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**VOTE 12**  
Public Service  
and Administration

**ESTIMATES  
OF NATIONAL  
EXPENDITURE 2011**



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**



# **Estimates of National Expenditure**

## **2011**

**National Treasury**

**Republic of South Africa**

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The *Estimates of National Expenditure 2011* e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision. More comprehensive coverage of goods and services, donor funding, transfers and subsidies, public entities and lower level institutional information, is provided in this publication where applicable.

The *Estimates of National Expenditure 2011* e-publications are available on [www.treasury.gov.za](http://www.treasury.gov.za)

# Foreword

When this publication was introduced in 2001, we stated that “The Estimates of National Expenditure represents a significant step forward in national budget transparency.” Since then, the national budget process has undergone continued reform. The Budget preparation for 2011 saw a shift from budgeting by department to budgeting by function of government, thus enabling a more strategic focus on a smaller number of key outcomes. Using the functional approach, there is better transparency and coordination in budgeting due to participation by stakeholders responsible for delivery across all spheres of government, including the various agencies. Ongoing efforts to reform non-financial performance information have led to a systematic improvement in the veracity of this information. These reforms will lead to greater accountability and control.

Budgets are the link between the outcomes targeted by government and the services that are ultimately delivered. Government’s adoption of the outcomes approach in 2009 started the process of closer cooperation and improved coordination across government departments and agencies towards the attainment of 12 clearly stated outcomes that are of considerable importance to the country’s development. This approach started with the re-organisation of national government departments and was further re-enforced by signed agreements concluded between the president and ministers of national departments.

Budgets proposed for each of the votes in this publication give consideration to the initiatives focused on the 12 outcomes. One of the outcomes warranting a special mention is that of job creation. 2011 has been declared the year of job creation. A key aim of the new growth path is to achieve job creation on a significant scale through economic transformation and inclusive growth.

There is a focus on the reprioritisation of existing budgets, in addition to the allocation of new money made available by the main Budget framework. This publication indicates details per vote of savings amounting to R30.6 billion over the period ahead. This year, specific detail has been included on: the outcomes which institutions contribute towards and the output and other performance measures supporting them; personnel budgets, employee numbers and spending trends; and the purpose and key activities of each sub-programme within a vote. Compared to the abridged version of the Estimates of National Expenditure, the e-publications for each vote contain more comprehensive coverage of goods and services, transfers and subsidies, public entities, lower level expenditure information and information on donor funding.

The independent Open Budget Index assessment of budget transparency began in 2006. It is conducted every two years to measure the availability and comprehensiveness of key budget documents. In 2010, South Africa achieved first place among all the 94 countries surveyed across the world, scoring 92 per cent. South Africa’s score on the index rose from 86 per cent in 2006 (when 59 countries were surveyed), and 87 per cent in 2008 (when 85 countries surveyed).

The detailed expenditure estimates of departments set out in this publication are the result of an arduous executive and administrative process. Executive approval of additional spending allocations and savings takes place under the political guidance of the ministers’ committee on the Budget and follows a wide ranging intergovernmental consultative process led by a committee of senior officials in central government departments.

A special word of thanks is due to all our colleagues from other departments for their contributions. I also wish to express my appreciation to the National Treasury team, which worked tirelessly to produce a document of which we are rightly proud.



**Lesetja Kganyago**  
**Director-General: National Treasury**



# Introduction

South Africa has once again achieved international recognition for meeting budget transparency and accountability standards. The International Budget Partnership ranks South Africa first among 94 countries in the 2010 Open Budget Survey. The quality and usability of budget documents such as the Estimates of National Expenditure have made a significant contribution to this achievement. Moreover, the Money Bills Amendment Procedure and Related Matters Act (2009) has increased Parliament's oversight over the Budget proposal as it sets out the procedure in terms of which the proposal must be considered for possible amendment. The parliamentary procedure involves canvassing the opinion of civil society groups and lends itself to more participatory budgeting. The increased transparency of budgets and the increased scrutiny make it possible for South African public servants to be held more accountable for their management of resources and performance over the period ahead.

The 2011 Estimates of National Expenditure is a comprehensive publication that provides details of the spending plans of all national departments and agencies for the next three financial years (2011/12 to 2013/14), expenditure outcomes for the past three years (2007/08 to 2009/10), and revised estimates for the current year (2010/11). Information is also provided on legislation, policies, outcomes and performance targets over the seven-year period. Any changes in these areas are explained in relation to trends in planned expenditure. The Estimates of National Expenditure e-publications per vote give more extensive coverage of transfers and subsidies, public entities, goods and services, donor funding and lower level institutional information than does the abridged version of the Estimates of National Expenditure. This more detailed information for each vote is available at [www.treasury.gov.za](http://www.treasury.gov.za).

In keeping with the ongoing budget reform improvements to the way that public finances are managed and reported, changes have also been made in the 2011 Estimates of National Expenditure. Information on the outcomes that departments and government agencies contribute to and the related outputs included in delivery agreements is briefly discussed in the strategic overview section. Departments will also provide more information on the key functions of each subprogramme on a vote, particularly regarding its transfers and subsidies, personnel complement, volume of work carried out and the composition of spending. A new section on personnel information has been introduced under the expenditure trends section, including a table that provides information on posts funded on budget, vacancies and the number of posts in the department by salary level, as well as by programme and unit cost.

## Budgeting for outcomes

Over the past decade, strong growth in public spending has not always been matched with a concomitant improvement in service delivery. If government's development and economic objectives stipulated in the new growth path are to be met, it is stated in the new growth path framework that public service delivery must improve significantly. Better public services require a culture of efficiency, effectiveness and stewardship of public resources, obliging government to become more responsive to the needs of citizens.

This objective is supported by various reform initiatives which have been and continue to be undertaken. At the outset, in 2009 the national macro organisation of the state project effected the reorganisation of national government departments to enhance their efficiency and improve on service delivery. Following on from this, the outcomes approach was adopted and 12 outcome targets were agreed upon for government, and signed ministerial performance agreements and interdepartmental and interagency delivery agreements followed. The outcomes approach provides a platform for achieving greater efficiency in the public service as it is aimed at addressing the weaknesses identified in coordination and cooperation across government. The five major budget priorities over the medium term expenditure framework period are expressed in terms of the 12 government outcomes. Budget decisions are informed by an agreed set of outputs and activities to the extent that they are organised around the 12 government outcomes and elaborated upon in delivery agreements.

Government has taken a different approach in reviewing its spending baseline to realign expenditure with the government outcomes and to make existing resources work with greater efficiency. Government's consumption expenditure (including wages as well as goods and services) has to be managed more efficiently to obtain greater value for money. Over recent years, there have been significant increases in overall personnel costs,

although expenditure on frontline personnel has not increased markedly. Government is targeting the reduction of large administrative budgets in favour of increasing frontline personnel and infrastructure investment, to channel more resources towards the actual delivery of key services.

In developing the 2011 medium term expenditure framework there was a shift towards budgeting by function rather than by department. The functional approach focuses on the purpose (the function) for which funds are to be used, and groups together national, provincial and local government, and government agencies, in terms of the function of government they perform. In this way a consolidated functional expenditure amount can be calculated, and monies transferred from one sphere of government to another can be more easily offset against each other. In support of the reprioritisation of funds in line with outcomes, more effective comparison of allocations with service delivery trends, and assessment of spending proposals, including the trade-offs between different options, are carried out in a given function. This approach provides more transparency and better coordination in the budgeting process. The table below shows the functional classification and, for each function, the national department(s) involved and the outcomes each function supports.

#### Functional classification of national departments and related outcomes

Functional Classification	Department(s)	Outcome(s)
Economic affairs	Government Communication and Information System [9], Public Enterprises [11], Agriculture, Forestry and Fisheries [26], Economic Development [28], Energy [29], Environmental Affairs [30], Mineral Resources [32], Rural Development and Land Reform [33], Science and Technology [34], Tourism [35], Trade and Industry [36], Transport [37]	<p><b>Outcome 4:</b> Decent employment through inclusive economic growth</p> <p><b>Outcome 5:</b> A skilled and capable workforce to support an inclusive growth path</p> <p><b>Outcome 6:</b> An efficient, competitive and responsive economic infrastructure network</p> <p><b>Outcome 7:</b> Vibrant, equitable and sustainable rural communities with food security for all</p> <p><b>Outcome 10:</b> Environmental assets and natural resources that are well protected and continually enhanced</p>
Housing and community amenities	Human Settlements [31], Water Affairs [38]	<p><b>Outcome 4:</b> Decent employment through inclusive economic growth</p> <p><b>Outcome 7:</b> Vibrant, equitable and sustainable rural communities with food security for all</p> <p><b>Outcome 8:</b> Sustainable human settlements and improved quality of household life</p> <p><b>Outcome 9:</b> A responsive, accountable, effective and efficient local government system</p>
Education	Basic Education [15], Higher Education and Training [17]	<p><b>Outcome 1:</b> Improved quality of basic education</p> <p><b>Outcome 5:</b> A skilled and capable workforce to support an inclusive growth path</p>
Health	Health [16]	<b>Outcome 2:</b> A long and healthy life for all South Africans
Social protection	Women, Children and People with Disabilities [8], Labour [18], Social Development [19]	
Recreation, culture and sport	Arts and Culture [14], Sport and Recreation South Africa [20]	<b>Outcome 12:</b> An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship
Public order and safety	Correctional Services [21], Independent Complaints Directorate [23], Justice and Constitutional Development [24], Police [25]	<p><b>Outcome 3:</b> All people in South Africa are and feel safe</p> <p><b>Outcome 11:</b> Create a better South Africa and contribute to a better and safer Africa and World</p> <p><b>Outcome 12:</b> An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship</p>
Defence	Defence and Military Veterans [22]	<p><b>Outcome 3:</b> All people in South Africa are and feel safe</p> <p><b>Outcome 11:</b> Create a better South Africa and contribute to a better and safer Africa and World</p>
General public service	Presidency [1], Parliament [2], Cooperative Governance and Traditional Affairs [3], Home Affairs [4], International Relations and Cooperation [5], Performance Monitoring and Evaluation [6], Public Works [7], National Treasury [10], Public Service and Administration [12], Statistics South Africa [13], Communications [27]	<p><b>Outcome 9:</b> A responsive, accountable, effective and efficient local government system</p> <p><b>Outcome 11:</b> Create a better South Africa and contribute to a better and safer Africa and World</p> <p><b>Outcome 12:</b> An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship</p>

The functional groups that have been used are derived from the Classification of the Functions of Government published by the United Nations, but are modified for the South African budgeting context. All decisions on savings and spending in relation to each function were reached as part of a broad consultative process between different stakeholders in the sector, including the medium term expenditure committee of senior officials in central government departments which leads this process, the provincial technical and executive forums, the ministers' committee on the budget, Cabinet and Parliament. These decisions comprise the Budget proposal tabled on Budget day for Parliament's consideration.

## Savings and reprioritisation of budgets

While the global economy has been showing signs of recovery, international opinion on the economy is still cautious, on the grounds of perceived uncertainties. In addition to the macroeconomic situation, in line with achieving government's outcomes targets the composition of government expenditure needs to change to ensure that there is value for money. To sustain public expenditure in South African in the long run, a moderation in spending growth over the period ahead is necessary. This necessitates a rigorous review of budget baseline expenditure and an assessment of the:

- capacity of departments and public entities to spend and manage resources appropriately
- strength of the link between expenditure and the outcomes approach as well as with government departmental mandates
- expenditure trade-offs between the different budget options proposed
- non-performing/ underperforming projects/ programmes and entities
- sourcing of funds through savings and reprioritisation initiatives
- alternative revenue raising capacity, cost recovery efforts and donor funding availability.

