

Home Affairs

Budget summary

R thousand	2008/09				2009/10	2010/11
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 294 444	1 159 344	1 134	133 966	1 442 639	1 513 208
Services to Citizens	1 182 622	1 065 585	2 790	114 247	1 464 491	1 207 062
Immigration Services	900 058	899 817	241	–	1 010 868	1 230 181
Transfers to Agencies	1 127 895	–	1 127 895	–	977 500	1 319 644
Total expenditure estimates	4 505 019	3 124 746	1 132 060	248 213	4 895 498	5 270 095
Executive authority	Minister of Home Affairs					
Accounting officer	Director-General of Home Affairs					
Website address	www.home-affairs.gov.za					

Aim

The aim of the Department of Home Affairs is to protect and regulate the interests of the inhabitants of the Republic of South Africa regarding their individual status, identity and specific rights and powers, and to manage a supporting service for this.

Programme purposes, objectives and measures

Programme 1: Administration

Purpose: Provide for the overall management of the department and centralised support services.

Programme 2: Services to Citizens

Purpose: Deliver core functions by granting rights and citizenship to eligible members of the population.

Objectives and measures:

- Improve the granting of specified rights and citizenship to eligible people by reducing the time taken to issue valid documents:
 - unabridged birth, marriage and death certificates: from between 6 and 8 weeks in 2007/08 to the same day by 2010/11
 - passports and travel documents: from 41 days in 2007/08 to 5 days by the end of 2010/11
 - all temporary passports and emergency travel certificates: to 1 day by the end of 2008/09
 - citizenship certificates: from 6 months in 2007/08 to 1 month by the end of 2010/11
 - first issue of an identity document: from 127 days in 2007/08 to 30 days by the end of 2010/11
 - second issue of identity documents: from 98 days in 2007/08 to 20 days by the end of 2010/11
 - temporary identity documents from 7 days to 1 day by the end of 2008/09
 - abridged birth, marriage and death certificates: maintain same day issue.
- (These standards will be achieved in the context of the turnaround programme.)

- Improve the quality and consistency of services delivered to the public by implementing basic standard operating procedures and service standards at all service points and monitoring compliance with turnaround times through the track and trace system, surveys, and statistical data or information.
- Expand the capacity of the customer service centre to handle approximately 162 000 calls in 2008/09 to approximately 510 000 calls by the end of 2010/11 by increasing the first line and second line capacity of the customer service centre.

Programme 3: Immigration Services

Purpose: Control immigration taking into account South Africa's skills needs and manage refugees and asylum seekers in South Africa.

Objectives and measures:

- Improve control of the immigration of various categories of foreigners into and out of the country by reducing the time taken specifically on the following:
 - issue visas: from 10 days in 2007/08 to 3 days by the end of 2010/11
 - issue section 22 asylum permits: from 5 days to same day issue by the end of 2010/11
 - issue refugee status determinations: from 12 months to 1 month by the end of 2010/11
 - issue temporary residence permits: from 24 weeks to 4 weeks by 2010/11
 - issue permanent residence permits: from 18 months to 4 months in 2010/11
 - issue a refugee identity documents: from 6 months to 3 months by the end of 2008/09.

(These standards will be achieved in the context of the turnaround programme.)

- Maintain clearance times of 1.5 to 2 minutes per traveller for the movement of travellers (South African citizens and foreigners) through land and air border posts.
- Increase the percentage of detained illegal foreigners successfully deported within 30 days from date of arrest or 90 days from date of court warrant from 90 per cent to 95 per cent by the end 2009/10 through more effective management of the Lindela holding facility and increasing deportations directly from provinces.
- Improve the asylum management process for political refugees, specifically by:
 - developing 5 fully functional refugee reception centres of excellence: in Johannesburg in 2008/09, Cape Town and Durban by 2009/10, and Port Elizabeth and Marabastad (in Pretoria) by 2010/11
 - completely eliminating the backlog of 68 585 outstanding asylum applications not yet processed, by the end of 2008/09.
- Improve immigration services by monitoring compliance with basic standard operating procedures at all national immigration service points through statistical analyses of information reported in managers' monthly reports.
- Process travel documents for the additional influx of visitors for the 2010 FIFA World Cup and improve movement control systems by increasing the number of permanent immigration officers from 814 to 1 668 and introducing online real time, and biometric systems by the end of 2010/11.

Programme 4: Transfers to Agencies

Purpose: Provide financial support to the Film and Publication Board, the Government Printing Works and the Electoral Commission.

Strategic overview and key policy developments: 2004/05 – 2010/11

The mandate of the Department of Home Affairs is to identify and determine the status of people and issue documents that make it possible for them to realise their rights and access benefits and opportunities in both the public and private domains. By expanding these services to marginalised communities, the department plays a crucial role in deepening democracy and promoting social security. The department is also responsible for managing migration and ports of entry, and through its document-processing functions and its role in foreign

missions, makes a significant contribution to ensuring national security, enabling economic development and tourism, and promoting good international relations.

Due to the serious challenges facing the Department of Home Affairs (including corruption and fraud, the high incidence of fraudulent marriages and identity documents, and poor service), in May 2006 the Minister of Home Affairs set up a support intervention team made up of the Department of Public Service and Administration, the Public Service Commission and National Treasury to work with the department to identify much needed interventions in leadership and programme management, organisation, technology and systems, and financial management. The team's recommendations informed the decision to launch a comprehensive turnaround programme in June 2007. Phase 1 (June to December 2007) focused mainly on renewal in three major areas: governance and operations, future model design, and quick wins to stabilise the department; mobilising support; and creating immediate service delivery improvements. Phase 2 will run from January 2008 to December 2009. The goal will be to implement the new operating model, transform business processes and restructure the organisation.

For civic services, the key areas of focus will be transforming ID processes and rolling out online fingerprint verification for second ID applications; piloting the new ID card; implementing a new passport process to reduce the time from application to delivery; redesigning birth, marriage and death documentation processes; expanding the customer service centre; and extending the department's footprint.

For immigration services, the key areas of focus include implementing the 2010 FIFA World Cup design planning and IT systems, and transforming permit and refugee processes.

Part of the turnaround strategy will concentrate on transforming key support services. These include performance management, revenue management, procurement transformation and the realignment of IT applications.

Main strategic thrusts

- **Developing human capacity and good governance:** Structure, capacity and operations will be reorganised to ensure that the department has the required capabilities to meet service demands.
- **Improving business processes and turnaround times:** Initiatives include process redesign, establishing operations management, reviewing service level agreements, developing centres of excellence and targeted IT interventions, which will result in a major transformation of both civic and immigration services.
- **Improving service delivery:** The reduction of service delivery times according to set targets is central to the new operating model for the department. This will be supported by IT improvements, including projects aimed at the upgrade of network infrastructure and IT applications.
- **Increasing access to services (channels):** The newly envisaged Department of Home Affairs makes provision for a tiered approach for optimal client access to its services. Key projects include: the rollout of centres of excellence offering a full range of services; the expansion of the birth registration network; the development and expansion of the customer service centre, which will deal with both internal and external customer enquiries; and the optimisation and upgrade of district offices and mobile service points. The expansion of the track and trace initiative to all services provided by the department will improve accountability and keep clients informed of the progress of their application.
- **Foreign representation:** The department will continue to implement its 10-year rollout plan. Over the MTEF period, specific attention will be given to missions in Africa. The department will implement an internal regulatory regime to ensure that service standards and operating procedures are set, monitored and evaluated within appropriate policy frameworks and reporting systems.

Key policy developments

The department introduced the Film and Publication Amendment Bill into Parliament in 2006 and it is envisaged that it will be passed in 2008. The bill amends the Film and Publication Act (1996) in order to

regulate films, games and certain publications that provide consumer advice and to protect children from exposure to harmful material. Other amendments include the appointment and functions of compliance officers, as well as the composition, functions and management of the Film and Publication Board.

The Refugees Amendment Bill will be introduced into Parliament in 2008. It will provide for the delegation of powers, matters relating to the refugee reception offices, the dissolution of the Standing Committee for Refugee Affairs and the Refugee Appeal Board, and the establishment of the Refugee Appeals Authority. The refugee status determination procedures are also revised and clarified in the bill.

