

Vote 11

Public Service and Administration

Budget summary

R million	2010/11				2011/12	2012/13
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	138.8	136.2	–	2.6	140.6	147.4
Human Resource Management and Development in Government	48.9	48.9	–	0.1	39.2	41.5
Labour Relations and Compensation Management in Government	57.2	57.1	–	0.1	57.2	58.1
Information and Technology Management in Government	45.4	45.3	–	0.1	45.2	47.3
Service Delivery Improvement throughout Government	186.7	49.2	137.5	0.0	188.3	195.1
Governance for Public Service and Administration	174.6	40.3	134.1	0.1	186.7	194.7
Total expenditure estimates	651.5	376.9	271.6	2.9	657.1	684.1
Executive authority	Minister for Public Service and Administration					
Accounting officer	Director-General of Public Service and Administration					
Website address	www.dpsa.gov.za					

The Estimates of National Expenditure booklets for individual votes are available on www.treasury.gov.za. They provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers, public entities and lower level institutional information.

Aim

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

Programme purposes

Programme 1: Administration

Purpose: Policy, strategic leadership and overall management of the department.

Programme 2: Human Resource Management and Development in Government

Purpose: Develop and implement an integrated strategy, monitor employment practices, conduct human resource planning and diversity management, and improve the health and wellbeing of public service employees.

Programme 3: Labour Relations and Compensation Management in Government

Purpose: Develop and implement compensation policies and guidelines for the public sector. Ensure coordinated bargaining and effective programme management for the establishment of the single public service.

Programme 4: Information and Technology Management in Government

Purpose: Ensure the effective use of information technology in government. Facilitate the use of information technology for modernising government and establishing e-government practices, within an acceptable information security environment.

Programme 5: Service Delivery Improvement throughout Government

Purpose: Engage in supportive interventions and partnerships which improve efficiency and effectiveness; and innovative learning and knowledge based modes; and practices of service delivery in the public service.

Programme 6: Governance for Public Service and Administration

Purpose: Improve governance and public administration for improved service delivery in Africa and other participating countries worldwide, in support of the vision of efficiency and increased public participation in governance; fight against corruption and carry out participatory monitoring.

Strategic overview: 2006/07 – 2012/13

The Department of Public Service and Administration was established in 1996 in terms of the Public Service Act (1994) to provide policy making support to the Minister for Public Service and Administration, and to carry out the necessary functions in terms of its constitutional and legislative mandate. These functions are to: transform and modernise the public service; oversee changes to the structure of the public service; establish norms and standards for human resources and development, conditions of service, labour relations, IT and service delivery; issue directives and regulations for the public service; formulate the national anti-corruption strategy; and exercise oversight over the State Information Technology Agency.

The department's mandate has evolved over the years from developing policy towards implementing and facilitating service delivery improvement through support interventions, ICT and community development workers. The department also participates in and plays a critical role in various public administration and management structures in the Southern African Development Community (SADC) region and the rest of the world.

In 2008/09, the Centre for Public Service Innovation was established as a government component operating within the department. The centre identifies, supports and nurtures innovation in the public sector with a view to improving overall service delivery. In addition, a decision has been taken to shift oversight responsibility for the Public Service Commission and the Public Administration Leadership and Management Academy (PALAMA) to the department in terms of the Public Finance Management Act (1999).

Strategic objectives in line with government's major priorities

Informed by government's major priorities, which have been identified as education, health, land reform and rural development, the creation of decent work and sustainable livelihoods, and the fight against crime and corruption, and in line with the priorities of the governance and administration cluster, the department has adopted five overarching strategic objectives: to develop and strengthen the capacity of the state through efficient and sustainable systems; to strengthen the public sector through institutional reform; to develop human capacity in the public sector by ensuring that staff are skilled and professional; to promote good governance in the public sector by building an effective and caring government; and to pursue international strategic partnerships to consolidate South Africa's public administration agenda in the regional and international spheres.

In meeting these objectives, the department is mindful of the constraints and challenges that the current global economic climate presents, and that it is necessary to accelerate implementation to ensure a functional public service, which is expected to improve the lives of the poor and other marginalised groups.

Medium term objectives

Over the medium term, the department aims to increase efficient public service delivery and access to public services through ICT initiatives and the creation of an enabling environment. It will also improve the administration of human resources through the ongoing implementation of effective transversal systems, such as the integrated financial management system, and the continued development and implementation of human resource policies, frameworks and tools. Engaging with national and provincial departments, it will continue to enhance good governance throughout the public service, working towards improved and more effective public sector accountability by supporting departments in the implementation of its policies and frameworks and the infusion of the Batho Pele principles.

With regard to legislation, the department will complete the development of the Public Administration Management Bill (previously referred to as the Single Public Service Bill) following the withdrawal of the bill from Parliament in September 2008. This bill is a strategic initiative aimed at promoting and accelerating access to services. It will outline minimum standards for service delivery across the three spheres of government and will ensure the alignment of remuneration and conditions of service for government workers.

Savings and cost effective service delivery

The department realised savings of R7.3 million in 2010/11, R28.8 million in 2011/12 and R17.1 million in 2012/13 by participating in the government fleet management scheme. From April 2008, the department restricted the use of business class air travel and car hire. It is keeping delegations to national and international destinations as small as possible to further reduce travelling costs.

Other cost saving initiatives that have been implemented include: the use of least cost routers on the landline telephone system, reducing the overall cost of telephonic communications by 30 per cent; discounted rates on cellular telephone contracts that have been negotiated by the department; less catering and entertainment; an electronic landline telephone accounting system that saves on paper and ink cartridges; and reducing printing costs by limiting the procurement of personal printers and by using multifunctional photocopy machines for printing.

Selected performance indicators

Table 11.1 Public Service and Administration

Indicator	Programme	Past			Current 2009/10	Projections		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
Number of departments where HR Connect skills database and processes have been implemented per year	Human Resource Management and Development in Government	5	22	22	46	46	23	–
Number of departmental human resources plans analysed and feedback provided per year	Human Resource Management and Development in Government	–	6	75	93	95	95	95
Number of departments submitting human resource development organisational readiness audit reports per year	Human Resource Management and Development in Government	–	87	113	120	140	140	140
Number of departments submitting human resource development implementation plans per year	Human Resource Management and Development in Government	–	–	43	72	140	140	140
Number of employee health and wellness practitioners trained in mainstreaming HIV and AIDS per year	Human Resource Management and Development in Government	–	–	250	680	321	321	321
Number of departments equipped with tools and skills in employee health and wellness per year	Human Resource Management and Development in Government	–	–	–	–	46	47	48
Number of occupation specific dispensations implemented at applicable departmental levels per year	Labour Relations and Compensation in Government	–	1	2	4	5	–	–
Number of Thusong service centres connected to a centralised ICT infrastructure per year	Information and Technology Management in Government	–	–	43	48	49	–	–

Table 11.1 Public Service and Administration (continued)

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of entries for Centre for Public Service Innovation awards solicited and adjudicated per year	Service Delivery Improvement throughout Government	30	35	110	107	125	135	145
Number of successful innovative projects replicated per year	Service Delivery Improvement throughout Government	–	–	–	1	2	3	4
Number of SADC public administration documents submitted to the United Nations Public Administration Network portal per year	Service Delivery Improvement throughout Government	360	360	500	1 200	1 500	1 750	2 000
Number of visits to the Centre for Public Service Innovation per year	Service Delivery Improvement throughout Government	–	–	–	200	250	250	300
Number of Department of Public Service and Administration policies evaluated for effectiveness per year	Governance for Public Service and Administration	–	–	–	2	4	4	4
Number of consultations to enhance public participation in and ownership of the African peer review mechanism per year	Governance for Public Service and Administration	–	–	–	–	9	2	–

Expenditure estimates

Table 11.2 Public Service and Administration

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R million								
1. Administration	62.0	89.3	95.4	115.3	115.3	138.8	140.6	147.4
2. Human Resource Management and Development in Government	32.4	34.1	35.9	48.1	46.3	48.9	39.2	41.5
3. Labour Relations and Compensation Management in Government	168.1	116.5	134.7	117.4	117.4	57.2	57.2	58.1
4. Information and Technology Management in Government	33.1	38.3	33.3	40.1	40.1	45.4	45.2	47.3
5. Service Delivery Improvement throughout Government	125.5	192.1	174.4	191.6	191.6	186.7	188.3	195.1
6. Governance for Public Service and Administration	162.6	139.3	156.7	170.3	170.3	174.6	186.7	194.7
Total	583.7	609.6	630.6	682.8	681.0	651.5	657.1	684.1
Change to 2009 Budget estimate				86.5	84.7	(11.2)	(39.2)	(31.1)

Economic classification

	2006/07	2007/08	2008/09	2009/10	2009/10	2010/11	2011/12	2012/13
Current payments	345.8	366.2	396.8	405.9	404.1	376.9	370.0	386.1
Compensation of employees	92.5	115.8	129.1	153.4	153.4	174.4	183.4	193.4
Goods and services	253.3	250.4	267.7	252.5	250.7	202.5	186.7	192.7
<i>of which:</i>								
Computer services	28.2	36.3	27.4	32.9	32.9	36.1	36.7	40.7
Consultants and professional services:	1.0	28.8	24.6	47.2	45.4	31.4	18.2	15.8
Business and advisory services								
Lease payments	2.8	13.3	12.4	20.7	20.7	25.5	25.3	26.9
Travel and subsistence	35.6	24.7	33.5	22.7	22.7	39.2	40.3	42.1
Interest and rent on land	–	–	0.1	–	–	–	–	–
Transfers and subsidies	230.4	239.9	223.0	275.2	275.2	271.6	284.5	295.4
Provinces and municipalities	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Departmental agencies and accounts	154.3	239.2	219.0	274.8	274.8	271.2	284.1	295.0
Foreign governments and international organisations	0.4	0.2	0.7	0.4	0.4	0.4	0.4	0.4
Public corporations and private enterprises	75.0	0.4	–	–	–	–	–	–
Households	0.6	0.0	3.3	0.0	0.0	–	–	–

Table 11.2 Public Service and Administration (continued)

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Payments for capital assets	7.4	3.4	10.6	1.6	1.6	2.9	2.6	2.6
Machinery and equipment	7.3	3.4	10.1	1.5	1.5	2.6	2.4	2.4
Software and other intangible assets	0.1	–	0.5	0.1	0.1	0.3	0.2	0.2
Payments for financial assets	0.0	0.0	0.2	–	–	–	–	–
Total	583.7	609.6	630.6	682.8	681.0	651.5	657.1	684.1

Expenditure trends

Expenditure increased from R583.7 million in 2006/07 to R682.8 million in 2009/10, at an average annual rate of 5.4 per cent. Over the 2010 MTEF period, spending is expected to grow to R684.1 million at an average annual rate of 0.1 per cent. Spending in the *Administration* programme grew at an average annual rate of 23 per cent between 2006/07 and 2009/10, due to the devolution of accommodation funds from the Department of Public Works to national departments. Spending in this programme over the medium term is expected to slow to an average annual rate of 8.5 per cent once the devolved funds have been incorporated into the programme's baseline.

