/03. This enabled the Department to extend the contracts of the European Union (EU) funded staff as the financial agreement between the Department and the European Commission (EC) expired on 31 December 2002.

The budget for 2003/04 will increase by 60,3 per cent to allow for an increase in the augmentation of the Trading Account. The augmentation of the Trading Account decreases in 2004/05 and 2005/06 as the Trading Account becomes self-sustainable.

Departmental receipts

Departmental receipts are mainly commissions on insurance premiums deducted from employees' salaries, parking fees and interest on departmental debt. Revenue received by the Training Trading Account is reflected in Table 12.5 as it does not form part of departmental receipts which are deposited into the National Revenue Fund.

Table 12.2: Departmental receipts

R thousand	Revenue outcome			Adjusted appropriation	Medium-term revenue estimate		
	Audited	Audited	Preliminary outcome				
	1999/00	2000/01	2001/02		2003/04	2004/05	2005/06
Tax revenue	–	–	–	–	–	–	–
Non-tax revenue	9	33	19	22	23	23	23
Interest	–	20	7	9	9	9	9
Dividends	–	–	–	–	–	–	–
Rent	–	–	–	–	–	–	–
Sales of goods and services	9	13	12	13	14	14	14
Fines, penalties and forfeits	–	–	–	–	–	–	–
Miscellaneous	–	–	–	–	–	–	–
Sales of capital assets (capital revenue)	–	–	–	–	–	–	–
Financial transactions (recovery of loans and advances)	–	–	–	–	–	–	–
Total departmental receipts	9	33	19	22	23	23	23

Programme 1: Administration

The aim of the programme is to facilitate the overall management of SAMDI and provide for the policy-formulation and management responsibilities of the Minister, Director-General and other members of the Department's management. Other functions include organising the Department; rendering centralised administrative, legal, and office support services; managing departmental personnel and financial administration; determining working methods and procedures; and exercising internal control.

Expenditure estimates

Table 12.3: Administration

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
	1999/00	2000/01	2001/02		2003/04	2004/05	2005/06
R thousand							
Minister ¹	–	–	–	–	–	–	–
Management	324	1 429	1 200	1 114	1 154	1 223	1 297
Corporate Services	3 989	5 420	7 738	7 997	12 925	15 063	15 965
Government Motor Transport	155	242	1	–	–	–	–
Total	4 468	7 091	8 939	9 111	14 079	16 286	17 262
Change to 2002 Budget Estimate				1 721	6 348	8 093	

¹ Minister for the Public Service and Administration. Salary provided on the Public Service and Administration Vote.

Economic classification

Current	3 959	5 766	6 776	8 188	13 367	15 531	16 471
Personnel	2 479	3 061	4 371	5 592	6 330	6 711	7 081
Transfer payments	–	–	–	–	–	–	–
Other current	1 480	2 705	2 405	2 596	7 037	8 820	9 390
Capital	509	1 325	2 163	923	712	755	791
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	509	1 325	2 163	923	712	755	791
Total	4 468	7 091	8 939	9 111	14 079	16 286	17 262

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Standard items of expenditure							
Personnel	2 479	3 061	4 371	5 592	6 330	6 711	7 081
Administrative	433	669	887	687	1 502	1 535	1 629
Inventories	411	441	465	665	1 527	1 561	1 657
Equipment	582	1 331	2 244	1 078	2 159	2 219	2 351
Land and buildings	–	–	–	–	–	1 628	1 765
Professional and special services	528	1 565	972	1 089	2 561	2 632	2 779
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	35	24	–	–	–	–	–
Total	4 468	7 091	8 939	9 111	14 079	16 286	17 262

Expenditure trends

The growth in *Administration's* expenditure in 2000/01 and 2001/02 was due to increased demand for SAMDI's training programmes and the fact that SAMDI became more demand-driven.

In 2002/03 an additional R1,1 million was allocated to the programme's budget to allow for the extension of the contracts of EU funded staff.

The average annual growth rate of 23,7 per cent over the medium term caters for capacity building in *Administration* and the rental of new office accommodation.