Other legislative changes planned over the MTEF period include: the Domestic Partnerships Bill, which will provide for the legal recognition, enforcement and legal consequences of domestic partnerships; the Marriage Amendment Bill, which will be aligned with the Constitution of the Republic of South Africa (1996) and other pieces of legislation administered by the department; and the Africa Security Printers Bill, which will facilitate the conversion of the government printing works with a focus on security printing services and related services on behalf of government, government institutions and private sector entities.

Recent achievements

The department can report the following achievements in terms of the published 2006/07 and 2007/08 medium term targets:

By the end of 2007, more than 100 online connections were made at hospitals for registering births and deaths, 109 mobile units to service remote areas were launched, and 12 million of the approximately 17 million births, marriages and death records not captured on the electronic document management system were indexed manually.

In 2007, the department and the turnaround team eliminated the bottleneck of 237 000 ID applications and reduced the fingerprint verification period from approximately 27 to 4 days. The turnaround time for dispatching an application from frontline offices to head office was also reduced from an average of 20 to 10 days. This and other quick wins improved the average overall time for processing IDs from 127 to 98 days.

The ID track and trace system was implemented at 254 offices in all nine provinces in 2007. The system is integral to reducing the turnaround time for ID delivery. The main mechanism is improvement in the availability and use of management information for controlling business processes, increasing accountability and reducing fraud. Approximately 1 249 frontline staff were trained in customer management procedures.

Online fingerprint verification has been piloted at front offices in Tshwane, Polokwane, Durban and Mthatha, and the system will be fully operational in 2008. Online verification will enable the full use of the Home Affairs national identification system (HANIS) and will speed up several processes, improve security and reduce fraud. A customer service centre was established in the same period to assist applicants with enquiries and complaints.

Other key developments include: implementing standard operating procedures at ports of entry; registering three immigration qualifications and unit standards with the South African Qualifications Authority; launching a learnership programme giving matriculants the opportunity to get an immigration qualification; and successfully implementing the National Youth Service programme employing 214 interns and 374 unemployed matriculants.

Implementing the turnaround strategy to build a new Department of Home Affairs

Background

The initial investigation into the status quo highlighted a high incidence of fraudulent documents and poor service in the Department of Home Affairs. The turnaround initiative to be implemented from June 2007 to December 2009 will focus on the redesign of the department, drawing on best practice and responding to customer requirements.

Core projects designed to transform processes

For civic services, a key project will be the transformation of ID processes to create a streamlined production process that is fast, efficient, customer friendly and reliable.

Progress: Thus far, a baseline analysis of the ID production process has been completed. It has resulted in the re-organisation of the receipt, internal handling and sorting of applications by provinces and an additional four fingerprint scanning machines has been purchased to increase throughput in key bottleneck areas. To fast track ID applications in the interim, the department will improve the front office dispatch process and consolidate courier suppliers nationwide.

This will eliminate the backlog of IDs awaiting processing and reduce the average overall time for processing IDs from 127 days to 98 days by the end of 2007/08.

A new ID track and trace system has been implemented at 254 offices in 2007 to capture and track the status of ID applications, and to enable customers to query the status via the internet or automated text messages (sms) to customers. A customer service centre was launched in November 2007 to resolve client enquiries and report problems. The online verification of fingerprints for second issue IDs was introduced at front offices in Tshwane, Polokwane, Durban and Mthatha.

Next steps: This is the rollout of online verification at all offices in 2008/09 and the launch of a customer awareness campaign to operationalise the customer service centre hotline. The department plans to replace the identity book with a new ID card (with better security features) to reduce identity fraud.

For immigration services, a key project will be the transformation of permit and refugee processes. The project aims to upgrade the existing refugee reception centres (including installing security and waiting rooms), increase capacity and improve systems to more quickly process asylum applications, clear the backlog and ensure that human rights are protected.

Progress: To improve the processing of requests for asylum within the targeted delivery period, the department established five new refugee reception offices in Durban, Johannesburg, Cape Town, Port Elizabeth and Tshwane.

In Marabastad for example, a shelter was built and 10 mobile toilets installed; quality assurance officers have been brought in from other offices; and the premises are now exclusively used to handle refugee affairs. Activities planned for Marabastad include: appointing a transformation manager; creating a waiting space, individual offices for interviews and mother rooms; redesigning processes to register 500 new applicants a day; and redesigning the queue management system to improve the flow of people in corridors.

To make quick wins, the focus has been on capacity building: 28 additional refugee reception officers were appointed by 30 September 2007. The department managed to clear the 13 000 backlog of permanent resident applications. The turnaround times for issuing visas at foreign missions was also reduced from 10 to 5 days.

Next steps: This is to transfer the existing Rosettenville centre to Crown Mines (in Johannesburg) and redesign the front office as a 'centre of excellence' model; and to build a proper centre in Limpopo. A new refugee system with a common database will be rolled out to all centres linked to the automated fingerprint identification system (AFIS) at head office. This will ensure that the particulars of an applicant are accessible to all centres to eliminate the problem of applicants moving from one centre to another if their applications have been rejected. System improvements will increase the capture of data and biometrics from 100 to 600 applications a day.

This will eliminate the backlog of asylum applications awaiting processing and reduce the average overall time for processing refugee status determinations from 12 months to 6 months by 2008/09.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected*		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of days to issue an unabridged birth, marriage or death certificate	-	-	-	180-240	1	1	1
Number of birth, marriage and death registrations	2 258 439	2 238 711	2 136 887	2 058 126	2 144 575	2 251 803	2 364 393
Number of days taken to issue all passports and travel documents	50	50	50	41	10	10	5
Number of passports and travel documents issued	947 998	1 043 920	1 006 701	1 016 768	1 026 936	1 037 205	1 047 577
Number of days to issue an identity document : First issue	-	-	-	127	60	60	30
Second issue	-	-	-	98	56	30	20
Number of identity documents issued	2 508 480	2 188 731	1 986 000	1 986 000	3 972 000	1 986 000	1 986 000
Number of days to issue section 22 asylum permits	-	-	-	5	1	1	1
Number of months to issue refugee status determination	-	-	-	12	1	1	1
Number of days to issue refugee ID documents	-	-	-	180	90	90	20
Total number of citizenship certificates (naturalisation) issued	18 107	19 888	24 671	28 372	32 627	37 522	43 150
Total number of permanent and temporary residence permits issued	117 449	34 906	43 595	117 436	117 436	117 436	117 436
Total number of arrivals and departures cleared	14 885 239	21 526 446	26 028 987	26 966 952	28 130 829	29 537 370	31 014 239
Clearance time for entry and exit (in minutes) per traveller	-	-	-	1.5-2	1.5-2	1.5-2	1.5-2
Number of illegal foreigners deported	170 301	209 988	266 067	245 294	280 837	300 496	321 530
Number of illegal immigrants detained longer than the specified period of 30 days	-	-	-	26 247 (10%)	21 063 (7.5%)	15025 (5%)	16 076 (5%)
Number of calls handled by the customer service centre per month	-	-	-	33 770	162 121	508 073	510 000
Number of civic service points (by type)	274	414	456	675	681	681	713
Regional offices	33	33	33	41	43	43	43
District offices	108	113	113	120	140	140	190
Permanent service points	119	105	105	98	106	106	124
Thusong service centres	4	9	9	75	110	110	164
Temporary service points	-	-	-	123	70	70	-
Mobile units	10	67	109	117	117	117	117
Hospitals	-	87	87	101	70	70	50
4X4 service points	-	-	-	-	25	25	25

*The above figures for projected performance were determined in phase 1 of the turnaround programme (June to December 2007) in which baseline studies were carried out. The figures are likely to be adjusted in the course of phase 2 (2008 to 2009), in which the focus is on implementation.