This year's budget preparation focused extensively on finding savings within the departmental and agency budget baselines linked to a given functional grouping. Departments were able to decrease spending on non-core goods and services, restrict expenditure on low priority programmes, reschedule expenditure, effect savings on foreign exchange rate projections, reduce transfers to certain public entities, improve financial management and reduce expenditure on administration. Savings identified per function over the medium term in this exercise are presented in the table below.

### Savings realised per function over the medium term

R thousand	2011/12	2012/13	2013/14	Total
Economic affairs	1 387 674	1 645 222	1 232 355	4 265 251
Housing and community amenities	1 970 233	2 618 510	2 314 474	6 903 217
Education	24 157	24 418	25 590	74 165
Health	44 000	44 000	544 000	632 000
Social protection	1 273 468	1 021 306	519 124	2 813 898
Recreation, culture and sport	28 222	25 571	56 858	110 652
Public order and safety	293 940	1 768 802	1 860 911	3 923 653
Defence	404 824	458 919	434 034	1 297 777
General public service	933 163	1 187 437	875 382	2 995 982
<b>Total</b>	<b>6 359 682</b>	<b>8 794 185</b>	<b>7 862 728</b>	<b>23 016 595</b>

Savings realised over the three years on national votes amounted to R23 billion, of which R6.4 billion is in 2011/12, R8.8 billion in 2012/13 and R7.9 billion in 2013/14. Of these savings, R21.6 billion is reprioritised within functional budget baselines towards meeting existing outcomes commitments. The remainder of R1.4 billion is added to the policy reserve for reallocation. The major savings and reprioritisation areas identified over the medium term are presented in the table below.

## Major areas of savings and reprioritisation

Function	Savings identified	Savings redirected
Economic affairs	Non-core goods and services (R2 billion) Underperforming programmes (R1.3 billion)	Road maintenance (R950 million) Expansion of public transport infrastructure and system grant (R580 million) Rural development and land reform (R1.3 billion)
Housing and community amenities	Underperforming programmes (R600 million) Non-core goods and services (R478 million) Rescheduling of expenditure (R759 million) Expanded public works programme: Infrastructure (R688 million)	Completion of De Hoop Dam and a portion of bulk distribution system (R1 billion) Regional bulk infrastructure (R600 million) Expanded public works programme Social sector (R825 million)
Social protection	Non-essential items such as catering and consultation fees (R927 million)	Old age grants - means threshold increased (R280 million) Efficient and effective grant payment model (R535 million)
Public order and safety	Non-essential items (R555 million)	Anti-retroviral drugs for prisoners and additional police personnel (R465 million)
Defence	Non-core goods and services (R1.3 billion)	New remuneration dispensation (R1.3 billion)

In addition to the initial exercise, a further reduction of 0.3 per cent on the budgets of provincial and national departments was also effected; this yielded an additional R6 billion in savings.

## Policy reserve

In line with the change to functional budgeting, the additional allocation made available through the national Budget framework was divided per function and a policy reserve was also retained. In the 2011 Budget process the policy reserve was created to fund key government priorities over the next three years. Including the initial identified savings of R1.4 billion that was not reprioritised and the R6 billion identified later, a policy reserve amounting to R33 billion was created. The table below shows how the policy reserve was allocated.

### Allocation of the policy reserve

R thousand	2011/12	2012/13	2013/14	Total
<b>For various functions</b>				
Job creation and youth employment	2 000 000	3 000 000	4 000 000	9 000 000
<b>Economic affairs</b>				
Economic regulatory capacity	50 000	50 000	50 000	150 000
Green economy: allocated	200 000	-	-	200 000
: unallocated	-	300 000	500 000	800 000
Broadband information and communication technology: universal access	100 000	150 000	200 000	450 000
Rural development and farmer support	150 000	350 000	600 000	1 100 000
Public transport	200 000	400 000	600 000	1 200 000
Agro-Processing Competitiveness Fund	34 000	108 000	108 000	250 000
Khula Direct	55 000	-	-	55 000
<b>Housing and community amenities</b>				
Human settlement upgrading	200 000	400 000	600 000	1 200 000
Water infrastructure and quality	50 000	150 000	200 000	400 000
<b>Education</b>				
School infrastructure	700 000	1 500 000	2 300 000	4 500 000
Further education and training colleges expansion and National Students Financial Aid Scheme	1 949 990	2 714 188	3 075 595	7 739 773
<b>Health</b>				
Public health services	600 000	1 400 000	2 000 000	4 000 000
<b>Public order and safety</b>				
Police capacity and border control	100 000	400 000	900 000	1 400 000
<b>Defence</b>				
Border control	100 000	200 000	300 000	600 000
<b>Total</b>	<b>6 488 990</b>	<b>11 122 188</b>	<b>15 433 595</b>	<b>33 044 773</b>

The largest allocation from the policy reserve amounts to R9 billion and targets job creation and youth employment, which is allocated on the National Treasury vote. It will be allocated to line departments that provide proposals for projects that meet the objectives of the fund. Of the R1 billion allocation for the green economy, R800 million is currently unallocated to any specific vote but will be announced in the 2011 Budget

as available for appropriation over the medium term. Other major allocations in the policy reserve include R7.7 billion for further education and training colleges and the National Student Financial Aid Scheme, R4.5 billion for school infrastructure and R4 billion for public health services.

## **Additional allocations**

Including policy reserve funding, a total addition of R94.1 billion is allocated to government institutions in terms of the revised national Budget framework to fund government's key priorities over the next three years. Of the R94.1 billion, national departments receive R48.8 billion (51.9 per cent): R9.9 billion in 2011/12, R14.7 billion in 2012/13 and R24.2 billion in 2012/13. Provinces and municipalities receive the remainder: R40.2 billion (42.7 per cent) to provinces and R5.1 billion (5.4 per cent) to municipalities over the medium term. Conditional grants to provinces and municipalities are reflected on both national budgets and the budgets of provinces or municipalities, and are included in the discussion below.

A summary of additional allocations in line with government's policy priorities is provided below by national vote. It is important to note that the discussion on increases in the budget excludes all direct charges against the National Revenue Fund and the amounts of the local and provincial equitable share. Details are only provided for national votes receiving relatively large additional allocations for implementing new programmes or extending existing programmes. The amounts per vote in the discussion below correspond with those in table 2. They represent the gross additional allocations, before the baseline savings and reprioritisation have been effected. The total amounts may therefore be bigger than the overall net change in the budget of a specific vote. In the discussion below, these gross amounts will be referred to as the allocations received for the coming three year medium term expenditure framework period. In certain instances, the savings on a particular vote exceed the gross total allocation to that vote and the overall net change in the budget of that vote is actually negative.

## **Economic affairs**

Taking into account the policy and practical budgeting considerations within this government function in the South African context, this function has been disaggregated broadly into four areas that are each discussed in turn.

### **Transport**

For the **Department of Transport** for the medium term expenditure framework period, R2.7 billion is provided for the public transport infrastructure and systems conditional grant to municipalities to develop integrated public transport networks. The South African National Roads Agency is allocated R2.7 billion for the maintenance of roads and R1.4 billion is allocated to the Passenger Rail Agency South Africa to upgrade and replace Metrorail's signalling infrastructure.

### **Energy and environmental protection**

Over the medium term, the **Department of Environmental Affairs** receives an additional R191 million to implement measures that will address wildlife trafficking, air quality, waste and coastline management, and oil spill disasters. For climate change mitigation and the establishment of a green fund for South Africa, R1 billion is provided. This will be announced in the 2011 Budget as an amount largely not appropriated to any specific vote, except for the R200 million in funding that is allocated to host the 2011 United Nations Conference on Climate Change in 2011/12.

### **Industrial development**

An allocation to the **Economic Development Department** of R250 million is for the Competition Commission to group its work on anti-competitive practices in four priority sectors and to form a specialised cartel investigation unit.

### **Agriculture, forestry, fisheries and land affairs**

An amount of R1.1 billion is the gross allocation to the **Department of Rural Development and Land Reform** for the comprehensive rural development programme.

The **Department of Agriculture, Forestry and Fisheries** receives R500 million for the comprehensive agriculture support programme grant and the land care programme grant.

Also, a gross allocation of R450 million is made available to the **Department of Communications** for broadband services information and communication technologies infrastructure, and universal access in underdeveloped or rural areas in the country.

#### Housing and community amenities

This function's budget is dominated by transfer payments. Over the MTEF period, an additional R2.1 billion is allocated to the **Department of Human Settlements** for informal settlements upgrading through the new urban settlements development grant. The Social Housing Regulatory Authority receives R972 million to increase the delivery of affordable rental housing.

The **Department of Water Affairs** is allocated a gross addition of R3.7 billion, of which R1 billion is for the completion of the De Hoop Dam and the provision of some bulk infrastructure pipelines, R952 million is for regional bulk infrastructure, R520 million for the completion of the Nandoni pipeline and R450 million for emergency drought relief in the Nelson Mandela Bay municipality.

#### Education

This function receives the biggest gross total allocation of R33.9 billion. The **Department of Basic Education** receives R8.2 billion, most of which is for transfers to provinces. The funds are mostly for school buildings for the eradication of inappropriate infrastructure structures and to ensure that more schools have water, sanitation and electricity. For bursaries for mathematics and science teachers, R596 million is allocated.

The **Department of Higher Education and Training** receives R3.6 billion for the National Student Financial Aid Scheme for funding higher education students, R300 million for establishing universities in Mpumalanga and Northern Cape, R3.9 billion for a state bursary scheme that will increase poor learners' access to further education and training colleges, and R1.4 billion to further education and training colleges to increase the number of students they enrol.

#### Health

The gross total allocation to the health function over the medium term is R18.5 billion. Most of this funding is allocated by means of the provincial equitable share. An amount of R1.4 billion is allocated to the national **Department of Health** towards increasing HIV counselling and circumcisions. To improve health facilities and medical equipment in preparation for national health insurance, the department receives a further R1.6 billion.

#### Social protection

The **Department of Social Development** is allocated R870 million for the South African Social Security Agency to implement a new grants application process that will reduce beneficiary waiting times and fraud.

#### Recreation, culture and sport

The **Department of Sport and Recreation South Africa** receives a gross allocation of R136 million to provide increased support to national sporting federations to enhance sports development and transformation, particularly in the participation of previously disadvantaged communities.

For the development of the local film industry R135 million is allocated to the National Film and Video Foundation under the **Department of Arts and Culture's** vote and R37 million is also allocated to capacitate the National Library of South Africa.

#### Public order and safety

Additional funding of R2.1 billion is made available to this function for the **Department of Police's** vote for the recruitment of additional policing personnel in the areas of visible policing, detective services and crime intelligence services. The number of police personnel will increase to 202 260 in 2013/14.

The **Department of Justice and Constitutional Development** receives additional funding of R490 million for the construction of two new high courts in Nelspruit and Polokwane, which will bring the total number of high courts to 16.

The **Department of Correctional Services** is allocated R460 million over the medium term for the upgrading of information technology that will enhance the functioning of the criminal justice system.

## Defence

In this function, an amount of R600 million is allocated to the **Department of Defence** to deploy soldiers to the country's borders and upgrade and improve border facilities and equipment.

## General public service

An amount of R500 million is added to the budget of **Statistics South Africa** for the 2011 Census, towards the costs of 120 000 field workers and to ensure greater coverage of the population than in the 2001 Census.