The *Service Delivery Improvement throughout Government* programme constitutes 28.5 per cent of the department's expenditure over the medium term. Spending in the *Centre for Public Service Innovation* subprogramme declined by 24 per cent in 2009/10 due to a once-off additional virement to secure alternative accommodation and establish the Centre for Public Service Innovation. The *Centre for Public Service Innovation* subprogramme's spending is projected to increase at an average annual rate of 2.3 per cent over the MTEF period. Spending in the *Labour Relations and Compensation Management in Government* programme is expected to decrease at an average annual rate of 20.9 per cent over the medium term, due to the reduced allocations for the policy on incapacity leave and ill health retirement which will not continue over the medium term.

Additional funding of R4.7 million in 2010/11, R5.5 million in 2011/12 and R5.9 million in 2012/13 is to fund the higher than anticipated general salary adjustments.

Departmental receipts

The department estimates revenue of approximately R881 000 in 2009/10, mostly generated from parking fees, interest on bursary debts, and commissions. Receipts are estimated to remain relatively stable over the MTEF period. A once-off amount of R926 347 was received in 2006/07 from the Eastern Cape department of health for the assistance provided by the integrated management team. Other once-off amounts were received in 2007/08: from the Commonwealth Secretariat (R297 000) for the sponsorship of the fourth Africa meeting of heads of public service; from Sportsman's Warehouse (R100 000) as a sponsorship for the indaba project; from the Government Employees Medical Scheme (R110 000) as a sponsorship for the employee health and wellness day; and from Bytes Harges (R223 000) and the Gauteng provincial government (R430 000) for the Global Forum V on fighting corruption and safeguarding integrity.

Table 11.3 Departmental receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Departmental receipts	1 803	2 701	962	881	881	666	716	735
Sales of goods and services produced by department	464	382	416	258	258	271	295	301
Transfers received	100	1 200	–	–	–	–	–	–
Interest, dividends and rent on land	16	43	50	38	38	40	43	45
Sales of capital assets	(4)	–	3	–	–	–	–	–
Transactions in financial assets and liabilities	1 227	1 076	493	585	585	355	378	389
Total	1 803	2 701	962	881	881	666	716	735

Programme 1: Administration

Expenditure estimates

Table 11.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Minister ¹	0.9	1.0	1.1	1.7	1.8	1.9	2.0
Deputy Minister	–	–	–	1.4	1.5	1.6	1.7
Management	11.2	14.1	17.0	24.4	21.4	21.9	22.2
Cooperate services	48.9	59.9	67.4	59.8	91.7	92.8	97.5
Office Accommodation	1.1	14.4	9.9	27.9	22.4	22.4	24.1
Total	62.0	89.3	95.4	115.3	138.8	140.6	147.4
Change to 2009 Budget estimate				6.5	16.9	10.8	19.0

1. From 2008/09, the current payments relating to the total remuneration package of political office bearers are shown, before this, only salary and car allowance are included. Administrative and other subprogramme expenditure may in addition include payments for capital assets as well as transfers and subsidies.

Economic classification

Current payments	57.7	86.0	90.8	113.8	136.2	138.0	144.9
Compensation of employees	31.7	38.8	46.9	58.2	70.2	73.3	77.1
Goods and services	26.0	47.3	43.8	55.7	66.0	64.7	67.7
of which:							
Computer services	2.8	6.7	3.7	5.5	6.3	6.2	6.6
Consultants and professional services:	0.4	1.5	1.1	2.0	2.2	2.1	1.0
Business and advisory services							
Lease payments	2.0	9.3	8.5	17.0	20.0	19.8	21.5
Travel and subsistence	5.9	10.0	11.7	8.0	15.1	15.0	15.5
Transfers and subsidies	0.1	0.0	1.1	0.0	0.0	0.0	0.0
Households	0.1	0.0	1.1	0.0	–	–	–
Payments for capital assets	4.2	3.3	3.5	1.5	2.6	2.5	2.5
Machinery and equipment	4.2	3.3	3.4	1.4	2.4	2.3	2.3
Software and other intangible assets	–	–	0.1	0.1	0.2	0.2	0.2
Total	62.0	89.3	95.4	115.3	138.8	140.6	147.4

Expenditure trends

Expenditure increased from R62 million in 2006/07 to R115.3 million in 2009/10 at an average annual rate of 23 per cent, and is expected to increase over the medium term to R147.4 million at an average annual rate of 8.5 per cent. The substantial increase from 2006/07 to 2009/10 was due to the devolution of accommodation funds from the Department of Public Works.

Spending in the *Management* subprogramme grew at an average annual rate of 29.6 per cent between 2006/07 and 2009/10 due to increased capacity. Expenditure in the *Corporate Services* subprogramme is expected to increase at an average annual rate of 17.7 per cent over the medium term, mainly due to the increase in capacity for support to the Office of the Ministry. Additional funding of R3 million was received in 2009/10 for the appointment of a deputy minister and support staff in terms of the revised government structure, reflected in the new *Deputy Minister* subprogramme and the corporate services subprogramme.

Compensation of employees increased at an average annual rate of 22.4 per cent between 2006/07 and 2009/10, from R31.7 million in 2006/07 to R58.2 million in 2009/10, due to an increase in the number of filled posts, from 172 in 2006/07 to 208 at September 2009, mainly at senior management service levels.

Programme 2: Human Resource Management and Development in Government

- *Management.*
- *Employment Practice and Career Management* develops transversal policies, prescripts and interventions in the senior and middle management services. It is also responsible for the strategic positioning and delivery model of the human resource function in the public service.
- *Senior Management Service* ensures that there is a professional management cadre in the public service by establishing and implementing competency based management and performance management systems through the development of transversal employment policies, prescripts and guidelines, and other career practices for senior management service members.
- *Human Resource Planning* provides advice, develops policies, prescripts, processes and systems, and conducts interventions to improve human resource planning at the departmental and macro levels.
- *Diversity Management* develops policy and guidelines on employment equity in the public service to remove barriers of access into and within the workplace for targeted groups and to prevent direct and indirect discrimination against designated groups, through targeted strategies.
- *Employee Health and Wellness* promotes and manages health and wellness in the public service and improves the quality of work life through focused strategies and a holistic framework.
- *Human Resource Development* aims to improve the competency levels of public servants through capacity development activities, such as internships, learnerships and skills programmes, to ensure a constant pool of productive and contributing employees.

Funding in all subprogrammes is mainly used for compensation of employees and related expenditure in goods and services.

Objectives and measures

- Provide information on skills in the public service by phasing in the HR Connect skills database in all government departments by 2011.
- Monitor the implementation of the gender equality and job access strategic frameworks through quarterly reports to assess national and provincial departments' progress in attaining the set targets of 50 per cent women at senior management service level and 2 per cent persons with disabilities at all levels by 2014.
- Revise the senior management service performance management and development system through a strategic framework by April 2011.
- Annually review the deficiencies in the human resource function at departmental level in terms of the human resource repositioning frameworks by identifying a 30 per cent sample then applying the readiness assessment tool issued to departments to inform required policy enhancements.
- Improve the working environment in frontline offices through capacity development and supporting 300 employee health and wellness managers and practitioners each year in health risk assessment and management.

Service delivery focus

Since the launch of the employee health and wellness strategic framework in November 2008, 4 policies were developed: for HIV and AIDS, and tuberculosis; for health and productivity; for safety, health, environment, risk and quality; and for wellness management. The rollout of these policies is progressing well.

Between August and October 2009, 174 practitioners and managers were trained on HIV and AIDS mainstreaming. 2 cohorts of 107 practitioners and 120 managers will be trained in February 2010.

The national targets for 50 per cent women and 2 per cent persons with disabilities in senior management across all salary levels have not been met since they were mandated by Cabinet in 2005. The deadline for the same targets has been extended to 2014.

In 2008/09, the complete HR Connect model was rolled out in 27 departments, including 5 self-funding departments in KwaZulu-Natal. 46 departments have been approved to participate in the model in 2009/10. The rollout of HR Connect to the remaining departments will continue in 2010/11 and 2011/12.

Departmental design and reconfiguration after the 2009 elections, involving 16 departments, has been facilitated by the Department of Public Service and Administration. As part of the national macro organisation of the state project that started in May 2009, the department has created new departments, renamed existing departments, abolished redundant departments and transferred functions between departments.