Programme 2: Public Sector Organisational and Staff Development

The aim of this programme is to provide customer-driven organisational development interventions to the public sector that lead to improved performance and service delivery, and to co-ordinate, manage and administer the Training Trading Account.

Expenditure estimates

Table 12.4: Public Sector Organisational and Staff Development

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Public Sector Organisational and Staff Development	10 009	11 533	13 856	12 989	2 553	2 812	3 223
Augmentation of Training Trading Account	–	–	–	4 270	25 629	19 661	14 726
Total	10 009	11 533	13 856	17 259	28 182	22 473	17 949
Change to 2002 Budget Estimate				4 005	14 284	7 735	
Economic classification							
Current	9 123	11 519	13 856	17 259	28 132	22 423	17 899
Personnel	6 060	7 091	9 113	10 038	1 285	1 388	1 469
Transfer payments	–	–	–	4 270	25 629	19 661	14 726
Other current	3 063	4 428	4 743	2 951	1 218	1 374	1 704
Capital	886	14	–	–	50	50	50
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	886	14	–	–	50	50	50
Total	10 009	11 533	13 856	17 259	28 182	22 473	17 949

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Standard items of expenditure							
Personnel	6 060	7 091	9 113	10 038	1 285	1 388	1 469
Administrative	1 196	1 922	2 294	1 276	716	795	961
Inventories	254	489	512	371	82	93	119
Equipment	1 215	467	497	328	70	75	85
Land and buildings	–	–	–	–	–	–	–
Professional and special services	1 187	1 532	1 440	976	400	461	589
Transfer payments	–	–	–	4 270	25 629	19 661	14 726
Miscellaneous	97	32	–	–	–	–	–
Total	10 009	11 533	13 856	17 259	28 182	22 473	17 949
Transfer payments per subprogramme							
Augmentation of Training Trading Account	–	–	–	4 270	25 629	19 661	14 726
Total	–	–	–	4 270	25 629	19 661	14 726

Expenditure trends

The growth in *Public Sector Organisational and Staff Development* expenditure in 2000/01 and 2001/02 was due to the increased demand for training programmes by national and provincial departments.

In 2002/03 an additional R3,8 million was allocated to the programme's budget to allow for the extension of contracts of training staff after the EU donor funding came to an end at the end of 2002.

Over the medium term, all the directorates, except for the Organisational Development and Training Services directorate, will fall under the Training Trading Account, hence expenditure is dominated by the augmentation of the Trading Account. The subprogramme Augmentation of Training Trading Account expenditure increases in 2003/04 and decreases in 2004/05 and 2005/06 as the Trading Account becomes more self-sustainable.

Service delivery objectives and indicators

Recent outputs

The outputs for 2002/03 are from directorates, which were formerly in the *Public Sector Organisational and Staff Development* programme and will be moved into the Training Trading Account from 2003/04.

To date, SAMDI has trained 13 216 public servants and by the end of 2002/03 will have trained 15 526 public servants.

The Department met all key targets for 2002/03. These include: marketing SAMDI's services; implementing cost recovery; providing training programmes; recognising prior learning for public service employees; competency profiling of education, training and development practitioners; and service delivery pre- and post-training consultations. The only exception was the delay of the development of an interactive website due to financial constraints.

Another major focal area was HIV/Aids training:

- Training for the South African Police Service (SAPS) during 2002: 180 officials trained in managing HIV/Aids in the workplace.
- Training for the Department of Correctional Services: 75 officials trained in managing HIV/Aids in the workplace.
- Feedback from trainees at the HIV/Aids Indaba in October 2002 indicated that they gained new insight and awareness.
- Training was also provided to approximately 290 officials of the Department of Social Development.

Medium-term output targets

Public Sector Organisational and Staff Development

Measurable objective: To co-ordinate and manage training to officials in national and provincial departments thereby improving performance and service delivery.