The **Department of Public Works** receives an additional R2.2 billion for municipal and accommodation charges payable.

To deal with the post recovery and reconstruction effects of the flooding disaster, R600 million has been allocated under the **National Treasury** vote. The National Treasury also receives R1.5 billion to fund increases in amounts payable to the Political Office Bearers' Pension Fund, as well as increases in costs related to post-retirement benefits and injury-on-duty benefits.

For the new conditional grants to deal with immediate disaster effects, R1.8 billion is allocated over the medium term under the **Cooperative Governance and Traditional Affairs**' vote. Of this, R675 million is for the provinces and R1.2 billion is allocated to municipalities.

## Overview of expenditure

The main Budget, including state debt costs, provides for total expenditure of R888.9 billion in 2011/12, R968.1 billion in 2012/13 and R1.1 trillion in 2013/14, reflecting a nominal growth rate of approximately 9.1 per cent on average over the medium term expenditure framework period. Non-interest expenditure comprises on average 89.3 per cent of total main Budget expenditure, growing at an average annual rate of 7.6 per cent over the period. These budgeted estimates provide for a contingency reserve set aside to deal with unanticipated events, amounting to R4.1 billion in 2011/12, R11.4 billion in 2012/13 and R23.4 billion in 2013/14.

The allocations in the main Budget are detailed in the pages of this publication, with a high level overview provided in the summary tables below.



## Summary tables

Table 1: Main budget framework 2007/08 to 2013/14

Table 2: Additional allocation to national votes 2011/12 to 2013/14

Table 3: Expenditure by national vote 2007/08 to 2013/14

Table 4: Expenditure by economic classification 2007/08 to 2013/14

Table 5: Amounts to be appropriated from the National Revenue Fund for 2011/12

Table 6a: Conditional grants to provinces 2007/08 to 2013/14

Table 6b: Conditional grants to municipalities 2007/08 to 2013/14

Table 7: Training expenditure per vote 2007/08 to 2013/14

Table 8: Infrastructure expenditure per vote 2007/08 to 2013/14

Table 9: Personnel expenditure per vote 2007/08 to 2013/14

Table 10: Departmental receipts per vote 2007/08 to 2013/14

**Table 1 Main budget framework 2007/08 to 2013/14**

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Revenue (National Revenue Fund)</b>							
Tax revenue (gross)	572 814.6	625 100.2	598 705.4	672 200.0	741 620.0	827 310.0	927 960.0
Departmental and other receipts, and repayments	12 693.0	12 616.0	8 889.0	12 254.0	10 000.9	11 540.0	12 351.1
Less: Southern Africa Customs Union payments	-24 712.6	-28 920.6	-27 915.4	-14 991.3	-21 763.2	-32 431.8	-35 997.4
Other adjustment <sup>1</sup>	-	-	-	-2 900.0	-	-	-
<b>Total revenue</b>	<b>560 795.1</b>	<b>608 795.5</b>	<b>579 679.0</b>	<b>666 562.7</b>	<b>729 857.6</b>	<b>806 418.2</b>	<b>904 313.7</b>
<i>Percentage of GDP</i>	<i>27.0%</i>	<i>26.3%</i>	<i>23.7%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.2%</i>	<i>25.6%</i>
<b>Expenditure</b>							
State debt cost	52 877.1	54 393.7	57 129.2	66 570.4	76 578.7	90 807.7	104 036.2
<i>Percentage of GDP</i>	<i>2.5%</i>	<i>2.4%</i>	<i>2.3%</i>	<i>2.5%</i>	<i>2.6%</i>	<i>2.8%</i>	<i>2.9%</i>
Current payments <sup>2</sup>	88 512.0	103 376.4	117 130.0	135 313.3	147 760.3	156 210.6	166 884.0
Transfers and subsidies	391 929.9	458 702.2	532 182.3	578 332.9	648 496.9	695 554.1	740 738.6
Payments for capital assets <sup>2</sup>	7 018.5	8 508.4	9 202.2	8 817.0	11 206.9	13 823.7	17 464.5
Payments for financial assets	1 105.9	10 972.6	31 553.0	20 889.7	750.1	0.1	0.1
Unallocated	-	-	-	-	40.0	330.0	530.0
Contingency reserve	-	-	-	-	4 090.4	11 405.4	23 375.2
<b>Total expenditure</b>	<b>541 443.4</b>	<b>635 953.3</b>	<b>747 196.8</b>	<b>809 923.3</b>	<b>888 923.3</b>	<b>968 131.7</b>	<b>1 053 028.6</b>
<i>Percentage of GDP</i>	<i>26.0%</i>	<i>27.5%</i>	<i>30.6%</i>	<i>30.4%</i>	<i>30.5%</i>	<i>30.2%</i>	<i>29.8%</i>
<b>Budget deficit<sup>3</sup></b>	<b>19 351.6</b>	<b>-27 157.8</b>	<b>-167 517.7</b>	<b>-143 360.6</b>	<b>-159 065.7</b>	<b>-161 713.5</b>	<b>-148 714.9</b>
<i>Percentage of GDP</i>	<i>0.9%</i>	<i>-1.2%</i>	<i>-6.9%</i>	<i>-5.4%</i>	<i>-5.5%</i>	<i>-5.1%</i>	<i>-4.2%</i>
<b>GDP</b>	<b>2 078 822.0</b>	<b>2 312 965.0</b>	<b>2 442 593.0</b>	<b>2 666 893.9</b>	<b>2 914 861.7</b>	<b>3 201 299.3</b>	<b>3 536 001.5</b>

1. Payment to SACU partners in respect of a previous error in calculation of the 1969 agreement.

2. Excludes conditional grants to provinces and local government, which are included in transfers and subsidies.

3. A positive number reflects a surplus and a negative number a deficit.

**Table 2 Additional allocation to national votes 2011/12 to 2013/14<sup>1</sup>**

R million	Medium-term expenditure estimates			Total
	2011/12	2012/13	2013/14	
<b>Central Government Administration</b>	<b>1 948.2</b>	<b>2 277.4</b>	<b>2 923.5</b>	<b>7 149.1</b>
1 The Presidency	90.5	131.3	126.4	348.3
2 Parliament	30.4	31.3	32.4	94.1
3 Cooperative Governance and Traditional Affairs	964.1	873.0	1 250.8	3 087.9
4 Home Affairs	176.9	444.8	600.2	1 221.9
5 International Relations and Cooperation	145.2	162.2	170.1	477.4
6 Performance Monitoring and Evaluation	37.4	97.5	114.5	249.3
7 Public Works	493.7	522.3	609.1	1 625.1
8 Women, Children and People with Disabilities	10.0	15.0	20.0	45.0
<b>Financial and Administrative Services</b>	<b>4 067.9</b>	<b>4 190.0</b>	<b>5 261.1</b>	<b>13 519.0</b>
9 Government Communication and Information System	10.1	10.6	9.9	30.6
10 National Treasury	3 442.3	4 048.0	5 097.8	12 588.1
11 Public Enterprises	44.8	4.6	4.6	53.9
12 Public Service and Administration	34.9	44.2	55.0	134.0
13 Statistics South Africa	535.8	82.7	93.8	712.3
<b>Social Services</b>	<b>4 043.4</b>	<b>7 691.7</b>	<b>14 993.2</b>	<b>26 728.2</b>
14 Arts and Culture	66.9	83.1	105.7	255.8
15 Basic Education	826.4	2 574.4	5 649.7	9 050.4
16 Health	442.0	692.0	2 236.0	3 370.0
17 Higher Education and Training	2 215.3	3 560.3	4 403.6	10 179.2
18 Labour	131.7	170.3	187.3	489.3
19 Social Development	312.1	543.3	2 322.5	3 177.9
20 Sport and Recreation South Africa	49.0	68.3	88.4	205.7
<b>Justice, Crime Prevention and Security</b>	<b>3 740.6</b>	<b>5 760.1</b>	<b>7 583.9</b>	<b>17 084.7</b>
21 Correctional Services	579.9	1 046.7	1 147.8	2 774.3
22 Defence and Military Veterans	1 180.2	1 552.8	1 863.6	4 596.6
23 Independent Complaints Directorate	7.9	9.1	10.1	27.1
24 Justice and Constitutional Development	477.0	1 098.6	1 196.9	2 772.4
25 Police	1 495.7	2 052.9	3 365.5	6 914.2
<b>Economic Services and Infrastructure</b>	<b>6 550.4</b>	<b>8 755.2</b>	<b>10 874.5</b>	<b>26 180.1</b>
26 Agriculture, Forestry and Fisheries	194.1	405.7	512.4	1 112.2
27 Communications	105.7	155.9	206.1	467.7
28 Economic Development	101.6	156.0	166.1	423.7
29 Energy	307.9	29.2	32.6	369.7
30 Environmental Affairs	297.9	146.0	186.4	630.3
31 Human Settlements	657.5	1 215.8	1 757.2	3 630.6
32 Mineral Resources	43.2	53.6	34.1	130.9
33 Rural Development and Land Reform	610.4	838.5	1 113.9	2 562.8
34 Science and Technology	14.6	139.9	404.1	558.6
35 Tourism	52.5	42.4	44.9	139.8
36 Trade and Industry	527.6	621.7	646.3	1 795.6
37 Transport	2 180.8	3 689.9	4 786.2	10 656.9
38 Water Affairs	1 456.6	1 260.4	984.2	3 701.2
<b>Total</b>	<b>20 350.6</b>	<b>28 674.3</b>	<b>41 636.1</b>	<b>90 661.1</b>

1. Excludes additional allocations on provincial equitable share and other direct charges against the National Revenue Fund.