Expenditure estimates

Table 11.5 Human Resource Management and Development in Government

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Management	1.5	2.2	3.5	2.9	3.9	4.3	4.5
Employment Practice and Career Management	3.3	4.6	5.0	4.0	4.3	4.0	4.3
Senior Management Service	0.7	2.7	3.0	3.0	3.4	3.2	3.2
Human Resource Planning	9.3	14.1	12.0	25.0	23.2	13.3	13.8
Diversity Management	4.7	2.5	3.6	4.6	4.9	4.7	4.9
Employee Health and Wellness	8.1	4.1	4.5	5.0	5.6	5.9	6.8
Human Resource Development	4.7	3.8	4.3	3.5	3.7	3.7	3.9
Total	32.4	34.1	35.9	48.1	48.9	39.2	41.5
Change to 2009 Budget estimate				1.2	(3.2)	(4.2)	(7.2)
Economic classification							
Current payments	31.1	34.1	35.0	48.0	48.9	39.1	41.5
Compensation of employees	13.6	21.0	21.6	23.2	24.6	26.0	27.7
Goods and services	17.6	13.1	13.5	24.8	24.2	13.1	13.8
of which:							
Computer services	1.4	0.2	0.9	0.5	1.4	1.9	2.0
Consultants and professional services:							
Business and advisory services	0.1	4.7	2.9	15.2	12.2	0.9	1.0
Lease payments	0.2	0.5	0.3	0.3	0.3	0.3	0.3
Travel and subsistence	2.6	3.3	4.0	3.3	4.5	5.9	6.2
Transfers and subsidies	0.0	-	0.6	0.0	-	-	-
Households	0.0	-	0.6	0.0	-	-	-
Payments for capital assets	1.2	0.0	0.3	-	0.1	0.1	0.1
Machinery and equipment	1.2	0.0	0.3	-	0.1	0.1	0.1
Total	32.4	34.1	35.9	48.1	48.9	39.2	41.5

Expenditure trends

Expenditure increased from R32.4 million in 2006/07 to R48.1 million in 2009/10 at an average annual rate of 14.1 per cent, mainly due to additional funding of R12 million allocated to the *Human Resource Planning* subprogramme for the rollout of the HR Connect project to departments in 2009/10.

Spending in the *Employee Health and Wellness* subprogramme is expected to grow at an average annual rate of 10.8 per cent over the medium term, due to the implementation and rollout of 4 new policies. Between 2006/07 and 2009/10, spending in the *Management* subprogramme grew at an average annual rate of 62.4 per cent, due to funding allocated for State Information Technology Agency services and audit costs.

Over the MTEF period, spending is projected to decrease at an average annual rate of 5.3 per cent from R48.1 million in 2009/10 to R41.5 million in 2012/13, mainly due to the completion of the rollout of HR Connect by 2010/11.

Over the MTEF period, spending focuses on ensuring the effective and appropriate use of human resources in government.

Programme 3: Labour Relations and Compensation Management in Government

- *Management*.
- *Remuneration and Macro Benefits* develops, implements and maintains policies, practices and systems on remuneration and macro benefits.
- *General Benefits* develops, implements and maintains policies and practices on general benefits.
- *Negotiations and Labour Relations* develops, implements and maintains policies and systems on labour relations for the public service, and ensures coordinated collective bargaining in the Public Service Coordinating Bargaining Council and the General Public Service Sectoral Bargaining Council.
- *Special Projects and Job Evaluation* develops, implements and manages the human resource component of the integrated financial management systems project; and develops, implements and maintains policies, practices and systems on job evaluation and grading.
- *Single Public Service* ensures effective and efficient programme management for establishing the single public service, including change management and communication.

Funding in all subprogrammes is mainly used for compensation of employees, and related expenditure in goods and services.

Objectives and measures

- Develop a human resource module of the financial management system in the public service by:
 - creating a generic human resource template, which includes customising and configuring the human resource system according to the needs of the public service, by April 2010
 - implementing the human resource system in 2 lead sites (the Department of Public Service and Administration and the Free State education department) by April 2011, and phasing it into the rest of the public service by 2016.
- Review pension provisioning in the public service by:
 - reporting progress to the department on discriminatory practices in pension provisioning by March 2010
 - implementing the agreed upon and costed practices and developing an institutional framework and governance arrangements to support the envisaged comprehensive social security system by March 2011.
- Improve the medical subsidy policy by implementing a revised post-retirement medical assistance provision by March 2011 for employees on salary levels 1 to 5 and who are members of the Government Employees Medical Scheme.
- Ensure that departments understand and implement the occupation specific dispensations by auditing the implementation on 4 identified occupational specific dispensations by March 2012.
- Coordinate the design of the programme for the single public service and oversee its implementation by:
 - establishing the pilot urban mall, which will be a centre where citizens can access government services, in Maponya Mall by June 2010
 - developing the single public service regulations by March 2012 in order to enact the overarching single public service legislative framework
 - designing and implementing the single public service change management programme by March 2013
 - establishing a geographic information system by March 2014
 - developing a government access strategy by March 2015.

Service delivery focus

In June 2009, the preparation phase of the human resource module for an integrated financial management system was completed. The blueprinting phase, during which business requirements in the various human

resource functional areas are confirmed and captured, will have been completed by the end of 2009/10. The realisation phase, during which the system will be configured and customised for the requirements of the public service, was initiated in November 2009.

A comprehensive exercise to rectify any past discriminatory pension practices by identifying possible beneficiaries and enabling costing is currently under way. The revised policy on post-retirement medical assistance to public servants on salary levels 1 to 5 who are members of the Government Employees Medical Scheme is being finalised. The decentralisation of the policy on incapacity leave and ill health retirement is at an advanced stage, and is expected to be completed in March 2010. A redefined job evaluation system that operates on a web enabled platform will be ready for implementation in April 2010.

The development of a pilot urban mall at the Maponya Mall is proceeding well. The first phase of construction was completed in November 2009, and completion is targeted for May 2010.

The following progress has been made on implementing the occupational specific dispensations, which arose from the Public Service Bargaining Council resolution 1 of 2007 and the Birchwood declaration in June 2009:

- Nurses (implemented in July 2007): A joint employer-union task team was established to deal with interpretation and application challenges.
- Educators (implemented in January 2008): A resolution on all outstanding matters was signed in July 2009. However, this dispensation requires additional funding.
- Doctors, dentists, pharmacists and emergency medical services: An agreement was signed and implementation started in January 2010.
- Social workers: A majority signature was received in June 2009 and implementation is currently under way, with a joint task team in place to ensure coordinated implementation.
- Correctional officials: An agreement was signed in June 2009 and implementation is under way, with a task team to deal with reprioritising resources within the Department of Correctional Services' budget to release funds.
- Engineers and related occupations: A number of agreements on different dispensations were signed in August 2009 and implementation is under way.
- Medical therapeutic services, educator specialists and related occupations: Proposals are currently being negotiated in the Public Health and Social Development Sectoral Bargaining Council.
- Legal officials: An agreement was signed in 2007 and implementation has started, with the minister revising measures for affected senior management service members who must translate to the legal occupational specific dispensations.

Expenditure estimates

Table 11.6 Labour Relations and Compensation Management in Government

Subprogramme	Audited outcome			Adjusted appropriation 2009/10	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
R million							
Management	1.2	2.2	3.6	3.2	4.6	4.8	5.0
Remuneration and Macro Benefits	81.7	3.5	5.8	7.1	8.2	8.0	8.3
General Benefits	77.7	80.7	92.5	71.2	4.3	4.5	5.1
Negotiations and Labour Relations	4.4	15.7	5.2	5.2	4.7	5.0	4.8
Special Projects and Job Evaluation	2.9	3.1	7.4	4.6	6.6	6.8	6.8
Single Public Service	0.3	11.3	20.2	26.1	28.9	28.2	28.1
Total	168.1	116.5	134.7	117.4	57.2	57.2	58.1
Change to 2009 Budget estimate				66.1	(4.0)	(8.4)	(10.8)

Table 11.6 Labour Relations and Compensation Management in Government (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
Current payments	92.4	116.5	133.3	117.3	57.1	57.2	58.1
Compensation of employees	10.6	15.0	17.9	20.0	22.9	24.2	25.1
Goods and services	81.8	101.5	115.4	97.3	34.2	33.0	33.0
<i>of which:</i>							
Computer services	1.1	0.2	3.8	1.4	3.5	3.6	5.5
Consultants and professional services:							
Business and advisory services	0.1	7.6	7.2	17.6	10.3	9.1	8.4
Lease payments	0.1	0.3	1.3	0.2	3.3	3.3	3.3
Travel and subsistence	1.6	2.2	4.0	4.0	3.1	3.4	3.5
Transfers and subsidies	75.0	-	-	-	-	-	-
Public corporations and private enterprises	75.0	-	-	-	-	-	-
Payments for capital assets	0.7	0.0	1.4	0.1	0.1	-	-
Machinery and equipment	0.6	0.0	1.4	0.1	0.1	-	-
Software and other intangible assets	0.1	-	-	-	-	-	-
Total	168.1	116.5	134.7	117.4	57.2	57.2	58.1

Details of selected transfers and subsidies

Public corporations and private enterprises							
Public corporations							
Other transfers							
Current	75.0	-	-	-	-	-	-
Government Employees Medical Scheme	75.0	-	-	-	-	-	-

Expenditure trends

Expenditure decreased from R168.1 million in 2006/07 to R117.4 million in 2009/10 at an average annual rate of 11.3 per cent. This was as a result of a once-off transfer to the Government Employees Medical Scheme from the *Remuneration and Macro Benefits* subprogramme in 2006/07. Spending in the *General Benefits* subprogramme mainly relates to allocations for the policy on incapacity leave and ill-health retirement.