Expenditure estimates

Table 4.1 Home Affairs

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08		2008/09	2009/10	2010/11
R thousand								
1. Administration	656 051	739 538	770 544	1 210 148	1 156 185	1 294 444	1 442 639	1 513 208
2. Services to Citizens	551 255	1 016 008	873 719	1 088 437	937 850	1 182 622	1 464 491	1 207 062
3. Immigration Services	328 377	452 309	539 520	607 645	607 645	900 058	1 010 868	1 230 181
4. Transfers to Agencies	533 760	964 220	363 132	614 668	614 668	1 127 895	977 500	1 319 644
Total	2 069 443	3 172 075	2 546 915	3 520 898	3 316 348	4 505 019	4 895 498	5 270 095
Change to 2007 Budget estimate				206 309	1 759	344 889	594 481	1 033 560

Table 4.1 Home Affairs (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08		2008/09	2009/10	2010/11
Economic classification								
Current payments	1 301 456	1 623 645	1 781 260	2 592 534	2 441 947	3 124 746	3 448 431	3 806 895
Compensation of employees	648 772	717 940	844 673	1 133 852	1 133 852	1 431 629	1 582 612	1 709 110
Goods and services	652 643	904 373	926 559	1 458 682	1 308 095	1 693 117	1 865 819	2 097 785
<i>of which:</i>								
Communication	37 696	42 933	58 857	230 088	230 088	74 645	82 062	81 686
Computer services	122 827	287 040	191 481	90 481	90 481	377 224	448 063	659 807
Consultants, contractors and special services	152 100	154 322	166 066	402 045	251 458	596 679	625 593	639 730
Inventory	85 462	73 154	80 256	149 611	149 611	95 555	102 760	104 061
Maintenance, repairs and running costs	57 568	12 172	92 815	49 293	49 293	33 464	37 290	37 063
Operating leases	66 441	75 192	16 748	119 502	119 502	93 282	104 876	116 536
Travel and subsistence	61 054	176 633	242 447	183 216	183 216	221 216	241 053	234 667
Municipal services	14 458	15 604	16 652	19 840	19 840	21 089	23 198	25 518
Advertising	3 533	6 974	16 704	4 994	4 994	7 715	8 733	8 645
Attendance fees	83	6 787	8 877	19 710	19 710	29 183	32 852	32 566
Equipment	17 376	17 557	9 324	132 109	132 109	67 545	75 275	74 798
Financial transactions in assets and liabilities	41	1 332	10 028	–	–	–	–	–
Transfers and subsidies	541 678	969 901	368 212	618 523	618 523	1 132 060	982 107	1 324 528
Provinces and municipalities	2 153	2 306	988	–	–	–	–	–
Departmental agencies and accounts	533 760	964 220	363 134	614 668	614 668	1 127 895	977 500	1 319 644
Households	5 765	3 375	4 090	3 855	3 855	4 165	4 607	4 884
Payments for capital assets	226 309	578 529	397 443	309 841	255 878	248 213	464 960	138 672
Buildings and other fixed structures	20 094	72 555	45 949	112 463	58 500	67 994	59 049	62 578
Machinery and equipment	182 368	364 301	233 093	104 442	104 442	44 934	47 532	50 638
Software and other intangible assets	23 847	141 673	118 401	92 936	92 936	135 285	358 379	25 456
Total	2 069 443	3 172 075	2 546 915	3 520 898	3 316 348	4 505 019	4 895 498	5 270 095

Expenditure trends

Expenditure increased from R2.1 billion in 2004/05 to R3.2 billion in 2005/06, showing an increase of 53.3 per cent. In 2006/07, expenditure decreased to R2.5 billion in 2006/07 (19.7 per cent). This trend is mainly influenced by transfers to the Electoral Commission, which increased in 2005/06 to provide for the local government elections, and the acquisition of a disaster recovery system for the Home Affairs national identification system (HANIS) in the same year. Expenditure increased again from R2.5 billion in 2006/07 to R3.5 billion in 2007/08, mainly for service delivery improvement initiatives (such as dealing with the backlog in asylum applications and implementing the track and trace project for ID applications), the new passport system, and the Electoral Commission's preparations for the 2009 national elections.

Expenditure is expected to rise at an average annual rate of 14.4 per cent over the medium term, reaching R5.3 billion by 2010/11. In the 2008 Budget, the department receives additional allocations of R568.7 million for 2008/09, R637.9 million for 2009/10 and R1.1 billion for 2010/11. Included in these allocations are provisions for specific interventions as part of the department's turnaround strategy: the new customer service centre (R262 million), IT readiness and IT capacity to handle permit and visa applications closer to 2010 (R830 million), the improvement of facilities (R36 million), the new passport system (R130 million in 2008/09 in addition to the R110 million allocated in 2007/08) and the Electoral Commission for elections (R438 million).

The strong budget growth in 2008/09 is also influenced by an increase in allocations to the public entities accountable to the department: the Electoral Commission to prepare for the 2010 local government elections; the Film and Publication Board to expand its monitoring role, and research and compliance capabilities; and the Government Printing Works for a new production facility.

The department's budget and programme structure has been changed by splitting the previous *Civic and Immigration Services* programme into two distinct core functions to better manage and budget for the delivery of these key functions, at the national and provincial levels. Each of these two functions now clearly shows the services delivered at the provincial level, as well as policy and implementation functions and projects at the national level.

Efficiency savings and cost containment initiatives will be implemented during the MTEF period. Savings of R23.8 million for 2008/09, R43.4 million for 2009/10, and R53.7 million for 2010/11 have been identified under goods and services, including travel and entertainment, and catering.

Infrastructure spending has grown (although not evenly) between 2004/05 and 2007/08, from R20.1 million in 2004/05 to R112.5 million by 2007/08, mainly for the upgrade, repair and maintenance (in terms of the Occupational Health and Safety Act (1993) requirements) of the department's frontline service points, which increased over the same period from 274 to 675. Over the medium term, the repair and maintenance programme (RAMP) will continue to address offices in line with the department's new requirements and will collaborate with other stakeholders participating in the development of the Thusong service centre initiative to extend government services to citizens at a single distribution point. The infrastructure budget over the medium term is an average annual R56.5 million.

The department intends to spend R1 million in 2008/09 on planned minor upgrades that do not involve tender procedures, such as painting and burglar proofing.

The department has identified facilities in urgent need of repair. Repairs will bring offices in compliance with the requirements of the Occupational Health and Safety Act and also uplift the physical conditions of buildings in line with corporate values. R36 million has been allocated over the MTEF period for this.

Repair and maintenance programme (RAMP): Phase 1 (with a budget of R156.9 million between 2004/05 and 2007/08 and R29.2 million between 2008/09 and 2010/11) consisted of a three-year maintenance contract ending in October 2007, which was designed to upgrade 14 facilities. An evaluation confirmed that the RAMP projects support the department's basic service delivery objectives. Phase 2 (with a budget of R115.6 million between 2007/08 and 2010/11) includes a further 12 tenders awarded in late 2007. Phase 2 is based on the same principles and specifications as phase 1, with a focus on the security aspects of facilities. This initiative will also extend to the 14 upgraded facilities and will involve the inclusion of CCTV cameras at all counters, entrances, exits and perimeters of facilities, electronic access control and x-ray machines, as well as generators and uninterrupted power supply systems.

Construction of new buildings: The department identified three new sites to develop new Department of Home Affairs service points: Phuthadjithaba, Sebokeng and Taung. In collaboration with the Department of Public Works, the department completed the site analysis phase and is now in the final stage of the generic design that will cater for all future departmental offices. It is estimated that all three contracts will be awarded in 2008/09.

Departmental receipts

Income is generated mainly from fees charged for issuing passports, identity, travel and other official documents. An increase in revenue generated from fees is expected in 2008/09 and 2009/10, due to the projected increase in the demand for identity documents because of the 2009 national, provincial and local government elections and increases in travel documents in line with the 2010 FIFA World Cup. The increase in 2006/07 and 2007/08 was mainly due to the late capturing of receipts for the department's services provided in foreign missions.

Table 4.2 Departmental receipts

R thousand	Audited outcome			Estimate	Medium-term receipts estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Departmental receipts	239 658	237 568	468 239	249 565	568 505	642 530	667 707
Sales of goods and services produced by department	232 979	225 273	445 767	236 537	545 280	617 544	640 921
Fines, penalties and forfeits	6 257	12 235	18 035	12 847	23 014	24 764	26 553
Interest, dividends and rent on land	1	172	154	181	211	222	233
Sales of capital assets	497	26	1	–	–	–	–
Financial transactions in assets and liabilities	(76)	(138)	4 282	–	–	–	–
Total	239 658	237 568	468 239	249 565	568 505	642 530	667 707

Programme 1: Administration

Purpose: Provide for the overall management of the department and centralised support services.