**Table 3 Expenditure by national vote 2007/08 to 2013/14**

R million	Audited outcome			Adjusted appropriation	
	2007/08	2008/09	2009/10	2010/11	
<b>Central Government Administration</b>					
1	The Presidency	649.4	308.8	659.1	766.9
2	Parliament	849.8	1 071.5	1 009.0	1 201.6
3	Cooperative Governance and Traditional Affairs	28 359.9	33 386.0	33 661.6	41 748.5
4	Home Affairs	3 241.7	4 666.6	5 195.4	5 834.4
5	International Relations and Cooperation	4 069.7	5 472.3	5 417.4	4 715.8
6	Performance Monitoring and Evaluation	2.0	3.6	10.4	40.5
7	Public Works	3 402.3	4 197.0	5 533.6	7 364.8
8	Women, Children and People with Disabilities	52.5	61.9	77.5	106.2
<b>Financial and Administrative Services</b>					
9	Government Communication and Information System	380.9	427.5	495.4	550.2
10	National Treasury	12 569.3	23 762.8	53 240.6	38 704.9
11	Public Enterprises	4 604.0	3 265.1	3 983.3	555.5
12	Public Service and Administration	609.6	630.6	670.8	658.7
13	Statistics South Africa	1 054.3	1 323.1	1 555.8	2 101.4
<b>Social Services</b>					
14	Arts and Culture	1 585.8	2 114.5	2 224.9	2 441.2
15	Basic Education	4 799.5	6 384.0	7 854.3	10 924.3
16	Health	13 578.6	16 424.5	19 168.6	23 132.5
17	Higher Education and Training	15 999.1	18 767.8	20 684.4	23 776.2
18	Labour	1 431.5	1 507.2	1 698.7	1 835.8
19	Social Development	67 191.4	76 096.7	85 318.2	95 941.1
20	Sport and Recreation South Africa	5 048.0	4 871.4	2 866.4	1 255.5
<b>Justice, Crime Prevention and Security</b>					
21	Correctional Services	11 122.4	12 822.6	13 687.3	15 427.5
22	Defence and Military Veterans	25 180.1	27 801.3	31 324.2	30 442.6
23	Independent Complaints Directorate	80.9	99.3	106.2	131.4
24	Justice and Constitutional Development	7 194.0	8 244.4	9 653.5	10 787.3
25	Police	36 525.9	41 635.2	47 662.5	53 529.7
<b>Economic Services and Infrastructure</b>					
26	Agriculture, Forestry and Fisheries	3 957.2	3 564.9	3 961.8	4 003.9
27	Communications	1 911.8	2 328.6	2 301.9	2 138.0
28	Economic Development	245.1	220.4	314.6	449.8
29	Energy	2 229.8	2 961.7	3 690.9	5 648.7
30	Environmental Affairs	1 564.5	1 789.9	2 124.3	2 438.5
31	Human Settlements	10 503.0	13 269.5	16 407.4	19 305.9
32	Mineral Resources	717.5	768.3	853.8	995.8
33	Rural Development and Land Reform	5 896.6	6 669.8	5 863.8	7 293.4
34	Science and Technology	3 127.3	3 703.5	4 183.9	4 128.0
35	Tourism	1 056.0	1 202.2	1 145.6	1 183.8
36	Trade and Industry	5 050.2	4 836.7	5 923.3	6 194.2
37	Transport	19 155.9	28 161.7	28 664.0	30 380.8
38	Water Affairs	4 802.9	5 797.8	7 188.6	8 203.2
<b>Total appropriation by vote</b>		<b>309 800.8</b>	<b>370 620.6</b>	<b>436 383.5</b>	<b>466 338.6</b>
Plus:					
<b>Direct charges against the National Revenue Fund</b>					
	President and Deputy President salary (The Presidency)	2.3	4.0	3.8	4.6
	Members remuneration (Parliament)	240.7	304.2	398.8	392.7
	State debt costs (National Treasury)	52 877.1	54 393.7	57 129.2	67 606.9
	Provincial equitable share (National Treasury)	171 053.7	201 795.6	236 890.8	265 139.4
	General fuel levy sharing with metros (National Treasury)	-	-	6 800.1	7 542.4
	Skills levy and Setas (Higher Education and Training)	6 284.3	7 234.1	7 815.6	8 424.2
	Judges and magistrates salaries (Justice and Constitutional Development)	1 184.5	1 601.1	1 774.9	1 929.9
<b>Total direct charges against the National Revenue Fund</b>		<b>231 642.6</b>	<b>265 332.8</b>	<b>310 813.2</b>	<b>351 040.0</b>
	Unallocated	-	-	-	-
	Contingency reserve	-	-	-	-
	Projected underspending	-	-	-	-1 700.0
<b>Total</b>		<b>541 443.4</b>	<b>635 953.3</b>	<b>747 196.8</b>	<b>815 678.6</b>

Table 3 Expenditure by national vote 2007/08 to 2013/14

Revised estimate	Medium-term expenditure estimates			R million
	2010/11	2011/12	2012/13	
				<b>Central Government Administration</b>
766.9	815.0	887.5	924.2	The Presidency
1 201.6	1 265.3	1 315.9	1 387.6	Parliament
41 748.5	47 933.6	53 842.8	57 120.8	Cooperative Governance and Traditional Affairs
5 834.4	5 464.1	5 249.7	5 864.3	Home Affairs
4 715.8	4 796.8	5 154.9	5 569.3	International Relations and Cooperation
40.5	75.8	141.0	160.4	Performance Monitoring and Evaluation
7 138.7	7 819.3	8 061.2	8 900.1	Public Works
106.2	117.9	129.5	140.8	Women, Children and People with Disabilities
				<b>Financial and Administrative Services</b>
550.2	496.4	524.4	552.0	Government Communication and Information System
38 375.4	22 598.2	23 469.1	25 578.9	National Treasury
555.5	230.2	199.7	210.4	Public Enterprises
656.7	690.1	726.2	774.5	Public Service and Administration
1 741.7	3 240.9	1 698.3	1 717.7	Statistics South Africa
				<b>Social Services</b>
2 339.7	2 468.6	2 625.1	2 784.7	Arts and Culture
9 093.0	13 868.1	16 557.9	20 409.6	Basic Education
22 218.7	25 731.6	27 610.8	30 136.7	Health
23 757.2	28 228.6	31 318.5	33 688.2	Higher Education and Training
1 793.2	1 981.5	2 098.5	2 221.7	Labour
94 841.0	104 732.7	113 524.0	122 075.5	Social Development
1 249.6	802.7	852.3	915.5	Sport and Recreation South Africa
				<b>Justice, Crime Prevention and Security</b>
15 232.5	16 559.2	17 805.0	18 827.8	Correctional Services
30 442.6	34 605.0	37 371.2	39 702.2	Defence and Military Veterans
131.4	151.6	161.0	170.4	Independent Complaints Directorate
10 742.3	11 413.5	12 674.3	13 409.3	Justice and Constitutional Development
53 529.7	58 061.5	62 077.6	66 696.7	Police
				<b>Economic Services and Infrastructure</b>
4 003.9	4 719.7	5 312.0	5 503.2	Agriculture, Forestry and Fisheries
2 138.0	1 889.1	1 721.7	1 851.7	Communications
384.5	594.5	674.7	713.3	Economic Development
5 648.7	6 089.9	5 575.3	4 304.8	Energy
2 359.8	2 846.1	2 399.3	2 643.0	Environmental Affairs
19 305.9	22 578.5	24 875.1	26 674.7	Human Settlements
995.8	1 036.2	1 107.5	1 178.7	Mineral Resources
7 293.4	8 124.2	8 674.1	9 381.1	Rural Development and Land Reform
4 128.0	4 404.6	4 887.4	5 510.1	Science and Technology
1 183.8	1 242.9	1 273.9	1 345.3	Tourism
6 075.5	6 786.9	7 366.9	7 572.4	Trade and Industry
29 989.4	35 084.0	38 204.4	41 198.9	Transport
7 609.7	9 936.2	10 231.5	10 883.5	Water Affairs
<b>459 919.7</b>	<b>499 480.9</b>	<b>538 380.2</b>	<b>578 700.1</b>	<b>Total appropriation by vote</b>
				Plus:
				<b>Direct charges against the National Revenue Fund</b>
4.6	4.8	5.1	5.3	President and Deputy President salary (The Presidency)
392.7	409.6	430.1	453.8	Members remuneration (Parliament)
66 570.4	76 578.7	90 807.7	104 036.2	State debt costs (National Treasury)
265 139.4	288 492.8	305 725.4	323 604.4	Provincial equitable share (National Treasury)
7 542.4	8 573.1	9 039.7	9 613.4	General fuel levy sharing with metros (National Treasury)
8 424.2	9 148.7	9 606.1	10 134.5	Skills levy and Setas (Higher Education and Training)
1 929.9	2 104.2	2 401.9	2 575.7	Judges and magistrates salaries (Justice and Constitutional Development)
<b>350 003.5</b>	<b>385 312.0</b>	<b>418 016.1</b>	<b>450 423.3</b>	<b>Total direct charges against the National Revenue Fund</b>
-	40.0	330.0	530.0	Unallocated
-	4 090.4	11 405.4	23 375.2	Contingency reserve
-	-	-	-	Projected underspending
<b>809 923.3</b>	<b>888 923.3</b>	<b>968 131.7</b>	<b>1 053 028.6</b>	<b>Total</b>

Table 4 Expenditure by economic classification 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation
	2007/08	2008/09	2009/10	2010/11
<b>Current payments</b>				
<b>Compensation of employees</b>	56 221.9	64 819.2	75 276.3	88 740.8
Salaries and wages	46 758.3	53 869.3	62 806.6	74 671.9
Social contributions	9 463.6	10 949.9	12 469.7	14 068.9
<b>Goods and services</b>	32 272.1	38 522.2	41 695.1	47 989.9
<b>Interest and rent on land</b>	52 895.1	54 428.7	57 287.8	67 615.5
Interest (Incl. interest on finance leases)	52 893.9	54 428.5	57 280.1	67 614.7
Rent on land	1.2	0.2	7.7	0.8
<b>Total current payments</b>	<b>141 389.1</b>	<b>157 770.1</b>	<b>174 259.2</b>	<b>204 346.3</b>
<b>Transfers and subsidies to:</b>				
<b>Provinces and municipalities</b>	243 233.6	289 395.9	344 774.7	387 557.9
<b>Provinces</b>	204 668.3	243 851.9	293 163.8	326 000.2
Provincial revenue funds	204 668.3	243 851.9	293 163.8	326 000.2
<b>Municipalities</b>	38 565.4	45 544.0	51 610.8	61 557.8
Municipal bank accounts	38 565.4	45 544.0	51 610.8	61 557.8
<b>Departmental agencies and accounts</b>	44 609.0	53 708.8	57 458.8	56 035.9
Social security funds	8.5	2 508.7	9.7	11.6
Departmental agencies (non-business entities)	44 600.5	51 200.1	57 449.1	56 024.3
<b>Universities and technikons</b>	12 004.1	13 897.7	15 443.5	17 576.1
<b>Foreign governments and international organisations</b>	935.6	1 010.6	1 366.4	1 357.1
<b>Public corporations and private enterprises</b>	19 485.7	20 188.1	21 704.6	20 492.5
<b>Public corporations</b>	14 887.2	14 723.0	19 325.2	18 180.6
Subsidies on products or production	6 293.0	8 060.3	8 477.2	9 836.7
Other transfers to public corporations	8 594.1	6 662.6	10 848.0	8 343.9
<b>Private enterprises</b>	4 598.5	5 465.1	2 379.4	2 311.9
Subsidies on products or production	4 111.4	5 193.5	2 009.5	1 848.5
Other transfers to private enterprises	487.1	271.7	369.9	463.4
<b>Non-profit institutions</b>	1 006.7	1 222.2	1 220.3	1 470.9
<b>Households</b>	70 655.2	79 279.0	90 214.0	98 316.7
Social benefits	65 169.0	73 588.0	84 842.8	92 538.4
Other transfers to households	5 486.3	5 690.9	5 371.2	5 778.3
<b>Total transfers and subsidies</b>	<b>391 929.9</b>	<b>458 702.2</b>	<b>532 182.3</b>	<b>582 807.0</b>
<b>Payments for capital assets</b>				
<b>Buildings and other fixed structures</b>	3 631.3	5 331.6	5 712.2	5 975.7
Buildings	3 356.9	4 860.4	4 598.8	4 757.1
Other fixed structures	274.4	471.2	1 113.4	1 218.5
<b>Machinery and equipment</b>	3 161.5	2 926.7	3 127.6	3 298.6
Transport equipment	1 538.2	1 510.2	1 524.2	1 769.1
Other machinery and equipment	1 623.4	1 416.5	1 603.4	1 529.5
<b>Heritage assets</b>	-	0.1	0.2	-
<b>Specialised military assets</b>	-	-	83.1	19.0
<b>Biological assets</b>	10.6	2.7	2.1	2.0
<b>Land and subsoil assets</b>	27.4	49.0	83.9	0.1
<b>Software and other intangible assets</b>	187.7	198.3	193.2	40.8
<b>Total payments for capital assets</b>	<b>7 018.5</b>	<b>8 508.4</b>	<b>9 202.2</b>	<b>9 336.2</b>
<b>Payments for financial assets</b>	1 105.9	10 972.6	31 553.0	20 889.2
<b>Total</b>	<b>541 443.4</b>	<b>635 953.3</b>	<b>747 196.8</b>	<b>817 378.6</b>
Unallocated	-	-	-	-
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-1 700.0
<b>Total</b>	<b>541 443.4</b>	<b>635 953.3</b>	<b>747 196.8</b>	<b>815 678.6</b>