Expenditure in the *Negotiations and Labour Relations* subprogramme increased by 256.8 per cent from R4.4 million in 2006/07 to R15.7 million in 2007/08, due to unforeseen and unavoidable expenditure related to the 2007 public service strike action. Expenditure in the *Single Public Service* subprogramme increased by 78.8 per cent, from R11.3 million in 2007/08 to R20.2 million in 2008/09, mainly due to additional allocations for the single public service project. Additional funding in the *Special Projects and Job Evaluation* subprogramme is received from 2008/09 on for the licence fees for the Equate job evaluation system.

Expenditure is expected to decrease over the MTEF period from R117.4 million in 2009/10 to R58.1 million in 2012/13, at an average annual rate of 20.9 per cent. This is as a result of decentralising the policy on incapacity leave and ill-health retirement to departments and provinces by the end of 2009/10.

The spending focus over the medium term is to strengthen labour relations, the integrated management of conditions of services, and other benefits in the public services.

Programme 4: Information and Technology Management in Government

- *Management.*
- *E-Government* provides support and leadership to national and provincial departments and the State Information Technology Agency to develop a government wide architecture and system integration plan.
- *Information and Communication Technology Governance* develops policies, strategies and regulations on ICT across the public service, oversees the State Information Technology Agency, provides secretarial services to the Government Information Technology Officers' Council, and oversees all ICT initiatives in the public service.

- *Information and Communication Technology Infrastructure* supports all national and provincial departments on significant transversal projects and e-government projects.
 - *Community Development and Access* facilitates community development through access to ICT services.
- Funding in all subprogrammes is mainly used for compensation of employees, and related expenditure in goods and services.

Objectives and measures

- Implement a next generation e-government platform by developing a functional catalytic prototype that automates 6 pro-poor services by the end of March 2011.
- Improve frontline service delivery by completing a connectivity blueprint and bandwidth strategy for connecting schools, libraries, clinics and municipalities by September 2010.
- Reduce government ICT costs through printer consolidation, telecommunications (voice and data) and the way software is managed by March 2011.
- Support e-government initiatives to all citizens accessing government services online by developing an online identity and access management strategy by March 2011.
- Ensure a configured and structured government IT environment by developing a consultative, government wide IT plan to assist departments by March 2011.

Service delivery focus

The department visited 8 of the 9 provinces to understand the challenges they experience in relation to the State Information Technology Agency and other IT matters. Profiles for each of the 8 provinces are being developed and will be completed by the end of November 2010. The Government Information Technology Officers' Council has adopted a methodology for developing government wide enterprise architectures. The next steps involve designing a shared services infrastructure pilot that can be deployed to at least 1 province by March 2011. Public service ICT expenditure was reviewed in 2009. A final draft report was tabled for comment to the Government Information Technology Officers' Council and the Minister for Public Service and Administration, and will be submitted to Cabinet for approval by February 2010.

In September 2009, a team consisting of the State Information Technology Agency, the National Intelligence Agency, Electronic Communications Security and the Special Investigation Unit, and project managed by the Department of Public Service and Administration, was created to assess security gaps in departments. A vulnerability assessment methodology was developed in October 2009.

The original programme scope of providing general service counters to Thusong service centres was revised in March 2009 to include centralised infrastructure and local area network requirements. The Thusong ICT architecture was signed off in June 2008 by all participating departments and thus far 44 of 120 centres have been connected. In 2009, a prototype general service counter was developed and deployed to the Inhlazuka Thusong service centre in KwaZulu-Natal. The design of the counters was revised, and deployed to 11 Thusong service centres in Mpumalanga. By March 2010, these counters will be deployed to 30 centres.

The e-enabling of 6 pro-poor services was delayed due to a tender cancellation after an investigation by the auditor-general. The tender has been reissued and is currently in the State Information Technology Agency's procurement processes.

Expenditure estimates

Table 11.7 Information and Technology Management in Government

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Management	2.0	1.4	4.6	3.1	3.5	3.6	3.8
E-Government	1.8	1.6	2.3	2.3	2.8	3.0	3.1
Information and Communication Technology Governance	4.9	6.2	6.0	5.3	6.1	6.3	6.5
Information and Communication Technology Infrastructure	24.3	29.1	19.3	27.3	29.6	28.9	30.4
Community Development and Access	–	–	1.1	2.1	3.3	3.4	3.4
Total	33.1	38.3	33.3	40.1	45.4	45.2	47.3
Change to 2009 Budget estimate				(1.4)	(4.3)	(7.7)	(3.8)

Economic classification

Current payments	32.4	37.8	31.2	40.1	45.3	45.2	47.3
Compensation of employees	8.1	8.7	9.1	12.0	12.4	13.1	14.0
Goods and services	24.3	29.1	22.1	28.1	32.8	32.0	33.3
<i>of which:</i>							
Computer services	9.2	25.7	16.6	23.7	21.9	22.0	23.3
Consultants and professional services:	0.0	0.4	0.7	0.6	1.9	1.8	1.5
Business and advisory services							
Lease payments	0.1	0.2	0.1	0.1	0.1	0.1	0.2
Travel and subsistence	0.6	1.2	2.1	0.8	2.4	2.5	2.7
Transfers and subsidies	0.5	0.4	–	–	–	–	–
Public corporations and private enterprises	–	0.4	–	–	–	–	–
Households	0.5	–	–	–	–	–	–
Payments for capital assets	0.2	–	2.1	0.1	0.1	0.0	0.0
Machinery and equipment	0.2	–	2.1	0.1	0.1	0.0	0.0
Payments for financial assets	0.0	–	–	–	–	–	–
Total	33.1	38.3	33.3	40.1	45.4	45.2	47.3

Expenditure trends

Expenditure increased from R33.1 million in 2006/07 to R40.1 million in 2009/10 at an average annual rate of 6.7 per cent, and is expected to rise to R47.3 million over the medium term at an average annual rate of 5.6 per cent. These increases are mainly due to inflation related adjustments. Spending in the *Management* subprogramme grew by 228.6 per cent in 2008/09 due to audit costs.

A new subprogramme, *Community Development Access*, was established from 2009/10 to facilitate access to ICT services in response to community development. This subprogramme's baseline is expected to grow from R2.1 million in 2009/10 to R3.4 million in 2012/13, at an average annual rate of 17.4 per cent.

Programme 5: Service Delivery Improvement throughout Government

- *Management*.
- *Batho Pele* promotes culture change in the public service, and coordinates the dissemination of lessons in order to improve service delivery.
- *Service Delivery Mechanisms* engages in supportive interventions and partnerships which improve efficiency and effectiveness.
- *Service Delivery Facilitation* coordinates and facilitates short term service delivery improvement initiatives.
- *Community Development Workers* ensures the smooth coordination and implementation of the community development workers project in the public service and local government.

- *Public Administration Leadership and Management Academy* transfers funds to the academy, which aims to enhance the quality, extent and impact of public sector management and leadership development through collaboration with other training service providers, compulsory training programmes, and the facilitation of training for all spheres of government.
- *Centre for Public Service Innovation* transfers funds to the centre, which unlocks innovation in the public sector and creates an enabling environment for improved and innovative service delivery through capacity development activities.
- *Public Service Education and Training Authority* transfers funds to the authority, which develops a coordinated framework for providing public service education and training.

Funding in all subprogrammes is mainly used for compensation of employees and related expenditure in goods and services.

Objectives and measures

- Implement service delivery improvement plans throughout the public sector by training 500 trainers in 2010/11 on the rollout of service delivery improvement plans through the Batho Pele change management engagement programme.
- Increase departments' compliance with submitting annual service delivery improvement plans (from 50 per cent in 2008/09 to 90 per cent in 2012/13) by giving departments content comments and reporting to Cabinet and through the auditor-general on departments' submissions.
- Improve the rollout of the community development workers programme by implementing a policy on the programme by March 2013.
- Improve service delivery by researching and developing at least 2 sustainable models and solutions per year for innovative service delivery.
- Establish collaborative innovative platforms and products by:
 - hosting an annual public sector innovation conference
 - rewarding innovative service delivery projects in 6 categories annually
 - publishing 2 editions of the innovation journal per year.

Service delivery focus

By mid-2009, 500 trainers across the public sector had been through the train-the-trainer programme and were able to develop service delivery improvement plans. In November 2009, the department hosted the Batho Pele learning network, 3 Batho Pele forums and a community development workers' summit as part of mainstreaming and institutionalising Batho Pele.

In June 2009, the annual public service week was hosted in Northern Cape. Project Khaedu focused on municipalities in line with government's resolve to pay attention to improving efficiencies in local government.

The May 2009 deadline for service delivery improvement plans developed by 20 individual independent contractors was moved to October 2009, due to government restructuring. To date, 50 per cent of service delivery improvement plans have been received, and the department is currently evaluating the content. The remainder are expected in 2010/11.

From April 2009 to November 2009, 60 000 Know Your Service Rights booklets were distributed for the justice cluster to the general public through imbizos, public participation events, schools, and community development workers. Another 140 000 booklets are being printed and will have been distributed early in 2010.

Policy for the community development worker's programme is at an advanced stage, with consultations finalised in 8 provinces. The policy development process is expected to be complete by April 2010.

In 2009, the Centre for Public Service Innovation identified and tested solutions for addressing the needs of visually impaired teachers. In close cooperation with the departments of basic and higher education, final adaptation and refinement will take place in the first quarter of 2010. After that, the solutions will be available to all visually impaired teachers in close cooperation with the departments. The Multimedia Innovation Centre

will have been established and launched by the end of 2009/10. The delay in establishing the centre was due to a delay in securing suitable accommodation for the Centre for Public Service Innovation. This was supposed to have been launched in October 2009. The new launch date is planned for March 2010.

The chief executive of the Centre for Public Service Innovation served on the National Advisory Council on Innovation's board for 2008/09 to ensure that national innovation related developments are also benefiting the public sector.

In June 2009, the Centre for Public Service Innovation received a special award from the United Nations (UN) secretary-general for its contribution to global knowledge management by uploading content on the global online network portal on behalf of SADC.