Expenditure estimates

Table 4.3 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Minister ¹	791	770	845	951	1 019	1 072	1 127
Deputy Minister ²	601	622	654	738	790	832	874
Management	37 826	88 067	104 591	443 268	531 507	370 528	319 372
Corporate Services	178 870	104 423	129 258	143 422	167 285	174 428	183 410
Financial Services	81 241	71 458	75 097	65 362	91 802	98 704	105 608
Information Services	61 482	101 063	146 019	162 919	168 808	183 610	201 235
Transversal IT Projects	173 503	105 657	65 567	98 493	94 680	363 994	433 409
<i>Information Services Infrastructure</i>	–	–	–	–	50 000	100 000	80 000
<i>Refugee System</i>	–	–	–	65 000	9 750	10 725	11 798
<i>Back to Basics</i>	–	–	–	25 305	11 288	12 416	13 658
<i>Turnaround Intervention Projects</i>	–	–	–	–	13 075	235 896	322 500
<i>Other Systems</i>	173 503	105 657	65 567	8 188	10 567	4 957	5 453
Government Motor Transport	5 575	104 343	114 144	53 728	27 434	28 691	31 070
Property Management	116 162	163 135	134 369	241 267	211 119	220 780	237 103
Total	656 051	739 538	770 544	1 210 148	1 294 444	1 442 639	1 513 208
Change to 2007 Budget estimate				163 783	62 120	157 779	138 593

1. Payable as from 1 April 2007. Salary: R761 053. Car allowance: R190 262.

2. Payable as from 1 April 2007. Salary: R590 459. Car allowance: R147 614.

Economic classification

	454 608	454 958	548 163	951 894	1 159 344	1 311 656	1 373 198
Current payments							
Compensation of employees	89 667	122 432	165 427	312 868	309 085	360 380	385 633
Goods and services	364 941	331 728	382 702	639 026	850 259	951 276	987 565
<i>of which:</i>							
<i>Communication</i>	12 658	14 480	19 539	23 188	37 352	42 299	41 868
<i>Computer services</i>	108 945	62 858	78 657	42 714	70 952	79 525	83 807
<i>Consultants, contractors and special services</i>	55 623	54 029	52 035	257 860	391 764	434 257	455 385
<i>Inventory</i>	12 348	9 794	10 891	11 038	17 328	19 623	19 422
<i>Maintenance, repairs and running costs</i>	31 784	9 145	90 675	43 281	24 445	27 682	27 400
<i>Operating leases</i>	65 752	75 192	16 748	116 517	92 036	103 533	115 266
<i>Travel and subsistence</i>	25 701	52 360	62 741	42 412	60 869	68 931	68 226
<i>Municipal services</i>	14 458	15 604	16 652	19 840	21 089	23 198	25 518
<i>Advertising</i>	3 526	6 134	12 296	4 914	7 647	8 660	8 572
<i>Attendance fees</i>	–	5 818	7 890	16 543	26 257	29 735	29 431
<i>Equipment</i>	15 289	2 235	2 226	30 500	49 376	55 915	55 344
Financial transactions in assets and liabilities	–	798	34	–	–	–	–

Table 4.3 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Transfers and subsidies	2 703	1 190	1 355	1 044	1 134	1 261	1 338
Provinces and municipalities	490	517	517	–	–	–	–
Departmental agencies and accounts	–	–	2	–	–	–	–
Households	2 213	673	836	1 044	1 134	1 261	1 338
Payments for capital assets	198 740	283 390	221 026	257 210	133 966	129 722	138 672
Buildings and other fixed structures	20 094	72 351	45 949	112 463	67 994	59 049	62 578
Machinery and equipment	170 471	154 961	166 228	54 442	44 934	47 532	50 638
Software and other intangible assets	8 175	56 078	8 849	90 305	21 038	23 141	25 456
Total	656 051	739 538	770 544	1 210 148	1 294 444	1 442 639	1 513 208

Expenditure trends

Expenditure increased from R656 million in 2004/05 to R1.2 billion in 2007/08, at an average annual rate of 22.6 per cent, to accommodate improvements in the department's offices and IT. The large increase in 2007/08 was mainly due to allocations for the repair and maintenance of offices, passport consumables, quick win intervention strategies as part of the department's turnaround, and increased capacity in support services.

Over the MTEF period, annual spending is estimated to increase at an average annual rate of 7.7 per cent. The budget reaches R1.5 billion in 2010/11, with additional funding of R230 million over the MTEF period for upgrading the network infrastructure. The remaining increase will mainly provide for transformation initiatives in finance and procurement, IT, and governance and control.

Programme 2: Services to Citizens

Purpose: Deliver core functions by granting rights and citizenship to eligible members of the population.

- *Management.*
- *Status Services* regulates all matters relating to the population register (maintaining a register of citizens and immigrants who have acquired the right to permanent residence, as well as registers of births, deaths and marriages) and to travel documents and citizenship (issuing passports and other travel documents, providing financial assistance to citizens abroad, and determining and granting citizenship).
- *Identification* oversees the determining of identity by means of fingerprints, photographs and identity documents for issuing identity documents by recording personal particulars in the population register.
- *Hanis* includes projects to develop, establish and maintain national identity systems.
- *Customer Service Centre* is a multi-channel service through which external and internal customer enquiries are resolved.
- *Provincial Civic Services* provides for the delivery of civic services in the provinces and the necessary support functions.

Expenditure estimates

Table 4.4 Services to Citizens

Subprogramme	Audited outcome			Adjusted	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Management	1 096	3 855	5 905	16 433	57 359	14 706	15 715
Status Services	71 634	67 776	66 990	120 364	87 095	93 293	99 847
<i>Travel Documents and Citizenship</i>	36 308	41 494	40 680	45 776	48 482	50 798	54 262
<i>Population Register</i>	35 326	23 070	26 310	34 588	38 613	42 495	45 585
<i>Passport System</i>	–	3 212	–	40 000	–	–	–
Identification	89 411	94 633	94 549	102 866	109 551	119 100	127 753
Hanis	64 265	483 519	276 934	371 049	236 992	465 266	137 717
<i>ID Infrastructure</i>	60 167	257 171	118 032	60 807	57 538	63 291	63 291
<i>Hanis Disaster Recovery System</i>	–	–	112 580	28 655	24 554	27 010	27 010
<i>Hanis Technology Refresh</i>	–	–	–	131 000	40 653	39 727	47 416
<i>Back Record Conversion</i>	299	226 348	–	–	–	–	–
<i>Smart ID Card</i>	3 799	–	46 322	150 587	114 247	335 238	–
Customer Service Centre	–	2 496	2 599	13 223	69 760	108 601	113 820
Provincial Civic Services	324 849	363 729	426 742	464 502	621 865	663 525	712 210
<i>Western Cape</i>	31 382	32 369	38 755	41 032	59 732	63 745	68 380
<i>Northern Cape</i>	9 136	10 440	15 092	21 408	27 779	29 702	31 934
<i>Eastern Cape</i>	45 468	50 723	63 633	64 856	84 000	89 450	95 909
<i>Gauteng</i>	76 303	81 621	94 999	102 853	140 944	150 242	161 244
<i>North West</i>	30 379	40 238	45 926	49 970	61 656	65 876	70 761
<i>Limpopo Province</i>	43 673	53 672	55 630	57 112	71 913	76 811	82 463
<i>Mpumalanga</i>	27 681	27 497	33 384	37 334	52 846	56 460	60 664
<i>KwaZulu-Natal</i>	39 740	45 521	49 190	57 711	82 247	87 706	94 095
<i>Free State</i>	21 087	21 648	30 133	32 226	40 748	43 533	46 760
Total	551 255	1 016 008	873 719	1 088 437	1 182 622	1 464 491	1 207 062
Change to 2007 Budget estimate				(21 810)	(97 342)	82 714	86 304