Subprogramme	Output	Measure/Indicator	Target
Augmentation of Training Trading Account	Transfers to the Trading Account	Timely and sufficient transfers made to augment the Trading Account	Monthly

Training Trading Account

Approval to operate a Trading Account was granted by the Minister of Finance in April 2001. Shadow invoicing was initially introduced, to get departments to pay for training. Cost recovery started from 1 April 2002, with departments paying for training. An amount of R4,3 million was transferred to the Trading Account in the 2002/03 financial year. The amounts to be transferred over the medium term are R25,6 million, R19,7 million and R14,7 million.

The Department aims to generate revenue of R10 million, R15 million and R20 million in the Trading Account over the medium term.

Table 12.5: Summary of revenue and expenditure for the Training Trading Account

	Revenue/Expenditure outcome			Estimated outcome	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	-	-	-	500	10 000	15 000	20 000
Sale of capital assets	-	-	-	-	-	-	-
Transfers received	-	-	-	4 270	25 629	19 661	14 726
Total Revenue	-	-	-	4 770	35 629	34 661	34 726

2003 Estimates of National Expenditure

	Revenue/Expenditure outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Expenditure							
Current expenditure	-	-	-	4 770	35 629	34 661	34 726
Compensation of employees	-	-	-	3 050	21 030	22 292	23 518
Goods and services	-	-	-	1 720	14 599	12 369	11 208
Transfer payments and subsidies	-	-	-	-	-	-	-
Other expenditure	-	-	-	-	-	-	-
Capital expenditure	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-
Fixed assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Total Expenditure	-	-	-	4 770	35 629	34 661	34 726
Surplus/(Deficit)	-	-	-	-	-	-	-

Annexure

Vote 12: South African Management Development Institute

Table 12.6: Summary of expenditure trends and estimates per programme

Table 12.7: Summary of expenditure trends and estimates per economic classification

Table 12.8: Summary of expenditure trends and estimates per standard item

Table 12.9: Summary of personnel numbers and costs

Table 12.10: Summary of expenditure on training

Table 12.11: Summary of information and communications technology expenditure

Table 12.12: Summary of donor support

Table 12.6: Summary of expenditure trends and estimates per programme

	Expenditure outcome			Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Medium-term expenditure estimate			
	Audited	Audited	Preliminary outcome					Current	Capital	Total	
R thousand	1999/00	2000/01	2001/02		2002/03			2003/04		2004/05	2005/06
1 Administration	4 468	7 091	8 939	7 390	1 721	9 111	9 111	13 367	712	14 079	17 262
2 Public Sector Organisational and Staff Development	10 009	11 533	13 856	13 254	4 005	17 259	17 259	28 132	50	28 182	17 949
Total	14 477	18 624	22 795	20 644	5 726	26 370	26 370	41 499	762	42 261	35 211
Change to 2002 Budget Estimate						5 726	5 726			20 632	15 828

Table 12.7: Summary of expenditure trends and estimates per economic classification