The third public sector innovation conference was held in August 2009. Case studies, discussion papers and conference presentations were published and disseminated through the journal, Ideas that Work, which was launched at the conference.

The seventh Innovation Awards ceremony was held in November 2009 and rewarded 15 finalists and winners in 5 categories, such as innovative partnerships in service delivery and innovative use of ICTs for effective service delivery. Two 2008 finalists' projects, Men on the Side of the Road and auxiliary nursing training, were selected for replication. A feasibility study for the auxiliary nursing training project has been concluded, and discussions with other provinces have been initiated to replicate the project there. Consultation with the Department of Labour on the replication of the Men on the Side of the Road project has also been concluded.

Expenditure estimates

Table 11.8 Service Delivery Improvement throughout Government

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Management	2.3	2.6	3.0	1.8	2.1	2.1	2.2
Batho Pele	28.3	17.2	12.0	14.0	13.6	13.8	14.0
Service Delivery Mechanisms	17.6	9.5	11.6	9.8	9.1	9.3	9.6
Service Delivery Facilitation	2.0	1.1	5.9	2.4	3.4	3.3	3.3
Community Development Workers	1.2	8.3	3.0	6.5	6.8	6.8	7.1
Centre for Public Service Innovation	6.6	11.0	18.7	14.2	14.2	14.5	15.2
Public Service Education and Training Authority	9.2	11.3	14.7	21.8	20.0	21.0	22.0
Public Administration Leadership and Management Academy	58.3	131.1	105.4	121.1	117.5	117.6	121.7
Total	125.5	192.1	174.4	191.6	186.7	188.3	195.1
Change to 2009 Budget estimate				6.0	(13.1)	(22.3)	(19.2)
Economic classification							
Current payments	66.4	60.9	64.7	48.6	49.2	49.7	51.3
Compensation of employees	22.0	24.4	21.5	22.2	24.4	25.7	27.0
Goods and services	44.4	36.5	43.2	26.4	24.8	24.0	24.3
<i>of which:</i>							
Computer services	13.1	3.3	1.8	1.0	1.5	1.6	1.7
Consultants and professional services:	0.4	6.8	7.4	6.7	3.2	2.9	2.6
Business and advisory services							
Lease payments	0.2	2.5	1.8	2.8	1.6	1.5	1.4
Travel and subsistence	7.9	4.9	8.0	2.2	4.5	4.3	4.6
Transfers and subsidies	58.3	131.1	107.0	143.0	137.5	138.6	143.8
Departmental agencies and accounts	58.3	131.1	105.4	143.0	137.5	138.6	143.7
Households	0.0	0.0	1.6	0.0	–	–	–
Payments for capital assets	0.7	0.1	2.7	–	0.0	0.0	0.0
Machinery and equipment	0.7	0.1	2.7	–	–	–	–
Total	125.5	192.1	174.4	191.6	186.7	188.3	195.1

Table 11.8 Service Delivery Improvement throughout Government (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Details of selected transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	58.3	131.1	105.4	143.0	137.5	138.6	143.7
Public Sector Education and Training Authority	–	–	–	21.8	20.0	21.0	22.0
Public Administration Leadership and Management Academy	58.3	131.1	105.4	121.1	117.5	117.6	121.7

Expenditure trends

Expenditure increased from R125.5 million in 2006/07 to R191.6 million in 2009/10 at an average annual rate of 15.1 per cent. This was largely as a result of additional funding in the *Batho Pele* subprogramme in 2006/07 for technical assistance to provinces and post-conflict support to the Democratic Republic of the Congo. In addition, the budgets for PALAMA, the Public Sector Education and Training Authority and the Centre for Public Service Innovation were shifted to this subprogramme.

Expenditure in the *Community Development Workers* subprogramme increased by 591.7 per cent from R1.2 million in 2006/07 to R8.3 million in 2007/08, due to the community development indaba in 2007/08. Expenditure is expected to increase marginally over the MTEF period, from R191.6 million to R195.1 million, at an average annual rate of 0.6 per cent, which is inflation related. This is mainly driven by Batho Pele change management and service delivery initiatives.

The *Public Service Education and Training Authority* subprogramme is included in this programme for the first time from April 2010. Historical information for the subprogramme was adjusted in the *Human Resource Management and Development in Government* programme where it was previously a subprogramme.

The Centre for Public Service Innovation was established as a government component in 2008 in terms of the Public Service Act (1994). Spending in the subprogramme grew at an average annual rate of 29.6 per cent from R6.6 million in 2006/07 to R14.2 million in 2009/10, due to a once-off additional allocation in 2009/10 for securing alternative accommodation and establishing the centre.

In the *Public Administration and Leadership Management Academy* subprogramme, total expenditure grew from R58.3 million in 2006/07 to R121.1 million in 2009/10. In the 2007 adjustments budget, the academy received R60 million as once-off support for equipping its new premises and start-up funding for mass induction training.

Programme 6: Governance for Public Service and Administration

- *Management*.
- *Public Sector Anti-Corruption* establishes and implements strategies to fight corruption and improve ethical conduct in the public service.
- *International and African Affairs* establishes and maintains bilateral and multilateral relations on governance and public administration by implementing global and continental programmes and projects for improving governance and public administration.
- *Monitoring and Evaluation* manages a system for planning, monitoring and evaluating the programmes that enable the transformation of the public sector.
- *African Peer Review Mechanism* ensures the adoption of policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated sub-regional and continental economic integration through sharing experiences and reinforcing best practices, including identifying deficiencies and assessing capacity building needs.
- *Research* facilitates and coordinates research within the department.

- *Public Service Commission* transfers funds to the commission which oversees and evaluates the functioning of the public service with a view to establishing good governance and best practice principles.

Funding in all subprogrammes is mainly used for compensation of employees, and related expenditure in goods and services.

Objectives and measures

- Ensure that South Africa contributes to the African Agenda and benefits from continental best practices in governance and public administration by actively participating in the seventh Pan African conference of African ministers of public service in October 2010.
- Promote national anti-corruption values and interests at regional and international levels by participating in the quarterly Organisation for Economic Cooperation and Development working group on bribery in international business transactions, the United Nations Convention against Corruption intergovernmental working group, and the biannual United Nations Convention against Corruption conference of state.
- Assess the performance of departments' human resource policies through the public management watch system by providing ongoing analytical and evaluation reports on the implementation of the Department of Public Service and Administration's policies.

Service delivery focus

To enhance the fight against corruption and improve ethical conduct, the anti-corruption learning network and the second anti-corruption learning network were held in July 2009. The department is currently developing a corruption management information system to promote national anti-corruption values and interests at regional and international levels and is participating quarterly in the Organisation for Economic Cooperation and Development working group on bribery in international business transactions.

The public service's monitoring and evaluation framework, guidelines and capacity building plans have been developed and will be approved by March 2010. All departments were assessed on a quarterly basis in terms of the public management watch system in 2009/10, and its findings will have been disseminated to departments before the end of 2009/10. Departmental analysis will also be performed on the information as at 31 December.

A continental capacity development framework within the sixth conference of African ministers for public services was approved in August 2009 and will be rolled out in 2010/11. Bilateral relations with South Sudan were given a major boost by the meeting of ministers to agree on priority areas of collaboration, such as job evaluation and the computerisation of the personnel system.

5 provincial councils were re-launched in December 2009 to promote the implementation of the African peer review mechanism's programme of action, and the report was submitted to the African Union heads of state and governments in January 2010.

Debates and dialogues planned for 2009/10 on public administration and governance were not achieved because the research unit was under-capacitated.

Expenditure estimates

Table 11.9 Governance for Public Service and Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Management	1.2	2.2	4.1	2.8	4.4	4.4	4.6
Public Sector Anti-Corruption	35.8	11.5	7.2	7.2	7.6	7.7	8.1
International and African Affairs	9.8	10.7	21.9	11.3	10.8	11.0	11.7
Monitoring and Evaluation	2.3	4.4	5.8	8.4	8.6	8.7	9.2
African Peer Review Mechanism	17.5	2.4	3.9	7.6	8.8	8.8	9.2
Research	–	–	0.3	1.2	0.7	0.6	0.7
Public Service Commission	96.1	108.1	113.7	131.8	133.8	145.5	151.2
Total	162.6	139.3	156.7	170.3	174.6	186.7	194.7
Change to 2009 Budget estimate				8.1	(3.4)	(7.4)	(9.1)

Table 11.9 Governance for Public Service and Administration (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
Current payments	65.9	30.9	41.8	38.1	40.3	40.9	43.1
Compensation of employees	6.6	8.0	12.1	17.8	19.9	21.0	22.5
Goods and services	59.3	22.9	29.6	20.2	20.4	19.8	20.6
<i>of which:</i>							
Computer services	0.7	0.2	0.6	0.9	1.5	1.5	1.6
Consultants and professional services: Business and advisory services	0.1	7.8	5.3	5.1	1.5	1.4	1.3
Lease payments	0.3	0.5	0.3	0.2	0.2	0.2	0.2
Travel and subsistence	17.0	3.0	3.6	4.3	9.5	9.2	9.7
Transfers and subsidies	96.5	108.4	114.3	132.2	134.1	145.9	151.6
Departmental agencies and accounts	96.1	108.1	113.7	131.8	133.8	145.5	151.2
Foreign governments and international organisations	0.4	0.2	0.7	0.4	0.4	0.4	0.4
Payments for capital assets	0.3	0.0	0.5	0.1	0.1	-	-
Machinery and equipment	0.3	0.0	0.2	0.1	-	-	-
Software and other intangible assets	-	-	0.3	-	0.1	-	-
Payments for financial assets	-	-	0.1	-	-	-	-
Total	162.6	139.3	156.7	170.3	174.6	186.7	194.7
Details of selected transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	96.1	108.1	113.7	131.8	133.8	145.5	151.2
Public Service Commission	96.1	108.1	113.7	131.8	133.8	145.5	151.2

Expenditure trends

Expenditure increased from R162.6 million in 2006/07 to R170.3 million in 2009/10 at an average annual rate of 1.5 per cent. This was due to additional allocations in 2006/07 in the *African Peer Review Mechanism* and *Public Sector Anti-Corruption* subprogrammes for concluding the African peer review mechanism country assessment report and for the once-off hosting of the Global Forum V on fighting corruption and safeguarding integrity. In addition, the Public Service Commission's budget has been included in this programme.