Economic classification

	528 229	742 257	700 846	1 033 220	1 065 585	1 126 171	1 203 796
Current payments							
Compensation of employees	357 095	374 695	412 412	481 327	653 707	714 913	777 589
Goods and services	171 095	367 181	287 679	551 893	411 878	411 258	426 207
<i>of which:</i>							
<i>Communication</i>	17 275	19 224	26 135	195 309	23 105	24 471	25 360
<i>Computer services</i>	11 602	224 177	112 815	43 749	201 354	213 237	220 988
<i>Consultants, contractors and special services</i>	29 962	13 927	16 230	27 906	59 344	37 918	39 296
<i>Inventory</i>	64 121	57 614	60 047	125 901	62 717	66 418	68 832
<i>Maintenance, repairs and running costs</i>	24 992	2 774	1 725	3 561	6 019	6 374	6 606
<i>Operating leases</i>	–	–	–	1 967	–	–	–
<i>Travel and subsistence</i>	15 193	35 956	61 238	41 270	38 523	40 797	42 280
<i>Advertising</i>	–	666	4 394	56	39	41	43
<i>Attendance fees</i>	–	969	775	2 363	1 942	2 056	2 131
<i>Equipment</i>	704	7 803	3 498	96 537	11 961	12 667	13 127
Financial transactions in assets and liabilities	39	381	755	–	–	–	–
Transfers and subsidies	2 767	2 814	2 387	2 586	2 790	3 082	3 266
Provinces and municipalities	1 065	1 118	293	–	–	–	–
Households	1 702	1 696	2 094	2 586	2 790	3 082	3 266
Payments for capital assets	20 259	270 937	170 486	52 631	114 247	335 238	–
Buildings and other fixed structures	–	204	–	–	–	–	–
Machinery and equipment	4 587	190 301	60 934	50 000	–	–	–
Software and other intangible assets	15 672	80 432	109 552	2 631	114 247	335 238	–
Total	551 255	1 016 008	873 719	1 088 437	1 182 622	1 464 491	1 207 062

Expenditure trends

Expenditure increased from R551.3 million in 2005/06 to R1.1 billion in 2007/08, at an average annual rate of 25.5 per cent. The trend in expenditure has not been even over this period. Expenditure almost doubled between

2004/05 and 2005/06, mainly due to spending on infrastructure for the automated fingerprint identification system, including the digitisation of 30 million manual and paper based fingerprint and ID photograph records, and the development of a new population register.

Over the MTEF period, expenditure is estimated to increase (although not evenly) at an average annual rate of 3.5 per cent. A significant amount of this programme's spending is concentrated in the *Provincial Civic Services* subprogramme, which increases steadily over the period under review from R464.5 million in 2007/08 to R712.2 million in 2010/11 to fund service delivery improvements at frontline service points. The growth can also be attributed to the new customer service centre that will be operational by the end of 2007/08 to deal with complaints and enquiries from the public, as well as the planned implementation of the smart ID card.

Programme 3: Immigration Services

Purpose: Control immigration taking into account South Africa's skills needs and manage refugees and asylum seekers in South Africa.

- *Management*.
- *Admissions* controls visas, the admission of travellers at ports of entry and the processing of applications for permanent and temporary residence permits, as well as work, study and other temporary permits.
- *Immigration Control* deals with immigration matters in foreign countries; detects, detains and departs illegal immigrants in terms of the Immigration Act (2002); and provides policy directives on immigration matters.
- *Provincial Immigration Control* provides for the delivery of immigration services in the provinces and the necessary support functions.
- *Refugee Affairs* considers and processes refugee asylum cases in terms of the Refugees Act (1998).

Expenditure estimates

Table 4.5 Immigration Services

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Management	1 955	4 172	7 150	8 284	18 505	13 801	14 725
Admissions	13 546	10 818	28 161	19 005	134 388	183 491	373 804
Permits	10 006	8 165	12 770	9 942	10 755	11 459	12 300
Port Control	1 680	1 872	12 564	2 387	3 705	4 467	4 790
Immigration Advisory Board	1 860	781	556	3 214	733	1 277	1 370
National Border Priorities	–	–	2 271	2 500	3 614	3 870	4 149
2010 Project Plan/Readiness	–	–	–	962	115 581	162 418	351 195
Immigration Control	98 033	181 277	202 599	220 505	264 125	284 850	293 148
Investigations	20 837	34 273	14 396	18 918	26 582	28 245	29 949
Immigration Directives	1 237	15 149	32 399	26 401	42 452	45 736	49 007
Lindela Holding Facility	75 959	131 855	155 804	175 186	195 091	210 869	214 192
Provincial Immigration Control	199 543	228 956	255 167	310 880	414 668	442 940	474 837
Western Cape	17 181	18 342	20 748	23 647	33 510	35 806	38 429
Northern Cape	8 158	9 034	12 400	17 906	22 728	24 264	25 928
Eastern Cape	19 486	21 738	27 354	28 679	37 947	40 423	43 347
Gauteng	44 939	48 560	52 542	64 390	90 163	96 304	103 312
North West	20 683	25 950	30 027	36 232	49 140	52 531	56 297
Limpopo Province	26 235	31 449	31 775	38 478	49 206	52 599	56 396
Mpumalanga	23 303	29 148	30 284	38 696	50 003	53 462	57 284
KwaZulu-Natal	19 267	23 544	25 037	31 859	42 437	45 276	48 543
Free State	20 291	21 191	25 000	30 993	39 534	42 275	45 301
Refugee Affairs	15 300	27 086	46 443	48 971	68 372	85 786	73 667
Refugee Affairs	6 018	3 724	4 615	6 978	15 871	29 614	12 094
Refugee Backlog Project	–	12 784	26 435	18 650	22 535	24 161	25 966
Refugee Reception Offices	4 507	5 686	8 981	13 617	20 089	21 572	23 789
Boards and Committees	4 775	4 892	6 412	9 726	9 877	10 439	11 818
Total	328 377	452 309	539 520	607 645	900 058	1 010 868	1 230 181
Change to 2007 Budget estimate				(45 664)	166 600	210 224	388 779

Table 4.5 Immigration Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Economic classification							
Current payments	318 619	426 430	532 251	607 420	899 817	1 010 604	1 229 901
Compensation of employees	202 010	220 813	266 834	339 657	468 837	507 319	545 888
Goods and services	116 607	205 464	256 178	267 763	430 980	503 285	684 013
<i>of which:</i>							
Communication	7 763	9 229	13 183	11 591	14 188	15 292	14 458
Computer services	2 280	5	9	4 018	104 918	155 301	355 012
Consultants, contractors and special services	66 515	86 366	97 801	116 279	145 571	153 418	145 049
Inventory	8 993	5 746	9 318	12 672	15 510	16 719	15 807
Maintenance, repairs and running costs	792	253	415	2 451	3 000	3 234	3 057
Operating leases	689	–	–	1 018	1 246	1 343	1 270
Travel and subsistence	20 160	88 317	118 468	99 534	121 824	131 325	124 161
Advertising	7	174	14	24	29	32	30
Attendance fees	83	–	212	804	984	1 061	1 004
Equipment	1 383	7 519	3 600	5 072	6 208	6 693	6 327
Financial transactions in assets and liabilities	2	153	9 239	–	–	–	–
Transfers and subsidies	2 448	1 677	1 338	225	241	264	280
Provinces and municipalities	598	671	178	–	–	–	–
Households	1 850	1 006	1 160	225	241	264	280
Payments for capital assets	7 310	24 202	5 931	–	–	–	–
Machinery and equipment	7 310	19 039	5 931	–	–	–	–
Software and other intangible assets	–	5 163	–	–	–	–	–
Total	328 377	452 309	539 520	607 645	900 058	1 010 868	1 230 181

Expenditure trends

Expenditure increased from R328.4 million in 2004/05 to R607.6 million in 2007/08, at an average annual rate of 22.8 per cent, mainly to accommodate higher costs for detaining and deporting illegal immigrants. Over the MTEF period, expenditure is estimated to increase at an average annual rate of 26.5 per cent, rising to R1.2 billion in 2010/11, to provide for the preparations for the 2010 FIFA World Cup, including movement control systems, expanding provincial services, and increased immigration personnel at ports of entry.

Programme 4: Transfers to Agencies

Purpose: Provide financial support to the Film and Publication Board, the Government Printing Works and the Electoral Commission.