Table 4 Expenditure by economic classification 2007/08 to 2013/14

Revised estimate	Medium-term expenditure estimates			R million
	2010/11	2011/12	2012/13	
<b>88 324.0</b>	<b>94 788.4</b>	<b>100 350.8</b>	<b>107 316.5</b>	<b>Current payments</b>
				<b>Compensation of employees</b>
74 278.1	79 661.6	84 435.8	90 409.3	Salaries and wages
14 046.0	15 126.9	15 914.9	16 907.2	Social contributions
<b>46 980.3</b>	<b>52 944.2</b>	<b>55 829.0</b>	<b>59 536.1</b>	<b>Goods and services</b>
<b>66 579.3</b>	<b>76 606.4</b>	<b>90 838.6</b>	<b>104 067.6</b>	<b>Interest and rent on land</b>
66 578.5	76 605.4	90 837.4	104 066.4	Interest (Incl. interest on finance leases)
0.8	1.1	1.2	1.2	Rent on land
<b>201 883.7</b>	<b>224 339.0</b>	<b>247 018.3</b>	<b>270 920.2</b>	<b>Total current payments</b>
				<b>Transfers and subsidies to:</b>
<b>384 334.3</b>	<b>428 131.5</b>	<b>457 512.2</b>	<b>486 602.9</b>	Provinces and municipalities
<b>323 080.3</b>	<b>357 928.6</b>	<b>380 449.6</b>	<b>404 251.4</b>	<b>Provinces</b>
323 080.3	357 928.6	380 449.6	404 251.4	Provincial revenue funds
<b>61 254.0</b>	<b>70 202.9</b>	<b>77 062.5</b>	<b>82 351.5</b>	<b>Municipalities</b>
61 254.0	70 202.9	77 062.5	82 351.5	Municipal bank accounts
<b>55 866.1</b>	<b>68 241.9</b>	<b>73 170.5</b>	<b>78 537.2</b>	<b>Departmental agencies and accounts</b>
11.6	12.4	13.0	13.7	Social security funds
55 854.6	68 229.5	73 157.5	78 523.5	Departmental agencies (non-business entities)
<b>17 571.1</b>	<b>19 365.4</b>	<b>20 766.7</b>	<b>21 953.2</b>	<b>Universities and technikons</b>
<b>1 358.2</b>	<b>1 463.4</b>	<b>1 723.6</b>	<b>1 830.5</b>	<b>Foreign governments and international organisations</b>
<b>20 459.5</b>	<b>23 642.9</b>	<b>25 011.7</b>	<b>25 561.1</b>	<b>Public corporations and private enterprises</b>
<b>18 180.6</b>	<b>20 434.1</b>	<b>21 742.4</b>	<b>22 063.1</b>	<b>Public corporations</b>
9 836.7	9 879.4	9 997.1	8 896.9	Subsidies on products or production
8 343.9	10 554.7	11 745.4	13 166.3	Other transfers to public corporations
<b>2 278.9</b>	<b>3 208.8</b>	<b>3 269.3</b>	<b>3 498.0</b>	<b>Private enterprises</b>
1 813.5	2 718.2	2 663.9	2 856.4	Subsidies on products or production
465.4	490.6	605.4	641.6	Other transfers to private enterprises
<b>1 461.7</b>	<b>1 500.4</b>	<b>1 874.8</b>	<b>2 099.0</b>	<b>Non-profit institutions</b>
<b>97 282.0</b>	<b>106 151.3</b>	<b>115 494.5</b>	<b>124 154.6</b>	<b>Households</b>
91 514.5	101 279.1	110 239.7	118 596.5	Social benefits
5 767.5	4 872.3	5 254.9	5 558.1	Other transfers to households
<b>578 332.9</b>	<b>648 496.9</b>	<b>695 554.1</b>	<b>740 738.6</b>	<b>Total transfers and subsidies</b>
				<b>Payments for capital assets</b>
<b>5 615.9</b>	<b>7 845.0</b>	<b>10 560.6</b>	<b>14 057.6</b>	<b>Buildings and other fixed structures</b>
4 479.1	5 486.6	7 813.1	11 078.5	Buildings
1 136.8	2 358.3	2 747.6	2 979.1	Other fixed structures
<b>3 144.0</b>	<b>3 302.7</b>	<b>3 202.5</b>	<b>3 344.4</b>	<b>Machinery and equipment</b>
1 699.1	1 922.9	1 645.0	1 697.5	Transport equipment
1 444.9	1 379.8	1 557.5	1 646.9	Other machinery and equipment
0.0	-	-	-	Heritage assets
19.0	20.7	21.3	22.4	Specialised military assets
2.0	0.2	0.3	0.3	Biological assets
0.1	-	-	-	Land and subsoil assets
35.9	38.3	39.1	39.9	Software and other intangible assets
<b>8 817.0</b>	<b>11 206.9</b>	<b>13 823.7</b>	<b>17 464.5</b>	<b>Total payments for capital assets</b>
<b>20 889.7</b>	<b>750.1</b>	<b>0.1</b>	<b>0.1</b>	<b>Payments for financial assets</b>
<b>809 923.3</b>	<b>884 792.9</b>	<b>956 396.3</b>	<b>1 029 123.4</b>	<b>Total</b>
-	40.0	330.0	530.0	Unallocated
-	4 090.4	11 405.4	23 375.2	Contingency reserve
-	-	-	-	Projected underspending
<b>809 923.3</b>	<b>888 923.3</b>	<b>968 131.7</b>	<b>1 053 028.6</b>	<b>Total</b>

**Table 5 Amounts to be appropriated from the National Revenue Fund for 2011/12**

R million	Appropriated (including direct charges)	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	To be appropriated	Increase/ Decrease	
	2010/11			2011/12				
<b>Central Government Administration</b>								
1	The Presidency	706.8	417.5	387.8	14.5	–	819.8	113.0
2	Parliament	1 571.9	1 383.1	287.9	3.9	–	1 674.9	103.0
3	Cooperative Governance and Traditional Affairs	41 096.9	691.3	47 222.4	19.8	0.1	47 933.6	6 836.7
4	Home Affairs	5 719.6	4 437.4	1 000.1	26.7	–	5 464.1	-255.5
5	International Relations and Cooperation	4 824.4	3 703.1	809.9	283.7	–	4 796.8	-27.7
6	Performance Monitoring and Evaluation	20.4	72.8	–	3.0	–	75.8	55.4
7	Public Works	6 446.3	2 265.4	4 010.3	1 543.6	–	7 819.3	1 372.9
8	Women, Children and People with Disabilities	97.8	60.5	55.2	2.3	–	117.9	20.2
<b>Financial and Administrative Services</b>								
9	Government Communication and Information System	546.2	334.8	159.2	2.4	–	496.4	-49.8
10	National Treasury	378 589.1	78 015.4	317 463.8	13.7	750.0	396 242.8	17 653.7
11	Public Enterprises	350.6	188.1	40.8	1.4	–	230.2	-120.4
12	Public Service and Administration	651.5	396.5	290.9	2.7	–	690.1	38.6
13	Statistics South Africa	1 973.4	3 188.8	10.5	41.7	–	3 240.9	1 267.5
<b>Social Services</b>								
14	Arts and Culture	2 406.7	392.9	2 069.3	6.4	–	2 468.6	61.9
15	Basic Education	10 918.5	2 136.9	11 025.3	706.0	–	13 868.1	2 949.7
16	Health	22 967.9	1 209.3	24 489.3	32.9	–	25 731.6	2 763.6
17	Higher Education and Training	32 144.9	455.8	36 913.4	8.1	–	37 377.3	5 232.4
18	Labour	1 783.9	1 349.9	599.4	32.1	–	1 981.5	197.6
19	Social Development	95 929.1	543.7	104 177.1	11.9	–	104 732.7	8 803.6
20	Sport and Recreation South Africa	1 245.6	222.5	574.1	6.0	–	802.7	-442.9
<b>Justice, Crime Prevention and Security</b>								
21	Correctional Services	15 129.0	15 342.1	31.3	1 185.8	–	16 559.2	1 430.2
22	Defence and Military Veterans	30 715.3	27 278.4	6 978.0	348.6	–	34 605.0	3 889.6
23	Independent Complaints Directorate	129.3	147.6	0.1	4.0	–	151.6	22.3
24	Justice and Constitutional Development	12 180.4	10 933.7	1 791.1	792.9	–	13 517.7	1 337.3
25	Police	52 556.4	54 596.4	464.6	3 000.5	–	58 061.5	5 505.1
<b>Economic Services and Infrastructure</b>								
26	Agriculture, Forestry and Fisheries	3 708.0	2 039.4	2 567.8	112.5	–	4 719.7	1 011.8
27	Communications	2 114.0	585.2	1 299.6	4.3	–	1 889.1	-224.9
28	Economic Development	418.6	123.2	464.8	6.5	–	594.5	175.9
29	Energy	5 535.4	297.2	5 784.9	7.8	–	6 089.9	554.5
30	Environmental Affairs	2 557.8	1 119.1	1 219.0	508.0	–	2 846.1	288.3
31	Human Settlements	19 215.6	642.2	21 700.6	235.7	–	22 578.5	3 362.9
32	Mineral Resources	1 030.0	587.6	438.4	10.1	–	1 036.2	6.2
33	Rural Development and Land Reform	6 769.6	2 524.1	5 564.7	35.4	–	8 124.2	1 354.7
34	Science and Technology	4 615.5	369.7	4 031.6	3.3	–	4 404.6	-210.9
35	Tourism	1 151.8	268.2	968.0	6.7	–	1 242.9	91.0
36	Trade and Industry	6 150.1	1 172.4	5 600.4	14.1	–	6 786.9	636.8
37	Transport	30 178.0	841.8	34 238.0	4.1	–	35 084.0	4 906.0
38	Water Affairs	7 996.6	4 005.2	3 767.2	2 163.9	–	9 936.2	1 939.6
<b>Total</b>	<b>812 142.9</b>	<b>224 339.0</b>	<b>648 496.9</b>	<b>11 206.9</b>	<b>750.1</b>	<b>884 792.9</b>	<b>72 650.0</b>	

1. A positive number reflects an increase and a negative number a decrease.

**Table 6a Conditional grants to provinces 2007/08 to 2013/14<sup>1</sup>**

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
<b>Central Government Administration</b>								
3	–	29.7	–	214.4	214.4	305.0	180.0	190.0
7	836.6	889.3	1 466.0	2 252.9	2 181.3	2 270.9	2 504.8	2 778.5
<b>Financial and Administrative Services</b>								
10	–	–	4 200.0	–	–	–	–	–
<b>Social Services</b>								
14	163.2	344.6	440.6	512.7	512.7	543.4	570.8	602.2
15	4 012.9	5 215.6	6 460.1	8 683.6	7 107.4	10 546.4	11 330.6	11 953.7
16	12 368.6	14 988.7	17 523.8	21 363.7	20 483.0	23 947.7	25 746.5	28 175.2
17	2 435.3	3 005.8	3 155.3	3 804.0	3 804.0	4 326.0	4 705.1	5 262.4
20	194.0	293.7	402.3	426.4	426.4	452.0	474.6	500.7
<b>Economic Services and Infrastructure</b>								
26	761.7	898.0	973.7	1 166.9	1 166.9	1 487.1	1 683.9	1 866.9
31	6 988.5	8 727.6	10 819.3	13 032.1	13 032.1	14 941.5	15 599.4	16 457.4
37	5 853.7	7 663.3	10 832.1	9 404.1	9 012.8	10 615.9	11 928.5	12 860.0
<b>Total</b>	<b>33 614.6</b>	<b>42 056.3</b>	<b>56 273.0</b>	<b>60 860.7</b>	<b>57 940.8</b>	<b>69 435.8</b>	<b>74 724.2</b>	<b>80 647.0</b>