The *Monitoring and Evaluation* subprogramme increased from R2.3 million in 2006/7 to R8.4 million in 2009/10 at an average annual rate of 54 per cent. This increase was directly linked to performance assessments through the public management watch system.

Expenditure over the MTEF period is expected to increase at an average annual rate of 4.6 per cent from R170.3 million in 2009/10 to R194.7 million in 2012/13, mainly due to inflation related adjustments.

In the *Public Service Commission* subprogramme, expenditure increased at an average annual rate of 11.1 per cent, from R96.1 million in 2006/07 to R131.8 million 2009/10. This is as a result of additional funds received for the revision of the complaints and grievance rules, the establishment of the national anti-corruption hotline, the creation of the integrity and anti-corruption branch, management of conflicts of interest, the evaluation of poverty reduction programmes, and the devolution of funds for accommodation from the Department of Public Works. Expenditure will increase marginally at an average annual rate of 4.6 per cent over the MTEF period, from R131.8 million to R151.2 million, due to additional funds received for salary adjustments.

Public entities

Public Administration Leadership and Management Academy (PALAMA)

Strategic overview: 2006/07 – 2012/13

The mandate of PALAMA is outlined in the Public Service Amendment Act (2007). The draft Public Administration Management Bill reinforces this mandate, which is to enhance the quality, extent and impact of public sector management and leadership development. The bill provides for collaboration with other training service providers, compulsory training programmes, and the facilitation of training for all spheres of government.

The academy's strategy, objectives and operations support the capacity building requirements of government's programme of action. Its main challenge is to rapidly expand its leadership and management development activities across the public service in provinces and local government. To do this, the academy will collaborate and forge partnerships with organisations that are aligned to government's vision and mission.

Savings and cost effective service delivery

The academy has identified efficiency savings of R12.2 million in 2010/11, R18.7 million in 2011/12 and R21.4 million in 2012/13 in the following programmes and economic classification items:

Administration: R2.1 million in 2010/11, R3.7 million in 2011/12 and R5.4 million in 2012/13 in computer services, consultants, inventory, and travel and subsistence.

Public Sector Organisational and Staff Development: R10 million in 2010/11, R15 million in 2011/12 and R16 million in 2012/13 in transfers and subsidies.

Selected performance indicators

Table 11.10 Public Administration Leadership and Management Academy

Indicator	Programme/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of new training courses accredited per year	Public sector organisational and staff development	4	5	11	6	6	6	6
Number of actual person training days per year	Public sector organisational and staff development	98 450	104 292	134 375	185 000	280 000	425 000	500 000
Number of certificates of competency issued	Public sector organisational and staff development	655	1 932	2 000	2 600	3 500	5 000	6 000
Revenue from course fees per year	Public sector organisational and staff development	R42m	R53m	R95m	R110m	R130m	R140m	R150m
Average number of days to collect debt	Public sector organisational and staff development	208	189	192	175	160	145	145
Senior management system employment equity composition	Public sector organisational and staff development							
- percentage female				49%	50%	51%	52%	52%
- percentage black				69%	71%	73%	75%	75%

Service delivery focus

One of the organisation's key performance indicators is the number of person training days achieved. In 2008/09, the actual person training days achieved were 134 375 against a targeted of 120 000. While emphasis is placed on achieving this output, it is equally critical to measure the impact of the training on the delivery of public services. The organisation noted that more women attended junior and middle manager training than men in 2009/10. The organisation has made advances in capacity building on government's monitoring and evaluation system, financial management and project management, and will focus on completing the internal transformation process, guided by the minister and led by the director-general, by the end of March 2010.

Expenditure estimates

Table 11.11 Public Administration Leadership and Management Academy: Programme information

R million	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Administration	52.0	86.5	108.7	95.0	100.3	105.8	110.9
Public sector organisational and staff development	39.3	65.3	82.0	71.6	75.7	79.8	83.7
Total expense	91.3	151.7	190.7	166.6	176.0	185.6	194.6

Table 11.12 Public Administration Leadership and Management Academy: Financial information

Statement of financial performance R million	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue							
Non-tax revenue	47.7	61.0	96.3	48.5	61.6	71.4	76.4
Sale of goods and services other than capital assets <i>of which:</i>	42.4	53.4	82.3	48.3	61.4	71.2	76.2
<i>Sales by market establishments</i>	42.4	53.4	82.3	48.3	61.4	71.2	76.2
<i>Other non-tax revenue</i>	5.3	7.6	14.1	0.2	0.2	0.2	0.2
Transfers received	58.3	131.1	105.4	121.1	117.5	117.6	121.7
Total revenue	105.9	192.1	201.7	169.6	179.1	188.9	198.1
Expenses							
Current expense	91.3	151.7	190.7	166.6	176.0	185.6	194.6
Compensation of employees	34.9	39.8	44.7	77.1	83.5	88.5	93.3
Goods and services	55.6	111.1	145.0	88.6	91.6	96.1	100.4
Depreciation	0.8	0.9	0.9	0.9	1.0	1.0	1.0
Total expenses	91.3	151.7	190.7	166.6	176.0	185.6	194.6
Surplus / (Deficit)	14.6	40.3	11.0	3.0	3.1	3.3	3.5
Statement of financial position							
Carrying value of assets	1.3	1.6	2.2	2.7	3.4	4.1	4.9
<i>of which: Acquisition of assets</i>	3.5	8.8	7.9	3.2	3.5	3.7	3.9
Receivables and prepayments	24.2	28.7	45.9	25.0	27.3	30.0	32.7
Cash and cash equivalents	31.6	79.9	59.3	28.6	29.8	32.8	35.3
Total assets	57.2	110.3	107.4	56.4	60.5	66.9	72.9
Accumulated surplus/deficit	51.2	88.9	93.1	50.0	53.5	59.3	64.7
Trade and other payables	4.0	19.2	11.5	4.5	5.0	5.5	6.0
Provisions	1.9	2.2	2.9	1.9	2.0	2.1	2.2
Total equity and liabilities	57.2	110.3	107.4	56.4	60.5	66.9	72.9
Contingent liabilities	0.1	0.1	1.8	-	-	-	-

Expenditure trends

Main contributors to revenue are a transfer from the department and course fees. Total revenue increased from R105.9 million in 2006/07 to R169.6 million in 2012.13 at an average annual rate of 17 per cent, based on additional management revenue arising from the annually increasing number of public sector trainees.

Total expenditure grew from R91.3 million in 2006/07 to R166.6 million in 2009/10, at an average annual rate of 22.2 per cent. In 2007/08, the budget for the academy was supplemented by R60 million in the 2007 adjustments budget. This was a once-off payment for equipping the new academy premises and start-up funding for mass induction training. Over the medium term, expenditure is expected to grow to R194.6 million, at an average annual rate of 5.3 per cent. This is mainly as a result of inflation related adjustments.

Public Service Commission

Strategic overview: 2006/07 – 2012/13

The Public Service Commission is the only government body empowered and mandated to oversee and evaluate the functioning of the public service, with a view to establishing good governance and best practice principles. The commission plays a leading role in public service leadership and human resource research, and in implementing the framework for evaluating heads of department. In 2008/09, the Public Service Commission revised its approach to this framework.

The commission plays a central role in promoting labour peace in the public service. Through its consideration of grievances and departments' monthly grievances reports, the commission generates trends on grievance management. The commission has proposed amendments to the grievance rules and will continue to support departments in managing grievances. Research is also conducted in areas where departments experience challenges.

The commission conducts investigations into complaints about maladministration and corruption, the standard of service provided, dishonesty or improper dealings with regard to public money, unethical behaviour, and any form of discrimination. The national anti-corruption hotline is an important public participation mechanism to report cases of alleged corruption.

The commission has introduced measures to inculcate a culture of integrity in the public service. Key to its work in this area is the management of potential conflicts between the private interests of senior managers and their official responsibilities. The commission has conducted comprehensive research, recommending the development of a comprehensive policy on the management of conflicts of interest. These recommendations have been adopted by the Department of Public Service and Administration for inclusion in a conflicts of interest policy framework which is being reviewed following Cabinet's input. The commission will conduct a study on possibly performing lifestyle audits in the future.

Savings and cost effective service delivery

The commission has implemented savings of R11 million over the MTEF period in terms of baseline adjustments. The following cost effectiveness measures have been identified: use officials to collect data instead of contracting consultants; limit and prioritise local and international travel; reduce the use of couriers and telephones; prioritise the number of reports to be printed and reduce the number of pages; conduct workshops and meetings in-house where practical; minimise entertainment.

The Public Service Commission will conduct regular awareness campaigns on cost saving measures, and stricter monitoring of expenditure will be applied on an ongoing basis.