	Expenditure outcome				Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome	Current					Capital	Total			
	1999/00	2000/01	2001/02						2003/04				
R thousand													
Current	13 082	17 285	20 632		20 219	5 228	25 447	25 447	41 499	-	41 499	2004/05	2005/06
Personnel	8 539	10 152	13 484		12 502	3 128	15 630	15 630	7 615	-	7 615	8 099	8 550
Salaries and wages	8 539	10 152	11 613		7 501	3 128	10 629	10 629	5 840	-	5 840	6 215	6 560
Other	-	-	1 871		5 001	-	5 001	5 001	1 775	-	1 775	1 884	1 990
Transfer payments	-	-	-		3 270	1 000	4 270	4 270	25 629	-	25 629	19 661	14 726
Subsidies to business enterprises	-	-	-		-	-	-	-	-	-	-	-	-
Other levels of government	-	-	-		-	-	-	-	-	-	-	-	-
social security funds	-	-	-		-	-	-	-	-	-	-	-	-
universities and technicians	-	-	-		-	-	-	-	-	-	-	-	-
extra-budgetary institutions	-	-	-		3 270	1 000	4 270	4 270	25 629	-	25 629	19 661	14 726
provincial government	-	-	-		-	-	-	-	-	-	-	-	-
local government	-	-	-		-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-		-	-	-	-	-	-	-	-	-
Foreign countries and international credit institutions	-	-	-		-	-	-	-	-	-	-	-	-
Other	4 543	7 133	7 148		4 447	1 100	5 547	5 547	8 255	-	8 255	10 194	11 094
Capital	1 395	1 339	2 163		425	498	923	923	-	762	762	805	841
Transfer payments	-	-	-		-	-	-	-	-	-	-	-	-
Other levels of government	-	-	-		-	-	-	-	-	-	-	-	-
Other capital transfers	-	-	-		-	-	-	-	-	-	-	-	-
Movable capital	1 395	1 339	2 163		425	498	923	923	-	762	762	805	841
Motor vehicles (transport)	155	242	1		-	-	-	-	-	-	-	-	-
Equipment - Computers	1 037	800	1 196		200	498	698	698	-	500	500	530	550
Equipment - Other office equipment	203	252	369		150	-	150	150	-	180	180	191	202
Other	-	45	597		75	-	75	75	-	82	82	84	89
Fixed capital	-	-	-		-	-	-	-	-	-	-	-	-
Land	-	-	-		-	-	-	-	-	-	-	-	-
Buildings	-	-	-		-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-		-	-	-	-	-	-	-	-	-
Other	-	-	-		-	-	-	-	-	-	-	-	-
Total	14 477	18 624	22 795		20 644	5 726	26 370	26 370	41 499	762	42 261	38 759	35 211

Table 12.8: Summary of expenditure trends and estimates per standard item

	Expenditure outcome			Revised estimate	Medium-term expenditure estimate			
	Audited	Audited	Preliminary outcome		Current	Capital	Total	
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	
Personnel	8 539	10 152	13 484	12 502	3 128	15 630	15 630	8 550
Administrative	1 629	2 591	3 181	1 663	300	1 963	1 963	2 590
Inventories	665	930	977	686	350	1 036	1 036	1 776
Equipment	1 797	1 798	2 741	908	498	1 406	1 406	2 436
Land and buildings	—	—	—	—	—	—	—	1 765
Professional and special services	1 715	3 097	2 412	1 615	450	2 065	2 065	3 368
Transfer payments	—	—	—	3 270	1 000	4 270	4 270	14 726
Miscellaneous	132	56	—	—	—	—	—	—
Total	14 477	18 624	22 795	20 644	5 726	26 370	26 370	35 211

Table 12.9: Summary of personnel numbers and costs¹

Personnel numbers	1999/00	2000/01	2001/02	2002/03	2003/04
1 Administration	32	30	36	39	39
2 Public Sector Organisational and Staff Development	32	50	55	59	63
Total	64	80	91	98	102
Total personnel cost (R thousand)	8 539	10 152	13 484	15 630	7 615
Unit cost (R thousand)	133.4	126.9	148.2	159.5	74.7

¹ Full-time equivalent

Table 12.10: Summary of expenditure on training

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate			
	Audited	Audited	Preliminary outcome					
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	
1 Administration	41	70	110	45	48	52	65	
2 Public Sector Organisational and Staff Development	95	62	155	96	102	109	112	
Total	136	132	265	141	150	161	177	

Table 12.11: Summary of information and communications technology expenditure

	Expenditure outcome	Adjusted appropriation	Medium-term expenditure estimate			
			2002/03	2003/04	2004/05	2005/06
	2001/02					
R thousand	1 852	1 791		1 903	1 943	500
1 Administration						
Technology	1 417	1 336		1 453	1 463	–
IT services	435	455		450	480	500
2 Public Sector Organisational and Staff Development	–	–		50	50	50
Technology	–	–		–	–	–
IT services	–	–		50	50	50
Total	1 852	1 791		1 953	1 993	550

Table 12.12: Summary of donor support

ODA programme/project name	Donor	Cash or Kind				Medium-term expenditure estimate			
		1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	
Training	European Commission	–	3 080	18 083	18 769	–	–	–	–
		–	3 080	18 083	18 769	–	–	–	–