1. Detail provided in the Division of Revenue Act (2011).

**Table 6b Conditional grants to municipalities 2007/08 to 2013/14<sup>1</sup>**

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
<b>Central Government Administration</b>								
3	7 167.2	7 186.4	8 988.3	9 726.7	9 726.7	12 132.9	14 474.2	15 272.1
7	–	–	100.5	623.0	551.4	679.6	665.7	779.5
<b>Financial and Administrative Services</b>								
10	716.5	361.5	808.1	1 394.6	1 186.6	1 184.6	1 279.3	1 326.1
<b>Social Services</b>								
20	4 605.0	4 295.0	2 168.7	512.6	512.6	–	–	–
<b>Economic Services and Infrastructure</b>								
29	462.5	589.1	1 074.6	1 240.1	1 240.1	1 376.6	1 151.4	1 214.8
31	2 948.3	3 572.4	4 418.2	5 157.6	5 157.6	6 267.0	7 409.5	8 126.8
37	1 174.0	2 928.7	2 431.0	3 709.9	3 709.9	4 838.8	5 037.2	5 602.9
38	732.9	994.6	902.4	990.5	966.3	1 010.8	399.0	420.9
<b>Total</b>	<b>17 806.4</b>	<b>19 927.6</b>	<b>20 891.8</b>	<b>23 354.9</b>	<b>23 051.2</b>	<b>27 490.3</b>	<b>30 416.4</b>	<b>32 743.1</b>

1. Detail provided in the Division of Revenue Act (2011).

**Table 7 Training expenditure per vote 2007/08 to 2013/14**

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Central Government Administration</b>							
1 The Presidency	2.3	1.4	1.9	2.1	2.4	2.5	2.8
2 Parliament	10.6	11.9	10.1	10.4	14.2	15.0	16.8
3 Cooperative Governance and Traditional Affairs	2.3	1.7	1.8	2.4	5.0	5.2	5.5
4 Home Affairs	32.4	34.0	26.4	48.5	37.2	37.5	39.6
5 International Relations and Cooperation	13.1	8.1	12.4	19.6	16.6	17.8	20.0
7 Public Works	15.2	15.2	22.0	27.5	24.8	24.8	26.1
8 Women, Children and People with Disabilities	–	–	–	0.2	0.3	0.4	0.5
<b>Financial and Administrative Services</b>							
9 Government Communication and Information System	4.7	4.2	4.4	4.9	4.8	5.0	5.3
10 National Treasury	16.1	16.9	10.0	20.0	10.8	11.6	12.2
11 Public Enterprises	1.3	2.3	2.2	3.3	2.9	3.1	3.4
12 Public Service and Administration	2.2	3.7	2.6	3.4	3.2	3.4	3.7
13 Statistics South Africa	11.9	14.0	21.2	38.5	21.4	22.5	23.7
<b>Social Services</b>							
14 Arts and Culture	3.1	4.5	2.1	2.3	1.6	1.7	1.8
15 Basic Education	2.8	6.5	1.7	2.8	1.9	2.0	2.1
16 Health	9.5	1.8	4.5	5.5	4.0	4.5	4.9
17 Higher Education and Training	2.5	2.9	1.9	2.4	1.3	1.3	1.3
18 Labour	6.5	8.9	8.3	8.9	11.8	12.0	12.7
19 Social Development	1.7	1.8	2.3	2.5	2.7	2.9	3.0
20 Sport and Recreation South Africa	0.9	0.9	1.1	1.2	1.6	1.6	1.5
<b>Justice, Crime Prevention and Security</b>							
21 Correctional Services	125.6	76.0	89.5	64.0	100.5	105.6	111.0
22 Defence and Military Veterans	87.4	117.7	113.6	145.6	131.9	133.0	141.2
23 Independent Complaints Directorate	0.6	0.4	0.7	1.2	1.2	1.3	1.4
24 Justice and Constitutional Development	18.3	37.5	86.4	78.9	83.6	89.4	94.0
25 Police	966.0	1 124.0	1 253.4	1 386.6	1 449.0	1 514.2	1 590.0
<b>Economic Services and Infrastructure</b>							
26 Agriculture, Forestry and Fisheries	20.3	24.2	16.4	20.0	13.1	14.9	25.5
27 Communications	3.7	6.0	9.0	5.9	6.7	7.3	7.7
28 Economic Development	–	–	–	0.1	0.8	0.9	1.0
29 Energy	0.7	1.6	2.1	2.1	2.7	2.9	3.3
30 Environmental Affairs	2.1	2.2	2.3	2.5	4.1	4.2	4.3
31 Human Settlements	1.2	2.9	2.3	14.1	4.0	4.3	4.5
32 Mineral Resources	1.7	3.8	9.1	3.5	3.9	4.1	4.4
33 Rural Development and Land Reform	9.0	9.4	11.9	12.6	13.3	13.9	–
34 Science and Technology	1.7	2.0	3.2	5.1	5.4	5.6	5.9
35 Tourism	1.4	1.5	1.0	1.0	1.0	1.1	1.1
36 Trade and Industry	1.0	2.5	9.3	11.0	13.4	14.1	14.9
37 Transport	3.2	1.8	3.9	4.0	2.9	3.1	3.5
38 Water Affairs	38.9	40.8	50.6	56.7	62.4	68.6	75.5
<b>Total</b>	<b>1 421.9</b>	<b>1 595.3</b>	<b>1 801.5</b>	<b>2 021.3</b>	<b>2 069.6</b>	<b>2 164.4</b>	<b>2 277.3</b>

**Table 8 Infrastructure expenditure per vote 2007/08 to 2013/14<sup>1</sup>**

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates			
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	
<b>Central Government Administration</b>								
3	Cooperative Governance and Traditional Affairs	6 967.2	6 969.0	8 727.5	9 514.7	11 500.2	13 983.1	14 752.2
4	Home Affairs	122.9	136.0	102.0	131.1	209.8	215.8	248.0
5	International Relations and Cooperation	649.9	926.7	165.3	267.9	250.9	318.2	319.2
7	Public Works	488.0	988.4	1 253.6	1 376.0	1 443.9	1 474.7	1 724.7
<b>Financial and Administrative Services</b>								
10	National Treasury	41.2	373.5	578.1	1 155.0	853.6	880.0	855.0
<b>Social Services</b>								
14	Arts and Culture	281.2	448.6	449.7	447.8	455.6	483.0	509.5
15	Basic Education	2 636.0	3 101.5	3 884.7	4 832.3	6 398.3	8 408.2	11 617.3
16	Health	5 507.8	3 361.4	3 720.5	5 403.0	5 838.1	6 156.9	5 989.0
18	Labour	64.4	37.6	26.9	28.5	44.2	10.5	7.6
20	Sport and Recreation South Africa	4 605.0	4 295.0	2 168.7	512.6	-	-	-
<b>Justice, Crime Prevention and Security</b>								
21	Correctional Services	1 005.3	948.5	833.6	950.9	968.3	1 016.8	1 072.7
22	Defence and Military Veterans	8.1	621.3	665.0	732.7	1 058.4	1 085.7	1 118.0
24	Justice and Constitutional Development	361.1	479.5	590.1	631.4	759.4	1 105.0	1 161.7
25	Police	732.5	991.2	1 070.1	1 118.2	1 235.3	1 544.6	1 629.5
<b>Economic Services and Infrastructure</b>								
26	Agriculture, Forestry and Fisheries	105.3	110.3	131.7	181.7	260.1	239.3	141.0
27	Communications	646.0	750.0	920.0	540.9	404.0	317.0	376.1
29	Energy	1 435.6	1 739.9	2 400.3	4 239.9	4 334.4	4 533.5	3 200.3
30	Environmental Affairs	603.7	405.4	477.5	637.7	647.8	149.7	187.5
31	Human Settlements	9 936.8	12 300.0	15 087.4	18 155.9	21 440.0	23 488.4	25 101.5
33	Rural Development and Land Reform	5.6	6.3	2.8	6.9	21.2	11.3	4.2
34	Science and Technology	272.0	408.0	699.3	236.9	254.2	473.1	595.2
36	Trade and Industry	911.0	967.5	1 407.3	1 224.4	827.4	839.6	629.9
37	Transport	10 889.1	13 915.3	16 955.1	19 747.4	23 128.1	25 592.1	27 901.4
38	Water Affairs	930.4	1 904.1	2 212.8	2 764.0	4 123.8	4 455.1	5 064.6
<b>Total</b>		<b>49 206.1</b>	<b>56 185.0</b>	<b>64 530.2</b>	<b>74 837.7</b>	<b>86 457.1</b>	<b>96 781.5</b>	<b>104 206.1</b>

1. Amounts include mega infrastructure projects and programmes (over R300 million per year for a minimum of three years, or R900 million total project cost), large projects and programmes (between R300 million and R50 million per year within a given MTEF period), small projects and programmes (less than R50 million per year). Infrastructure transfers to other spheres, agencies and entities, fixed installations transferred to households and maintenance and repair projects are also included. Details are provided in the additional tables in each vote.