Selected performance indicators

Table 11.13 Public Service Commission

Indicator	Programme/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Total number of grievances investigated and concluded	Leadership and management practices	641	597	654	152	680	750	800
Number of new reports on the management of grievances in the public service	Leadership and management practices	2	3	1	1	1	1	1
Increase in the number of strategic human resource reviews	Leadership and management practices	1	2	2	2	1	1	1
Number of new research reports on labour relations	Leadership and management practices	2	3	1	1	1	1	1
Percentage of 146 heads of department whose performance is evaluated	Leadership and management practices	25% (36)	56% (73)	8% (12)	52% (76)	100% (146)	100% (146)	100% (146)
Percentage of 146 heads of department whose performance agreements have been quality assured	Leadership and management practices	59% (86)	82% (119)	73% (106)	59% (86)	100% (146)	100% (146)	100% (146)

Table 11.13 Public Service Commission (continued)

Indicator	Programme/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of reports on public service leadership per year	Leadership and management practices	1	5	2	3	2	2	2
Number of reports on monitoring and evaluation per year	Monitoring and evaluation	12	22	27	32	23	23	23
Number of reports on service delivery per year	Monitoring and evaluation	3	9	8	4	6	6	6
Percentage of financial disclosure forms received and scrutinised	Integrity and anti-corruption	79% (7 877)	77% (6 558)	100% (8 700)	78% (7 099)	100% (8 900)	100% (9 000)	100% (9 100)
Number of public administration investigations successfully concluded per year	Integrity and anti-corruption	17	10	4	11	10	10	10
Number of public administration research projects finalised and reports published per year	Integrity and anti-corruption	2	5	4	2	1	1	1
National anti-corruption hotline reported cases per year	Integrity and anti-corruption	1 596	1 624	1 348	1 800	2 000	2 000	2 000
Number of hotline research reports produced per year	Integrity and anti-corruption	2	1	1	1	1	1	1

Service delivery focus

By the end of November 2009, 75 complaints on matters such as human resource related issues, unethical behaviour and corruption or maladministration, lodged in terms of the complaints rules, had been finalised. Of the 75 cases, 11 were investigated by the commission and the remaining 64 were referred to relevant institutions. 260 non-corruption related complaints lodged with the hotline were finalised in the same period.

In 2009/10, the commission conducted research to evaluate supply chain management practices in procuring goods and services in selected departments, focusing on general payments within the R200 000 threshold. The research report notes, among others, that some of these transactions are characterised by malpractices such as cover quoting and inflated billing. By the end of November 2009, 7 099 financial disclosure forms were submitted, resulting in a compliance rate of 78 per cent, and 1 900 financial disclosure forms were scrutinised, with the balance to be scrutinised by March 2010. A report on the management of conflicts of interests will be produced from this information.

The commission produces an annual state of the public service report. The theme for the 2010 report is integration, coordination and effective public service delivery, and the theme for 2011 is innovating for effective public service delivery.

The number of grievances received and considered by the commission has fluctuated over the years since promulgating the grievance rules, from 641 in 2006/07, 597 in 2007/08, to 654 in 2008/09. Monthly reports on the management of grievances and complaints were compiled and approved by the commission.

The commission continued conducting research on strengthening the role of public service leadership, with a view to providing information for improving the management of government departments. In 2009/10, a report on the appointment and management of heads of department and an assessment of the effectiveness of public service leadership in intergovernmental relations were completed. In 2008/09 and 2009/10 (as at 30 October 2009), 82 per cent of performance agreements were quality checked and 59 per cent filed. A fact sheet for filing performance agreements for 2009/10 was completed. 102 out of 146 heads of department qualified to be evaluated in 2007/08, and 52 per cent of these were evaluated. Progress on evaluating heads of department in 2008/09 was slow, due to the many administrative and leadership changes.

Expenditure estimates

Table 11.14 Public Service Commission: Programme information

R million	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Administration	51.0	58.9	59.4	71.2	67.9	73.9	76.7
Leadership and Management Practices	13.8	15.7	17.0	19.3	21.2	22.8	23.8
Monitoring and Evaluation	16.4	17.5	19.0	19.8	21.8	23.4	24.3
Integrity and Anti-Corruption	14.9	16.0	18.3	21.5	22.9	25.4	26.5
Total expense	96.1	108.1	113.7	131.8	133.8	145.5	151.2

Table 11.15 Public Service Commission: Financial information

Statement of financial performance R million	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue							
Transfers received	96.1	108.1	113.7	131.8	133.8	145.5	151.2
Total revenue	96.1	108.1	113.7	131.8	133.8	145.5	151.2
Expenses							
Current expense	96.1	108.1	113.7	131.8	133.8	145.5	151.2
Compensation of employees	61.5	70.2	77.2	88.8	102.6	113.5	118.5
Goods and services	34.6	38.0	36.4	43.1	31.2	32.1	32.7
Total expenses	96.1	108.1	113.7	131.8	133.8	145.5	151.2
Surplus / (Deficit)	-	-	-	-	-	-	-
Acquisition of assets	1.7	2.7	1.3	1.4	0.7	0.8	0.8

Expenditure trends

Expenditure increased at an average annual rate of 11.1 per cent, from R96.1 million in 2006/07 to R131.8 million 2009/10. This is as a result of additional funds received for the revision of the complaints and grievance rules, the establishment of the national anti-corruption hotline, the creation of the integrity and anti-corruption branch, the management of conflicts of interest, the evaluation of poverty reduction programmes, and the devolution of funds for accommodation from the Department of Public Works. Expenditure is expected to increase at an average annual rate of 4.7 per cent over the MTEF period, from R131.8 million to R151.2 million, due to additional funds received for salary adjustments.

Public Services Sector and Education Training Authority

Strategic overview: 2006/07 – 2012/13

The Public Services Sector Education and Training Authority's objectives and measures are informed by the national skills development strategy. They are: prioritising and communicating critical skills for sustainable growth, development and equity; promoting and accelerating equitable quality training in the workplace; promoting employability and sustainable livelihoods through skills development; assisting designated groups, including new entrants, to participate in accredited work, integrated learning and work based programmes to acquire marketable skills; and improving the quality and relevance of provision.

Service delivery focus

In 2009/10, the organisation developed the sector skills plan for 2010, which was submitted to the Department of Labour, and the consultative annual sector guide with a scarce and critical skills list. The organisation supported 2 small levy paying firms to promote skills development, and has been supporting national and provincial government departments to spend 1 per cent of their personnel budget on skills development.

The organisation assisted 2 578 learners to enter adult basic education and training programmes against a target of 2 500, and has helped 2 091 learners to enter learning programmes, 573 unemployed learners to enter learning programmes, and 1 110 learners to enter critical skills programmes.

The organisation supported 4 institutes against a total of 5, with 2 others to be supported by March 2010. Measures are being implemented to comply with the South African Qualification Authority's requirement for the organisation to remain an education and training qualifications authority body. The organisation is also developing standards and qualifications and a qualifications framework for the public service.

Funding for the Public Service Education and Training Authority has historically not been based on the authority's needs in terms of its mandate. Current legislation does not compel government departments to pay their 1 per cent of personnel budget as levies, and the authority has operated from funds transferred by the Department of Public Service and Administration.

State Information Technology Agency

Strategic overview: 2006/07 – 2012/13

The State Information Technology Agency was established in 1999 to consolidate and coordinate the state's IT resources, save costs through economies of scale, increase delivery capabilities and improve interoperability. The agency was established in terms of the State Information Technology Agency Act (1998), and is funded through the provision of services stipulated in the service level agreements referred to in the legislation. The agency continues to provide a broad spectrum of IT services that relate to infrastructure, hosting and data centres, and procurement.

The agency is committed to leveraging economies of scale, enhancing the interoperability of government systems, ensuring system security, eliminating duplication and advancing broad based black economic empowerment.

The agencies strategic priorities from 2008 to 2012 are: continually improving financial sustainability, optimising infrastructure, extending the service footprint in government, modernising public service operations, reducing operational costs, and achieving operational excellence. The agency is also focusing on personnel development, aiming to attract and retain critical skills and best performers, develop and implement an integrated talent management strategy and meet employment equity targets.

Key policy developments and activities that impact on departmental spending plans over the medium term are: providing ICT connectivity and remote support to Dinaledi schools, community libraries and Thusong service centres; creating an ICT blueprint that governs the deployment of ICTs to Thusong service centres, and that can be used as a model to roll out ICT to clinics, schools, and community radio stations; deploying a shared services platform to support ICTs deployed within these communities; establishing an open source programme office that will create an open source laboratory, and an implementation roadmap for open source deployment throughout government; contributing to the development of a catalytic next generation e-government prototype; developing the framework for a new enterprise resource planning system in government's integrated financial management systems; developing a government wide enterprise architecture framework; and developing a framework for adopting a service orientated architecture within government.

Savings and cost effective service delivery

The agency's contributions to reducing the cost of conducting business are based on, among others, the following key initiatives: creating a shared services model to centralise, standardise and consolidate the delivery of all service offerings; adopting a standard operating environment that can aid in reducing the total cost of ownership; developing and implementing an IT asset management strategy; providing a syndicated disaster recovery capacity for government; developing options to minimise duplication by consolidating and standardising non-core business infrastructure and applications; ensuring preferential procurement pricing from original equipment manufacturers; ensuring preferential procurement on the bandwidth costs to government from telecommunications service providers; participating in the development of a local government ICT framework; entering into single or multi-year government wide contracts with major software suppliers and single enterprise licences for vendors that dominate the space; extending hardware and software procurement

models to incorporate mass storage, backup, telecommunications and other IT devices and peripherals; making software and hardware renewal a government wide initiative as opposed to a departmental function; establishing a streamlined procurement process and using volume purchasing and site licences to establish attractive prices on standardised hardware and software; and developing cost effective and flexible procurement practices, such as strategic sourcing and performance based contracts that will allow government to obtain greater value for its ICT expenditure.