Expenditure estimates

Table 4.6 Transfers to Agencies

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Film and Publication Board	6 680	19 774	12 933	19 206	33 519	39 302	42 292
Government Printing Works	178	188	199	110 212	135 222	60 194	93 909
Electoral Commission	526 902	944 258	350 000	485 250	959 154	878 004	1 183 443
Total	533 760	964 220	363 132	614 668	1 127 895	977 500	1 319 644
Change to 2007 Budget estimate				110 000	213 511	143 764	419 884
Economic classification							
Transfers and subsidies	533 760	964 220	363 132	614 668	1 127 895	977 500	1 319 644
Departmental agencies and accounts	533 760	964 220	363 132	614 668	1 127 895	977 500	1 319 644
Total	533 760	964 220	363 132	614 668	1 127 895	977 500	1 319 644

Table 4.6 Transfers to Agencies (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Details of major transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	533 760	964 220	363 132	614 668	1 127 895	977 500	1 319 644
Film and Publication Board	6 680	19 774	12 933	19 206	33 519	39 302	42 292
Government Printing Works	178	188	199	110 212	135 222	60 194	93 909
Electoral Commission	526 902	944 258	350 000	485 250	959 154	878 004	1 183 443

Expenditure trends

Most expenditure incurred in the *Transfers to Agencies* programme is for the transfer to the Electoral Commission. Large movements in the allocations are because the Electoral Commission's budget is driven by the electoral cycle. The increase of 80.6 per cent in 2005/06 was mainly used to manage the 2006 local government elections, and the increase of 69.3 per cent in 2007/08 provides for an upward adjusted transfer to the Government Printing Works for the implementation of a new passport system. The increase of 83.5 per cent in 2008/09 is largely for preparations for the 2009 national elections.

The increases for the Film and Publication Board over the MTEF period will accommodate the expansion of compliance monitoring and classification activities. The increase for the Government Printing Works will accommodate the conversion to a security printer.

Public entities and other agencies

Government Printing Works

The Government Printing Works (GPW) is a trading entity operating within the vote of the Department of Home Affairs. GPW provides printing services to governments within the SADC region and publishing and printing services to the South African government. GPW operates purely on a commercial basis, which means it generates revenue to defray its costs and provide for capital requirements.

In 1999, Cabinet resolved that GPW become a public entity. A draft business case and a draft Africa Security Printers Bill for its conversion to a public entity will be tabled in Parliament in 2008. The bill will create the necessary environment for GPW to exercise its full mandate to provide security printing services, contributing to safeguards against the proliferation of fraudulent identity documents. This will be followed by an application for listing in terms of the Public Finance Management Act (1999).

GPW aims to position itself as the security printer of choice in Africa. Its four key strategic thrusts are:

- **Corporitisation/conversion:** GPW is undergoing a review of its services with a view to enabling its corporatisation. This process will enable GPW to fully focus on becoming a specialist security printer for the state and will require the adoption and implementation of a new business model for the effective and efficient delivery of its services and products.
- **Technological upgrade:** GPW has not recapitalised its machinery and equipment in the last 40 years, and advances in technology in the printing industry in the past decade have made it necessary for GPW to consider significant re-capitalisation in order to become competitive and provide high standard printing.
- **New production facility:** A high security environment is critical to GPW. Currently accommodated in two separate buildings, over the medium term GPW aims to acquire more secure and suitable accommodation.
- **Effective marketing and alignment:** GPW needs to implement an aggressive marketing and sales strategy to enable it to become competitive in the printing industry.

In March 2007, GPW was awarded a tender by the African Union for the printing of its diplomatic and official passports, and successfully delivered them. GPW also successfully printed and delivered two school certificate examinations for the government of Malawi.

Two paper mills, Mondi and SAPPI, developed a Proudly South African security paper product, which is compliant with the International Civil Aviation Organisation requirements. In 2007, a specimen was presented to the government security cluster for consideration. Finalisation regarding the use of the paper is anticipated in June 2008.

During the second quarter of 2007, 326 194 passports were manufactured and delivered to the Department of Home Affairs. This does not reflect any substantial deviation from production volumes for the same period in the previous financial year. In the second quarter of 2007, 597 288 identity documents were manufactured and delivered to the Department of Home Affairs. Further, 559 editions of official gazettes, comprising 23 875 pages of text in A4 format, were released (313 government gazettes and 246 provincial gazettes). All editions were printed and released on time.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of government and provincial gazettes published	2 100	2 245	2 300	2 400	2 520	2 600	2 620
Number of passports printed	923 758	1 013 724	1 041 478	1 161 076	1 219 123	1 280 081	1 344 087
Number of identity documents printed	2 053 555	2 255 225	2 080 114	2 105 430	2 210 695	2 321 229	2 437 293
Number of birth certificates printed (millions)	6	8.7	7.5	5.4	6.7	7	7.3
Number of marriage certificates printed	5 577	4 857	4 515	4 800	4 900	5 100	5 400
Percentage reduction in outstanding debtors per year	15%	16%	30%	19%	13%	20%	25%

Expenditure estimates

Table 4.7 Government Printing Works

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Revenue							
Non-tax revenue	472 063	466 218	482 924	568 035	595 002	623 677	622 629
Sale of goods and services other than capital assets	469 743	464 062	475 703	559 526	587 502	616 877	616 629
<i>of which:</i>							
<i>Printing and publications</i>	469 565	464 062	475 703	559 526	587 502	616 877	616 629
Other non-tax revenue	2 320	2 156	7 221	8 509	7 500	6 800	6 000
Transfers received	178	188	199	110 212	135 222	60 194	93 909
Total revenue	472 241	466 406	483 123	678 247	730 224	683 871	716 538
Expenses							
Current expense	440 476	405 343	478 818	501 896	561 973	586 586	614 820
Compensation of employees	60 126	61 285	69 224	87 470	113 529	116 092	121 896
Goods and services	370 400	334 800	397 611	405 396	411 247	431 809	453 399
Depreciation	9 950	9 258	11 983	9 030	37 197	38 685	39 525
Total expenses	440 476	405 343	478 818	501 896	561 973	586 586	614 820
Surplus / (Deficit)	31 765	61 063	4 305	176 351	168 251	97 285	101 718
Acquisition of assets	4 481	2 601	1 781	11 785	264 100	37 560	49 080

Expenditure trends

Key revenue resources for GPW include the printing of identity documents, forms, examinations and passports. Before 2008/09, GPW printed 2 million identity documents annually, but due to printing related to the 2009 general elections, this will increase significantly. It is also expected that the printing of passports and examination papers will increase over the MTEF period.

The Department of Home Affairs transfers funds to GPW only to service bank charges. Additional transfers of R110 million in 2007/08 and R130 million in 2008/09 are for the purchase of a new passport machine and its commissioning. The transfers in 2009/10 and 2010/11 also make provision for capacity and skills development as well as for the development of a new production facility.

In 2006/07, GPW realised a surplus of only R4.3 million, which is expected to increase to R176.4 million by 2007/08. The low surplus for 2006/07 was as a result of R34.5 million in outstanding irrecoverable debt for 1999 to 2004 that had to be written off, and obsolete stock that was disposed of.

As business grows over the MTEF period, there will be a proportional increase in sales from R559.5 million in 2007/08 to a projected R616.6 million in 2010/11. Expenditure will increase from R501.9 million to R614.8 million at an average annual rate of 7 per cent, with key cost drivers being raw materials, personnel expenditure, depreciation, stores and warehousing, and sundry expenses. Most of the surplus in 2007/08 and 2008/09 will be used to purchase the passport machine in 2008/09.

Film and Publication Board

The Film and Publication Board (FPB) is a schedule 3A national public entity in terms of the Public Finance Management Act (1999) and was established in terms of the Film and Publication Act (1996), with the Deputy Minister of Home Affairs as its executive authority. The board is responsible for implementing the act, which regulates and controls the creation, production, possession, exhibition and distribution of certain films, interactive computer games and publications. The act also makes the use of children in pornographic films or publications, or on the internet, a punishable offence. The board is also responsible for monitoring the business of age restricted adult premises to ensure that they are run in strict compliance with their licence and registration terms and conditions.

The following strategic objectives will enable the board to achieve its mandate:

- Ensure an enhanced, integrated and constitutionally sound regulatory framework to enable informed choices about media content, while creating a healthy and child-safe media environment.
- Develop and maintain organisational capacity and capability to ensure effective management and implementation of the act.
- Enhance leadership and management of the board, resulting in sound corporate governance and compliance.
- Ensure that the business of the board reflects contemporary norms and values by forming and maintaining national and international partnerships and co-ordinating initiatives which support the business of the board.
- Position the board as a visible, credible, professionally run organisation that regulates media through the classification of content.