**Table 9 Personnel expenditure per vote 2007/08 to 2013/14**

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14	
<b>Central Government and Administration</b>									
1	The Presidency	117.1	141.7	181.9	209.5	209.5	237.4	251.4	275.6
2	Parliament	517.3	651.0	784.6	868.1	868.1	936.1	990.2	1 046.8
3	Cooperative Governance and Traditional Affairs	128.1	153.8	165.7	232.1	232.1	232.9	245.9	258.1
4	Home Affairs	1 087.0	1 296.0	1 637.1	1 971.1	1 971.1	2 206.6	2 317.5	2 443.5
5	International Relations and Cooperation	1 293.2	1 683.4	1 833.3	1 858.6	1 858.6	1 704.5	1 811.9	2 034.5
6	Performance Monitoring and Evaluation	1.6	2.6	3.4	22.5	22.5	50.9	84.0	102.7
7	Public Works	721.5	801.0	976.1	1 200.9	1 200.9	1 242.1	1 241.2	1 305.1
8	Women, Children and People with Disabilities	4.8	5.9	9.8	24.1	24.1	34.6	39.9	46.3
<b>Financial and Administrative Services</b>									
9	Government Communication and Information System	116.2	114.0	138.7	150.7	150.7	165.4	173.4	183.2
10	National Treasury	272.7	321.0	402.1	552.6	511.2	605.9	637.7	672.2
11	Public Enterprises	56.0	70.4	75.2	90.3	90.3	96.5	101.0	106.2
12	Public Service and Administration	115.8	129.1	156.8	183.6	183.6	208.8	229.5	250.5
13	Statistics South Africa	472.0	700.7	879.2	978.7	931.6	1 531.0	1 165.0	1 185.0
<b>Social Services</b>									
14	Arts and Culture	107.2	126.8	146.3	152.9	152.9	164.8	174.3	183.7
15	Basic Education	150.4	186.3	225.2	271.1	271.1	325.6	349.3	371.7
16	Health	258.6	292.5	333.0	385.0	385.0	424.0	465.0	492.0
17	Higher Education and Training	146.2	174.8	201.8	251.6	249.6	301.5	334.1	359.7
18	Labour	497.9	491.3	576.5	744.8	701.9	786.3	865.8	915.2
19	Social Development	133.6	184.1	220.1	254.9	254.9	267.8	285.1	300.4
20	Sport and Recreation South Africa	43.4	54.5	61.3	75.8	74.3	79.9	84.0	88.4
<b>Justice, Crime Prevention and Security</b>									
21	Correctional Services	6 799.2	8 077.8	9 065.5	10 247.5	10 247.5	10 964.9	11 522.8	12 191.7
22	Defence and Military Veterans	9 735.9	10 620.0	12 705.6	16 219.0	16 219.0	16 770.7	17 700.5	18 787.8
23	Independent Complaints Directorate	45.7	58.0	65.1	75.8	75.8	86.6	91.8	97.2
24	Justice and Constitutional Development	4 250.9	5 326.2	6 028.1	7 262.9	7 224.1	7 631.2	8 382.2	8 850.6
25	Police	25 610.6	29 147.4	33 771.5	38 416.1	38 416.1	41 070.3	43 643.2	47 181.7
<b>Economic Services and Infrastructure</b>									
26	Agriculture, Forestry and Fisheries	811.1	931.3	1 082.2	1 199.6	1 199.6	1 273.0	1 395.3	1 474.5
27	Communications	97.7	108.0	129.6	164.6	164.6	171.7	179.3	188.0
28	Economic Development	–	–	7.9	57.7	33.7	79.2	91.8	96.5
29	Energy	85.5	103.0	133.3	147.9	147.9	181.7	192.4	218.3
30	Environmental Affairs	182.5	197.7	254.0	333.1	333.1	405.2	426.6	451.1
31	Human Settlements	103.5	134.2	166.9	289.0	289.0	319.0	331.9	346.8
32	Mineral Resources	210.1	231.0	275.1	343.7	343.7	377.6	401.0	421.8
33	Rural Development and Land Reform	476.4	614.2	760.9	1 196.8	1 196.8	1 395.7	1 523.3	1 608.9
34	Science and Technology	102.1	141.6	167.5	223.7	223.7	225.3	237.6	259.6
35	Tourism	130.8	106.4	89.6	101.1	101.1	141.9	158.4	169.4
36	Trade and Industry	327.5	383.1	437.7	569.8	533.3	602.2	644.2	676.4
37	Transport	131.3	182.6	228.1	266.2	266.2	294.4	309.9	326.5
38	Water Affairs	880.5	875.6	899.8	1 147.3	964.8	1 195.4	1 272.4	1 348.8
<b>Total</b>		<b>56 221.9</b>	<b>64 819.2</b>	<b>75 276.3</b>	<b>88 740.8</b>	<b>88 324.0</b>	<b>94 788.4</b>	<b>100 350.8</b>	<b>107 316.5</b>

**Table 10 Departmental receipts per vote 2007/08 to 2013/14<sup>1</sup>**

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates			
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14	
<b>Central Government Administration</b>									
1	The Presidency	0.3	0.2	0.6	0.5	0.5	0.3	0.3	0.3
2	Parliament	43.4	45.9	38.5	15.5	15.5	11.9	11.5	11.2
3	Cooperative Governance and Traditional Affairs	0.7	0.8	0.5	0.6	0.6	0.6	0.6	0.6
4	Home Affairs	421.1	355.7	442.2	455.3	455.3	482.6	506.7	557.4
5	International Relations and Cooperation	65.1	43.6	23.2	22.0	31.2	22.9	24.0	25.3
6.	Performance Monitoring and Evaluation	-	-	-	-	-	-	-	-
7	Public Works	95.8	28.5	39.6	30.9	30.9	38.7	40.6	42.6
8	Women, Children and People with Disabilities	-	-	-	-	-	-	-	-
<b>Financial and Administrative Services</b>									
9	Government Communication and Information System	3.1	3.3	2.9	3.0	2.7	2.5	2.6	2.6
10	National Treasury	5 095.8	5 270.4	2 543.6	3 204.2	2 842.2	1 233.2	2 391.4	2 746.0
11	Public Enterprises	0.1	0.8	1.2	1.2	1.2	0.1	0.1	0.1
12	Public Service and Administration	2.7	1.0	2.2	0.7	0.7	0.7	0.8	0.8
13	Statistics South Africa	17.7	2.8	8.5	2.2	2.2	2.4	2.5	2.7
<b>Social Services</b>									
14	Arts and Culture	0.4	3.6	1.1	0.8	0.8	0.8	0.9	1.1
15	Basic Education	1.9	1.5	0.7	1.2	1.5	1.0	1.1	1.2
16	Health	41.2	31.2	45.2	31.5	31.5	32.8	32.9	36.2
17	Higher Education and Training	6.9	6.7	6.7	7.9	7.9	7.9	8.0	8.0
18	Labour	8.4	28.9	12.9	16.1	16.1	22.4	24.3	25.5
19	Social Development	237.0	16.5	30.6	218.3	0.2	10.1	10.1	10.1
20	Sport and Recreation South Africa	0.0	0.3	0.2	0.3	0.3	0.4	0.4	0.4
<b>Justice, Crime Prevention and Security</b>									
21	Correctional Services	136.3	80.5	108.5	143.4	120.4	126.1	132.3	139.2
22	Defence and Military Veterans	551.9	629.4	699.9	902.5	902.5	803.5	843.7	885.9
23	Independent Complaints Directorate	0.4	0.1	0.2	0.2	0.1	0.1	0.2	0.2
24	Justice and Constitutional Development	317.0	356.8	382.9	377.6	377.6	399.8	422.5	443.7
25	Police	345.1	376.5	347.6	272.9	280.3	263.9	258.7	257.1
<b>Economic Services and Infrastructure</b>									
26	Agriculture, Forestry and Fisheries	121.1	254.0	250.5	119.3	119.3	121.5	118.2	123.6
27	Communications	3 007.4	3 520.1	1 344.8	1 398.7	898.9	913.4	928.0	943.4
28	Economic Development	229.3	244.4	456.0	230.0	366.3	243.8	250.0	263.8
29	Energy	1.2	3.3	4.4	3.7	3.7	3.9	4.1	4.2
30	Environmental Affairs	4.7	8.5	2.1	4.1	4.1	2.8	2.8	2.8
31	Human Settlements	0.7	2.4	0.7	1.2	1.2	0.5	0.6	0.6
32	Mineral Resources	267.1	261.3	212.7	99.0	99.0	27.6	28.0	28.3
33	Rural Development and Land Reform	176.4	64.2	44.0	41.7	41.7	69.0	64.5	68.3
34	Science and Technology	0.2	0.3	1.6	0.4	0.7	0.1	0.1	0.1
35	Tourism	-	-	0.7	1.5	1.5	-	-	-
36	Trade and Industry	94.2	64.9	52.6	108.3	90.3	115.0	120.3	121.5
37	Transport	362.5	215.8	106.1	266.7	266.7	137.4	144.3	151.5
38	Water Affairs	0.1	26.6	76.3	42.1	42.1	22.9	24.3	25.9
<b>Total departmental receipts as per Estimates of National Expenditure</b>									
Less: Parliament (retained departmental receipts)									
Plus: Direct receipts into the National Revenue Fund (National Treasury) <sup>2</sup>									
Plus: South African Revenue Service departmental receipts collection									
<b>Total departmental receipts as per Budget Review</b>									

1. Departmental receipts exclude extraordinary receipts which are deposited into the National Revenue Fund. Extraordinary receipts are included in the Budget Review.

2. Direct receipts into the National Revenue Fund in this instance refer to Levy accounts/exchange control forfeits collected by the South African Reserve Bank.



# Information contained in each chapter

The Estimates of National Expenditure publication describes in detail the planned spending of all national government departments for three years going forward: that is, the years of the medium term expenditure framework (MTEF). The Estimates of National Expenditure is tabled in Parliament by the Minister of Finance on the day the main Budget is tabled. It provides details about the allocation of expenditure to all national departments set out in the Appropriation Bill, which is tabled on the same day.

The main divisions of the Appropriation Bill are divided into votes. A vote generally specifies the total amount appropriated per department, but more than one department may be contained within a single vote. Each chapter in the Estimates of National Expenditure relates to a vote. By appropriating funds from the National Revenue Fund through the approval of the Appropriation Bill, Parliament authorises expenditure.

Votes are arranged into the following functional groupings to facilitate analysis of interdepartmental initiatives and service delivery.

- central government administration
- financial and administrative services
- social services
- justice, crime prevention and security
- economic services and infrastructure.

These functional groupings are informal and are not the same as either the government's cluster system groupings or the standard chart of accounts' more rigorous classification of government functions. In the functional budgeting approach linked to the outcomes approach which has been adopted, these groupings are disaggregated further.

More detailed information for each vote is available on [www.treasury.gov.za](http://www.treasury.gov.za). More comprehensive coverage of vote specific information, particularly about goods and services, transfers, donor funding, public entities and lower level institutional information is provided.

The chapter for each vote contains the following information:

## Budget summary

This table shows the budgeted expenditure for the vote for the three-year MTEF period.

R million	2011/12					2012/13	2013/14
	Total to be Appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
<b>MTEF allocation</b>							
Programme name							
Programme name							
Programme name							
<b>Subtotal</b>							
<b>Direct charge against the National Revenue Fund</b>							
Item							
Item							
<b>Total expenditure estimates</b>							
Executive authority	Minister						
Accounting officer	Director-General / Chief Operating Officer						
Website address							

*Due to rounding off, the figures do not necessarily add up to the total. Figures are mostly denoted in rand million unless otherwise indicated.*

The **2011/12 total to be appropriated** shows the expenditure allocation per programme and the aggregated amount for 2011/12 and corresponds with the information in the 2011 Appropriation Bill.

The totals to be appropriated by Parliament are categorised by economic classification into **current payments, transfers and subsidies, payments for capital assets** and **payments for financial assets**.

**Current payments** are payments made by a department for its operational requirements.

**Transfers and subsidies** are payments made by a department for which the department does not directly receive anything in return.

**Payments for capital assets** are payments made by a department for an asset that can be used for more than one year and from which future economic benefits or service potential are expected to flow.

**Payments for financial assets** mainly consist of payments made by departments as loans to public corporations or as equity investments in public corporations. The reason for expensing the payments rather than treating them as financing is that, unlike other financial transactions, the purpose of the transaction is not profit oriented. This column is only shown in votes where such payments have been budgeted for. Payments for theft and losses are included in this category; however, these payments are not budgeted for and will thus only appear in the historical information, which can be seen in the expenditure estimates table.

Estimates for the two outer years of the expenditure framework, **2012/13** and **2013/14**, are also shown. These estimates are not included in the 2011 Appropriation Bill as they are still only indicative of actual expenditure levels in the outer years of the MTEF period. Parliament typically only appropriates or authorises expenditure for one financial year at a time. These forward estimates or indicative allocations do, however, form the basis for the planning of the 2012 Budget.

**Direct charges against the National Revenue Fund** are amounts spent in terms of statutes and do not require parliamentary approval and thus are not contained in the Appropriation Bill. They are not budgeted for under any programme on a particular vote and include, for example, state debt costs.

**Total expenditure estimates** are the sum of the expenditure on programmes and direct charges, classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

The last lines of the table provide accountability information: the vote's executive authority, accounting officer and website address.