Selected performance indicators

Table 11.16 State Information Technology Agency

Indicator	Past			Current	Projections		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Percentage of operating profit margin	6.1%	6%	6%	6%	6%	6%	6%
Value of debtors balances per year	R665m	R618.2m	R692.4m	R775.5m	R868.5m	R950m	R973.8m
Percentage of external customer satisfaction according to the satisfaction index	63%	61%	70%	70%	79%	79%	79%
Percentage turnover rate of personnel with critical skills	7.6%	8%	7%	6%	6%	7%	7%
Average employee satisfaction according to the satisfaction index (1 to 5, 1=poor and 5=excellent)	2.6	2.5	2.8	3	3.5	3.7	3.9
Percentage of tenders awarded to previously disadvantaged groups	0%	58%	60%	65%	70%	75%	80%

Service delivery focus

The agency challenged in 2008/09 due to the late finalisation and sign off of the corporate strategy, which delayed the operational plan and the corporate balanced scorecard, due in March 2009. However, once the objectives were finalised, the agency took ownership of contracted objectives, which are strategic objectives on the corporate scorecard, and delivered under challenging organisational conditions, which included a leadership change in 2008/09.

Key objectives achieved in 2008/09 include developing the detailed service catalogue and service metrics for the agency, and work performed on the integrated financial management services programme. Another target achieved was the government wide architecture framework.

Table 11.17 State Information Technology Agency: Project information

R million	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Integrated Financial Management Services -IFMS Programme -	1 189.1	1 240.9	1 315.3	1 394.3	1 477.9	1 566.6	1 723.2
Supply chain Management solution	1 931.5	1 932.4	2 426.9	2 617.2	2 978.8	2 929.5	3 100.0
Business Intelligence and Technology Architect solution	116.2	24.6	196.7	194.9	193.8	193.8	213.1
Functional Architecture	24.6	47.8	30.0	53.7	56.9	60.3	66.3
Change Management	60.6	228.6	82.4	314.5	175.5	620.3	760.8
Total expense	3 321.9	3 474.3	4 051.4	4 574.5	4 882.9	5 370.5	5 863.6

Table 11.18 State Information Technology Agency: Financial information

Statement of financial performance R million	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue							
Non-tax revenue	3 465.4	3 773.5	4 205.1	4 813.5	5 163.4	5 677.5	6 245.2
Sale of goods and services other than capital assets <i>of which:</i>	3 363.2	3 614.4	3 983.0	4 551.0	5 051.6	5 556.8	6 112.4
IT services revenue	3 363.2	3 614.4	3 983.0	4 551.0	5 051.6	5 556.8	6 112.4
Infrastructure (mainframe, network, etc)	102.2	159.1	222.0	262.5	111.7	120.7	132.8
Total revenue	3 465.4	3 773.5	4 205.1	4 813.5	5 163.4	5 677.5	6 245.2
Expenses							
Current expense	3 321.9	3 474.3	4 051.4	4 574.5	4 882.9	5 370.5	5 863.6
Compensation of employees	1 189.1	1 240.9	1 432.4	772.8	613.6	691.9	761.1
Goods and services	1 931.5	1 932.4	2 310.5	3 498.1	3 940.3	4 334.3	4 767.7
Depreciation	116.2	124.4	172.4	194.9	219.9	225.0	203.5
Interest, dividends and rent on land	24.6	47.8	73.7	15.9	–	–	–
Total expenses	3 321.9	3 474.3	4 051.4	4 574.5	4 882.9	5 370.5	5 863.6
Surplus / (Deficit)	143.5	299.2	153.7	239.0	280.5	306.9	381.6
Statement of financial position							
Carrying value of assets	474.6	594.1	616.0	1 244.8	1 524.9	1 825.0	1 871.5
<i>of which: Acquisition of assets</i>	149.5	261.8	198.5	772.0	500.0	525.0	250.0
Inventory	52.6	15.9	19.6	19.2	21.1	23.2	25.5
Receivables and prepayments	721.5	809.6	914.7	835.5	926.6	1 016.6	1 118.2
Cash and cash equivalents	1 096.7	1 101.3	984.7	892.0	893.2	905.6	996.1
Assets not classified elsewhere	–	39.8	66.1	38.0	36.0	32.0	35.2
Total assets	2 345.5	2 560.6	2 601.1	3 029.4	3 401.9	3 802.3	4 046.6
Accumulated surplus/deficit	1 066.8	740.6	894.3	1 786.1	2 066.6	2 373.6	2 610.9
Capital and reserves	–	625.3	625.3	–	–	–	–
Borrowings	26.0	20.8	15.6	10.4	5.2	–	–
Post-retirement benefits	85.5	93.2	102.4	85.0	87.5	87.5	96.3
Trade and other payables	1 107.2	625.7	669.9	715.5	786.8	867.5	954.2
Provisions	60.0	73.5	66.9	89.5	96.7	104.4	106.0
Liabilities not classified elsewhere	–	381.4	226.6	342.9	359.1	369.4	279.2
Total equity and liabilities	2 345.5	2 560.6	2 601.1	3 029.4	3 401.9	3 802.3	4 046.6

Expenditure trends

Revenue over the 7-year period grows at an average annual rate of 10.3 per cent. The main contributor to revenue is from IT services, which grows from R3.4 billion in 2006/07 to R6.1 billion in 2012/13. Cash of R87 million generated from operations was less than the budgeted R163 million due to: the challenges experienced in timely debt collection, which impacted negatively on working capital; the early payment of suppliers during the reporting period; and the lower than expected operating surplus. This limited the agency's ability to execute its capital expenditure programme.

The solvency ratio at the end of 2009/10 was 2.41:1 and the liquidity ratio 1.98:1, leaving the State Information Technology Agency healthy and with a sound financial structure.

Operating expenditure grew from R592 million in 2007/08 to R709 million in 2009/10, at an average annual rate of 9.4 per cent. The agency documented processes and established the associated costs in 2008/09 to improve the efficiency and effectiveness of infrastructure. The agency also piloted a performance management tool on its enterprise resource planning system and concluded training in this regard. Most of these costs were borne in 2008/09. The agency developed a public sector technology conference called Govtech in 2006 to develop the critical skills shortage in the ICT industry.

Additional tables

Table 11.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 million	2008/09		2008/09	2009/10			2009/10
1. Administration	96.4	91.0	95.4	108.8	6.5	115.3	115.3
2. Human Resource Management and Development in Government	32.6	35.5	35.9	46.9	1.2	48.1	46.3
3. Labour Relations and Compensation Management in Government	144.1	143.1	134.7	51.2	66.1	117.4	117.4
4. Information and Technology Management in Government	38.7	35.1	33.3	41.5	(1.4)	40.1	40.1
5. Service Delivery Improvement throughout Government	174.5	177.0	174.4	185.6	6.0	191.6	191.6
6. Governance for Public Service and Administration	142.7	157.7	156.7	162.3	8.1	170.3	170.3
Total	629.0	639.4	630.6	596.3	86.5	682.8	681.0

Economic classification

	2008/09	2008/09	2008/09	2009/10	2009/10	2009/10	2009/10
Current payments	388.4	416.6	396.8	331.9	74.0	405.9	404.1
Compensation of employees	125.2	133.1	129.1	137.9	15.5	153.4	153.4
Goods and services	263.2	283.6	267.7	194.0	58.5	252.5	250.7
Interest and rent on land	–	–	0.1	–	–	–	–
Transfers and subsidies	238.4	220.6	223.0	262.8	12.4	275.2	275.2
Provinces and municipalities	–	0.0	0.0	0.0	–	0.0	0.0
Departmental agencies and accounts	238.1	219.2	219.0	262.4	12.4	274.8	274.8
Foreign governments and international organisations	0.4	0.6	0.7	0.4	–	0.4	0.4
Public corporations and private enterprises	–	0.1	–	–	–	–	–
Households	–	0.7	3.3	0.0	0.0	0.0	0.0
Payments for capital assets	2.1	2.1	10.6	1.6	–	1.6	1.6
Machinery and equipment	2.0	2.0	10.1	1.5	–	1.5	1.5
Software and other intangible assets	0.1	0.1	0.5	0.1	–	0.1	0.1
Payments for financial assets	–	–	0.2	–	–	–	–
Total	629.0	639.4	630.6	596.3	86.5	682.8	681.0

Table 11.B Summary of personnel numbers and compensation of employees

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Permanent and full time contract employees							
Compensation (R million)	91.6	115.0	127.9	152.2	173.2	182.2	192.2
Unit cost (R million)	0.3	0.3	0.3	0.3	0.4	0.4	0.5
<i>Administration</i>	0.2	0.2	0.2	0.3	0.3	0.3	0.4
<i>Human Resource Management and Development in Government</i>	0.3	0.4	0.4	0.4	0.5	0.5	0.5
<i>Labour Relations and Compensation Management in Government</i>	0.3	0.3	0.4	0.4	0.4	0.5	0.5
<i>Information and Technology Management in Government</i>	0.4	0.4	0.4	0.5	0.5	0.6	0.6
<i>Service Delivery Improvement throughout Government</i>	0.3	0.4	0.4	0.4	0.5	0.5	0.5
<i>Governance for Public Service and Administration</i>	0.3	0.3	0.4	0.4	0.5	0.5	0.5
Personnel numbers (head count)	320	370	375	466	416	414	414
Total for department							
Compensation (R million)	92.5	115.8	129.1	153.4	174.4	183.4	193.4
Unit cost (R million)	0.3	0.3	0.3	0.3	0.4	0.4	0.4
Personnel numbers (head count)	345	394	400	491	441	439	439

Table 11.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Compensation of employees (R million)	92.5	115.8	129.1	153.4	174.4	183.4	193.4
Training expenditure (R million)	2.0	2.2	3.7	2.6	3.6	3.5	3.7
Training as percentage of compensation	2.1%	1.9%	2.9%	1.7%	2.1%	1.9%	1.9%
Total number trained in department (head count)	173	200	202	211			
<i>of which:</i>							
<i>Employees receiving bursaries (head count)</i>	13	47	45	42			
<i>Learnerships trained (head count)</i>	–	–	–	5			
<i>Internships trained (head count)</i>	25	24	25	25			