The Film and Publication Amendment Bill (2006) was approved by the Cabinet committee on governance and administration in August 2006. The main objective of the bill is to amend the Film and Publication Act (1996) to: expand its scope to include interactive computer games; insert the applicable definitions; amend the composition and powers of the board; provide for a classification office and the appointment and powers of compliance officers; and repeal certain schedules to the act by incorporating their substance into the act.

Key priorities for the board for the medium term include: phasing in the implementation of the proposed amendments to the act to ensure enforcement; appointing council members; developing a communication strategy around the amendments; improving compliance; widening stakeholder participation; co-operating internationally to deal with child pornography; forging strategic partnerships with similarly mandated organisations; benchmarking with other classification authorities; and re-evaluating the classification of the

board with National Treasury and the Department of the Public Service and Administration to better position the board to fulfil its mandate.

The board aims to classify film and publication products within two to five days of submission, although capacity constraints hinder timeous delivery.

Recent achievements for 2007 include: a web-based system that allows clients and the public to have automatic access to the database containing all information about film classification decisions made by the board; a greater provincial presence in Cape Town and KwaZulu-Natal; and attendance at the Pan African Film and Television Festival of Ouagadougou, Burkina Faso, with the aim of initiating dialogue with other African countries which classify films, publications and multimedia products.

A new work plan for compliance monitoring and registration was introduced, which focuses not only on visits to distributors, exhibitors and retailers of films and publications and monitoring compliance with the act, but also, and more importantly, on building and maintaining good relationships with stakeholders. Working relationships were also initiated with other stakeholders, including the South African Police Service (SAPS), local licensing authorities and the public.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of theatrical and home entertainment products classified	3 134	3 141	2 800	2 996	4 000	4 500	6 000
Number of X18 rated film products classified	996	2 181	1 544	2 007	2 000	2 500	3 000
Number of XX rated film products classified	-	2	40	54	70	100	20
Number of X18 publications classified	-	-	7	57	70	100	20
Number of exemptions processed	4 417	3 010	1 660	1 527	2 000	3 000	4 000
Number of interactive computer games classified	699	1 174	541	618	1 200	2 000	2 600
Number of registered traders	-	1 592	1 358	1 500	1 800	2 400	2 800

Expenditure estimates

Table 4.8 Film and Publication Board

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Total revenue	12 434	15 003	35 704	29 258	49 788	57 304	61 449
Total expenses	9 419	16 554	31 991	31 194	49 788	57 304	61 449
Surplus / (Deficit)	3 015	(1 551)	3 713	(1 936)	-	-	-
Balance sheet data							
Carrying value of assets	1 834	1 593	2 807	6 051	9 095	5 740	2 035
of which: Acquisition of assets	687	172	1 724	4 961	7 664	1 685	1 780
Receivables and prepayments	1 481	1 634	1 839	506	1 416	1 557	1 250
Cash and cash equivalents	6 334	18 930	9 750	2 980	7 502	4 015	8 772
Total assets	9 649	22 157	14 396	9 537	18 013	11 312	12 057
Capital and reserves	8 081	6 484	10 197	8 267	16 174	9 610	10 873
Trade and other payables	1 342	15 144	3 418	350	1 162	957	325
Provisions	226	529	781	920	677	745	859
Total equity and liabilities	9 649	22 157	14 396	9 537	18 013	11 312	12 057

Expenditure trends

The main revenue source for the board is a transfer from the Department of Home Affairs, which has increased from R6.7 million in 2004/05 to R19.2 million in 2007/08 to accommodate capacity building in human resources, compliance monitoring, and financial management. Other revenue sources include fees for the classification of films and publications, registration fees for the registration of new distributors, and penalty fees charged against distributors found to be distributing illegal or unclassified material. The board's main

expenditure items include salaries and staff development (because the board is a service organisation), travel and accommodation (compliance monitoring work involves extensive travelling since the board has only one monitor per province), communications and marketing, and research (which is outsourced).

Classification fees are mainly based on the number of films classified, and over the past four years the board has been receiving fewer film products to classify due to technological advances in the industry. For example, increased accessibility to films on the internet has resulted in fewer films being submitted for classification. The act only allows the classification of films that are distributed in South Africa. Also, smaller distributors have indicated that the classification tariffs are unaffordable. Non-compliance has been increasing as the likelihood of penalties is low, because the board is still building adequate compliance monitoring capacity. However, classification revenue, which has been increasing over the years, has been boosted by the introduction of the classification of interactive games.

Additional funds of R50.5 million allocated in the 2008 Budget will fund the activities of an anti-child pornography unit, improve IT and research, and provide for personnel and non-personnel inflation adjustments.

The total budget of the board will increase from R29.3 million in 2007/08 to R61.4 million in 2010/11 at an average annual rate of 28.1 per cent (including fees generated from its services, which are estimated to increase from R10 million in 2007/08 to R14.4 million in 2010/11) to capacitate the board to do more content analysis and research. The acquisition of assets of R7.7 million in 2008/09 includes furniture and office equipment, and computer equipment in line with the expansion of its establishment.

Electoral Commission

The Electoral Commission (EC) is a constitutional institution reporting directly to Parliament. In terms of section 190 of the Constitution of the Republic of South Africa Act (1996), the commission must: manage elections of national, provincial and municipal legislative bodies in accordance with national legislation; ensure that those elections are free and fair; and declare the results within a period prescribed by national legislation.

The Electoral Commission was established in terms of the Electoral Commission Act (1996), which sets out the composition, powers, functions and duties of the commission as well as the establishment, composition, powers, duties and functions of the Electoral Court. The Electoral Commission Act has subsequently been amended. The amendments dealt with the removal of the commission's responsibility for municipal demarcation, which now falls in the mandate of the Municipal Demarcation Board, and the provisions for the term of office of commissioners and the registration of parties.

The electoral legislation required by the Constitution to manage national and provincial elections is found in the Electoral Act (1998). The Electoral Act has been amended by a number of amending acts, one of which dealt with limiting certain categories of prisoners from registering and voting in national and provincial elections. These provisions were subsequently declared unconstitutional by the Constitutional Court. Following this decision, the commission put in place facilities which allowed prisoners to apply for registration and voting in the 2004 national elections. The Local Government: Municipal Electoral Act (2000) regulates municipal elections, which allow for a hybrid of ward and proportional representation. There have been no amendments to this act. The electoral legislation grants the commission the power to make regulations. Between 1998 and 2007 the commission issued 16 sets of regulations or amending regulations under these acts.

The Electoral Commission's strategy focuses on the following objectives:

The commission aims to entrench itself as the focal point in the delivery of free and fair, cost effective elections. This is not only the core of its constitutional mandate but is also an important factor in the commission's interaction with other election management bodies.

An optimal network of voting districts and voting stations and an accurate and up to date national common voters' roll should be maintained for by-elections to ensure reasonable access by voters. The commission strives to constantly improve the quality and accuracy of the voters' roll and to increase the registration of eligible voters on the roll, particularly young people.

The commission conducted a review of its organisational structures in 2007. As a result, it strengthened its structures dealing with voter education and democracy education to better equip voters to cast their votes and to encourage them to exercise their right and civic obligation to vote. It also has a schools programme that aims to introduce these elements into the school curriculum.

The commission will aim at improving efficiency and effectiveness in the delivery of elections by: implementing its revised organisational structure; assessing the readiness of the IT infrastructure to provide a stable platform to support elections and replacing aging systems (including the portable barcode scanning units for voter registration); and maintaining voting facilities infrastructure and agencies for future elections.

The next national and provincial elections, scheduled for 2009, are one of the key priorities for the upcoming MTEF period. In 2008/09, two national registration drives will be held, where every voting station will be open.

Another key priority for the upcoming MTEF period is the local government elections expected to be held in early 2011. The commission aims to have a voter turnout of more than 40 per cent of registered voters.

In 2006, the commission provided major technical and logistical electoral assistance in the DRC and the Comoros, with funding from the African Renaissance Fund.

The voters' roll was reduced in 2006/07 by 419 913 registrations, in part because of deaths and the removal of non-citizens. However, 19 199 new voters were registered, 6 983 re-registered in the same voting districts, and 12 698 re-registered in different voting districts. 61 ward (287 voting districts) by-elections were held and 210 candidates participated. More than 2.5 million residential addresses were captured in the year under review.

The commission hosted the International Conference on Sustaining Africa's Democratic Momentum in March 2007.

In 2007, the commission assisted a number of organisations with the election of their office-bearers, including the election of school governing bodies.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of liaisons with other chapter 9 institutions	2	2	2	1	2	3	4
Number of liaisons with electoral management bodies	4	23	13	13	15	15	15
Number of elections observed	9	4	4	4	4	4	4
Number of voting stations	16 966	16 966	18 873	18 873	20 000	20 000	20 500
Number of registered voters in elections	20 543 721 (March 05)	21 054 957 (January 06)	20 627 654 (March 07)	20 357 338 (November 07)	22 000 000	21 500 000	22 500 000
Percentage of registered voters who cast their vote (baseline: 89% in 1999)	78%	–	48%	–	65%	–	40%
Number of voter education interventions	189 741	–	231 118	–	254 000	–	279 000
Number of research projects regarding electoral systems	2	1	2	2	3	2	4
Number of party liaison interventions	988	494	988	494	1 482	494	1 482
Number of mobile voting stations	82	–	82	–	41	–	–
Number of temporary voting stations	920	–	920	–	828	–	745
Number of schools as voting stations	11 688	–	11 688	–	11 868	–	12 048
Number of meetings with provincial infrastructure task teams	6	2	6	2	6	2	6
Number of public information drives	–	5	4 163	5	4 579	5	5 037
Number of election officials trained	210 000	500	176 000	550	185 000	610	190 000
Number of staff training and development interventions	201	88	107	195	391	440	489

Expenditure estimates

Table 4.9 Electoral Commission

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Revenue							
Non-tax revenue	11 225	23 313	18 141	18 598	23 565	18 085	14 020
Sale of goods and services other than capital assets <i>of which:</i>	2	133	66	30	55	75	20
Admin fees	2	19	4	5	5	10	10
Sales by market establishments	–	114	62	25	50	65	10
Other non-tax revenue	11 223	23 180	18 075	18 568	23 510	18 010	14 000
Transfers received	526 902	944 258	356 534	485 250	959 154	878 004	1 183 443
Total revenue	538 127	967 571	374 675	503 848	982 719	896 089	1 197 463
Expenses							
Current expense	592 724	924 177	335 671	503 098	981 919	894 389	1 195 763
Compensation of employees	173 316	237 829	139 654	212 072	357 973	302 834	443 616
Goods and services	397 456	662 480	174 401	257 341	577 797	543 665	702 912
Depreciation	21 952	23 830	21 616	33 685	46 149	47 890	49 235
Interest, dividends and rent on land	–	38	–	–	–	–	–
Transfers and subsidies	1 154	2 309	699	750	800	1 700	1 700
Total expenses	593 878	926 486	336 370	503 848	982 719	896 089	1 197 463
Surplus / (Deficit)	(55 751)	41 085	38 305	–	–	–	–
Acquisition of assets	15 558	9 538	11 752	107 122	102 750	15 500	13 000

Expenditure trends

The Electoral Commission is funded mainly by a transfer from the Department of Home Affairs. In 2005/06 and 2006/07, funding of R2.7 million and R127.4 million respectively was received from the African Renaissance Fund for support for the DRC election process.

Expenditure is mainly influenced by the electoral cycle, and peaks during preparations for an election and declines to fund normal activities after that: national and provincial elections were held in 2004/05 and local government elections in 2005/06. A major cost driver in 2006/07 was the replacement of the fleet of portable barcode scanners with dual smart card technology. In 2007/08, the commission's staff complement increased considerably following a court ruling to include contract electoral project co-ordinators as permanent employees. Currently, preparations for the 2009 national and 2010 provincial elections are in progress.

Expenditure on elections is mainly driven by the steady increase in the required number of voting stations, resulting from the general growth in the voting population as new suburbs and informal settlements develop. The number of voting stations for the 2009 general elections will increase to cater for 3 000 urban and 1 200 rural voters per voting station.

Additional tables

Table 4.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2006/07		2006/07	2007/08			2007/08
1. Administration	882 715	864 193	770 544	1 046 365	163 783	1 210 148	1 156 185
2. Services to Citizens	1 038 903	1 010 398	873 719	1 110 247	(21 810)	1 088 437	937 850
3. Immigration Services	521 354	562 681	539 520	653 309	(45 664)	607 645	607 645
4. Transfers to Agencies	357 433	363 133	363 132	504 668	110 000	614 668	614 668
Total	2 800 405	2 800 405	2 546 915	3 314 589	206 309	3 520 898	3 316 348
Economic classification							
Current payments	1 844 348	1 836 732	1 781 260	2 079 228	513 306	2 592 534	2 441 947
Compensation of employees	1 055 481	974 000	844 673	1 209 866	(76 014)	1 133 852	1 133 852
Goods and services	788 867	862 732	926 559	869 362	589 320	1 458 682	1 308 095
Financial transactions in assets and liabilities	–	–	10 028	–	–	–	–
Transfers and subsidies	361 169	366 869	368 212	508 523	110 000	618 523	618 523
Provinces and municipalities	2 191	2 191	988	–	–	–	–
Departmental agencies and accounts	357 433	363 133	363 134	504 668	110 000	614 668	614 668
Households	1 545	1 545	4 090	3 855	–	3 855	3 855
Payments for capital assets	594 888	596 804	397 443	726 838	(416 997)	309 841	255 878
Buildings and other fixed structures	104 913	104 913	45 949	53 500	58 963	112 463	58 500
Machinery and equipment	489 975	425 657	233 093	180 831	(76 389)	104 442	104 442
Software and intangible assets	–	66 234	118 401	492 507	(399 571)	92 936	92 936
Total	2 800 405	2 800 405	2 546 915	3 314 589	206 309	3 520 898	3 316 348

Table 4.B Summary of personnel numbers and compensation of employees

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
A. Permanent and full-time contract employees							
Compensation (R thousand)	637 932	701 457	813 112	1 095 064	1 395 266	1 544 851	1 669 881
Unit cost (R thousand)	103	106	116	154	149	159	172
Personnel numbers (head count)	6 211	6 614	6 993	7 100	9 382	9 692	9 710
B. Part-time and temporary contract employees							
Compensation (R thousand)	3 406	9 133	18 769	26 380	27 963	29 361	30 829
Unit cost (R thousand)	227	90	96	95	100	105	110
Personnel numbers (head count)	15	102	195	279	279	279	279
C. Interns							
Compensation of interns	7 434	7 350	12 792	12 408	8 400	8 400	8 400
Unit cost (R thousand)	18	30	28	30	28	28	28
Number of interns	413	245	459	410	300	300	300
Total for department							
Compensation (R thousand)	648 772	717 940	844 673	1 133 852	1 431 629	1 582 612	1 709 110
Unit cost (R thousand)	98	103	110	146	144	154	166
Personnel numbers (head count)	6 639	6 961	7 647	7 789	9 961	10 271	10 289
D. Learnerships							
Payments for learnerships (R thousand) (G&S)	–	–	–	–	360	720	720
Number of learnerships (head count)	–	–	–	–	75	150	150

Table 4.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Compensation of employees (R thousand)	648 772	717 940	844 673	1 133 582	1 431 629	1 582 612	1 709 110
Training expenditure (R thousand)	17 791	26 259	35 348	37 446	52 176	50 495	53 138
Training as percentage of compensation	3%	4%	4%	3%	4%	3%	3%
Total number trained in department (head count)	2 128	5 143	5 222	5 300			
<i>of which:</i>							
Employees receiving bursaries (head count)	–	1 052	1 345	1 356			
Internships trained (head count)	413	245	459	410			

Table 4.D Summary of expenditure on infrastructure

Description	Service delivery outputs			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Groups of small projects or programmes (cost less than R50 million)							
New construction:	–	–	–	1 724	1 500	5 449	5 449
Phuthadjithaba building							
New construction: Taung building	–	–	–	1 506	1 500	2 694	2 694
New construction: Sebokeng building	–	–	–	1 257	6 100	512	–
Ramp 1: Upgrade of 14 facilities	20 094	72 339	45 949	18 481	18 238	8 651	2 343
Upgrade of Thusong service centres	–	–	–	–	–	20 229	32 306
Ramp 2: Upgrade of 12 facilities	–	–	–	89 495	8 656	9 514	7 786
Repair and maintenance of Thusong service centres	–	–	–	–	12 000	12 000	12 000
Total	20 094	72 339	45 949	112 463	47 994	59 049	62 578