## Aim

*The aim of the vote captures the department's mandate, strategic objectives or administrative functions, and corresponds with the aim stated in the Appropriation Bill.*

## Programme purposes

Each vote is comprised of several programmes. The activities and functions performed by a department are typically divided into these programmes. Programme 1 is the *Administration* programme, which houses the administrative activities and functions required to keep the department operating. Each vote programme is listed individually with its purpose, as stated in the Appropriation Bill. The programme purpose outlines the activities and functions of the particular programme as per the approved budget programme structure, in terms of the Public Finance Management Act (1999).

## Strategic overview: 2007/08 – 2013/14

This section describes the department's strategic direction over the period under review. It includes policy and mandate developments, legislative changes, a discussion on how the department will contribute towards the achievement of outcomes that are attributed to it and the related outputs listed in the service delivery agreements, as well as a table of selected quantitative and trendable performance indicators.

## Savings and cost effectiveness measures

In this section, departments discuss details of the reprioritisation of budgets and savings and cost reduction measures to be effected over the MTEF period.

These typically emanate from reduced expenditure on non-core goods and services, the rescheduling of expenditure over time in the case of delays, reduced transfers to certain public entities, improved financial management, reduced expenditure on administration in favour of frontline services and through seeking alternative sources of financing.

## Selected performance indicators

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14

The table presents only a selected set of a department or entity's performance information and is not intended to provide a comprehensive view of performance. It should, however, contain key performance indicators that form part of the service delivery agreements.

An **indicator** is a numerical measure that tracks a department's or entity's progress towards its goal. An indicator may measure inputs, activities, outputs, outcomes or in certain instances explanatory information relating to the internal or external environment.

The **programme** column links the indicator to the vote programme associated with it.

## Expenditure estimates

This table shows expenditure outcomes and estimates over a seven-year period, by vote programme and by economic classification item.

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
R million								
1. Programme name								
2. Programme name								
3. Programme name								
<b>Subtotal</b>								
<b>Direct charge against the National Revenue Fund</b>								
Item								
Item								
<b>Total</b>								
Change to 2010 Budget estimate								

### Economic classification

<b>Current payments</b>			
Economic classification item			
Economic classification item			
<b>Transfers and subsidies</b>			
Economic classification item			
Economic classification item			
<b>Payments for capital assets</b>			
Economic classification item			
Economic classification item			
<b>Payments for financial assets</b>			
<b>Total</b>			

Expenditure is set out first by **programme** and then by **economic classification** over a seven-year period.

For comparability, where programme structures have been changed in recent years, expenditure has, where possible, been reallocated to the new approved programme structure for all seven years.

**Audited outcomes** are presented as they appear in the department or entity's annual financial statements, with amounts reallocated for any subsequent approved budget programme structure changes.

**Adjusted appropriation** includes any changes made to the appropriation voted in the main 2010 Budget for the financial year, with amounts reallocated for any subsequent approved programme structure changes. Changes are generally made mid-year at the time of the adjustments budget. These adjustments can only be made in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999). Adjustments were included in the Adjustments Appropriation Bill, which Parliament approved before expenditure could take place, and the details were published in the Adjusted Estimates of National Expenditure publication.

The **revised estimate** for 2010/11 represents National Treasury's current estimate, in consultation with the department, of expenditure outcomes. This does not imply a change in the amounts voted to departments in the 2010/11 adjusted appropriation; it is merely a more recent estimate of what the department is likely to spend in this financial year.

The **medium-term expenditure estimates** are shown for 2011/12, 2012/13 and 2013/14. The spending figures for 2011/12 constitute the proposed appropriation to be funded from the National Revenue Fund that is contained in the main Appropriation Bill, which has to be considered by Parliament after it has been tabled. The medium-term expenditure estimates for 2012/13 and 2013/14 are indicative allocations, and will form the basis for planning the 2012 Budget.

**Direct charges against the National Revenue Fund** are amounts spent in terms of statutes and do not require parliamentary approval and thus are not contained in the Appropriation Bill. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The **totals**, which are the sum of the expenditure on programmes and direct charges, are also classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

## Expenditure trends

The main expenditure trends and vote programme structure changes from 2007/08 to 2013/14 are described. Trends are generally represented over the MTEF period between 2010/11 and 2013/14, or over the entire period between 2007/08 and 2013/14.

An explanation of the spending focus over the MTEF period in relation to the strategic objectives and the performance targets that will be achieved over the period is given. Expenditure growth in the historical period is also typically compared to expenditure anticipated over the MTEF period. Reasons are given for trends that are identified, and the significant increases or decreases in expenditure are explained in terms of the underlying policies that inform the trends. A summary of the new (additional) allocations to the vote programme's baseline budget is given. The baseline is derived from the previous year's forward estimates after consideration of savings, cost reduction and reprioritisation opportunities.

Generally, unless otherwise indicated, average annual growth rates are reflected in nominal, not real, terms. Where inflationary growth has been excluded from the calculation and real growth estimates are provided, the consumer price index has been used to deflate the growth rate.

### Personnel information

A brief summary of the personnel posts per programme by salary level is given.

### Infrastructure spending

Expenditure on existing, new and mega infrastructure is discussed.

## Departmental receipts

Departmental anticipated (non-tax) receipts for the MTEF period are described in relation to receipts for 2010/11.

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Departmental receipts								
Economic classification item								
Economic classification item								
<b>Total</b>								

## Information on each programme

Each programme section (with the exception of the *Administration* programme) opens with the purposes and activities of the subprogrammes that form that programme. Key functions, activities and transfers are highlighted by subprogramme. The work carried out by the subprogramme is explained in relation to the personnel responsible, the spending allocation of the funding, and outputs achieved.

Programme 1 is always *Administration*, which includes spending on the ministry, the director-general's office and central corporate services. The Ministry subprogramme includes spending on the ministerial and deputy ministerial offices.

## Objectives and measures

Objectives and measures are indicated for each programme. Objectives should include an explanation of strategic intent as well as specific interventions and progress measures. (Programme 1 (*Administration*) is generally exempt from providing objectives and measures.)

For example: Improve the provision of specified services and products to eligible citizens and residents (strategic intent/objective) by reducing the time taken to issue passports and travel documents (specific intervention) from 10 days in 2010/11 to 5 days in 2013/14 (progress measure).

## Expenditure estimates (per programme)

Tables for each programme set out expenditure by subprogramme and economic classification over a seven-year period.

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R million							
Subprogramme name							
Subprogramme name							
Subprogramme name							
<b>Total</b>							
Change to 2010 Budget estimate							
<b>Economic classification</b>							
<b>Current payments</b>							
Economic classification item							
Economic classification item							
<b>Transfers and subsidies</b>							
Economic classification item							
Economic classification item							
<b>Payments for capital assets</b>							
Economic classification item							
Economic classification item							
<b>Payments for financial assets</b>							
<b>Total</b>							

## **Expenditure trends (per programme)**

Important expenditure trends for each programme are explained. The scope of the information provided in this section is similar to what is provided for the entire vote.

## **Public entities and other agencies**

The scope of information contained in the write-up on public entities is similar to what is reported for the department.

Information on each of the public entities generally consists of the following:

- key legislative mandates in terms of which the entity was established and within which it operates as well as the outcomes and related outputs as stated in service delivery agreements
- selected performance indicators relating to the entity's mandate
- planned deliverables for the next MTEF period
- key achievements during the previous reporting periods
- financial data tables for the entity, focusing on the sources of funding for the entity, key spending areas and expenditure trends, and, if applicable, an analysis of some of the more important items on the entity's balance sheet that relate to the key activities being carried out
- reprioritisation, savings and cost effectiveness measures implemented
- personnel expenditure by salary level
- a list of other entities for which more detail appears on [www.treasury.gov.za](http://www.treasury.gov.za) appears at the end of each chapter together with a short description of what the entity does and its total budget.

## **Additional tables**

Additional tables appear at the end of the vote. These include:

### **Summary of expenditure trends and estimates per programme and economic classification**

This table shows the budgeted expenditure and the revised estimate for 2010/11 as well as the audited outcome for 2009/10.

### **Details of approved establishment and personnel numbers per salary level**

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on the **number of personnel posts filled/planned for on funded establishment** in the department at different salary levels **per programme** as at 30 September 2010.

**Number of posts on approved establishment** refers to the number of departmental employment positions approved by the Department of Public Service and Administration.

**Number of funded posts** refers to the number of departmental employment positions which are provided for within the budget.

**Number of posts additional to the establishment** typically refers to additional employment positions that have been allocated on an ad hoc basis and that do not form part of the approved departmental establishment.

### **Summary of expenditure on training**

Information is provided on the funds spent on training as a proportion of compensation of employees, and the number of people trained by the department.

### **Summary of conditional grants to provinces and municipalities**

A conditional grant refers to an allocation made by the national government, from its nationally raised revenue, to a province, local government or municipality, on condition that certain requirements or services are met.

## Summary of departmental public private partnerships projects

Disclosure notes with additional details are provided for the projects signed in terms of Treasury Regulation 16.

Public private partnerships refer to contractual arrangements in which a private party performs part of a government function and assumes the associated risks. In return, the private party receives a fee according to predefined performance criteria. A public private partnership may also be a project in which a private party uses state assets for its own commercial purposes, and government benefits from the profits generated by the enterprise.

A signed project is a public private partnership project which has reached financial close and is being implemented.

Projects in preparation are in some stage of inception, feasibility or procurement, but have not yet reached financial close.

**Unitary charge or fee** refers to the total payment made to the private party for the provision of the various services.

**Advisory fees** are costs related to the hiring of transaction advisors who assist government with feasibility studies and procurement in the public private partnership project process.

**Project monitoring cost** is associated with the ongoing evaluation and monitoring of public private partnerships in operation.

## Summary of donor funding

Donor funding is funding received by departments over and above the allocations provided in the South African government's appropriation legislation.

Donor funding comprises official development assistance and other local and international donations.

Official development assistance is an official resource flow from the international donor community to the South African government in the form of grants, technical cooperation and financial cooperation.

The **programme** column links the donor funding to the vote programme that is associated with it.

The **spending focus** shows what the department aims to achieve by using the funding.

## Summary of expenditure on infrastructure

The infrastructure table includes new and replacement assets, maintenance and repairs, upgrades and additions, and rehabilitation, renovation and refurbishment of assets.

**Departmental infrastructure** refers to direct spending by a department on infrastructure assets which the department will own.

**Infrastructure transfers to other spheres, agencies and departments** refers to transfers and grants to other government institutions for expenditure on infrastructure.

**Fixed installations transferred to households** shows the transfer of funds to individual South Africans to be used for the construction of fixed 'on-site' structures that enhance the welfare of households.

**Maintenance** refers to all maintenance, repairs and refurbishment expenditure on infrastructure that prolongs the life and retains the value of the infrastructure asset. This item does not include day-to-day maintenance.

**In all expenditure and revenue tables a dash ( - ) indicates that information is unavailable or zero.**



# **Public Service and Administration**

**National Treasury  
Republic of South Africa**



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# Vote 12

## Public Service and Administration

### Budget summary

R thousand	2011/12				2012/13	2013/14
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	165 259	162 793	-	2 466	176 650	189 937
Human Resource Management and Development	33 966	33 966	-	-	36 475	39 489
Labour Relations and Remuneration Management	23 273	23 273	-	-	25 332	27 012
Public Sector Information and Communication Technology Management	40 862	40 728	-	134	43 301	46 037
Service Delivery and Organisational Transformation	204 843	65 387	139 394	62	214 314	227 832
Governance and International Relations	221 866	70 369	151 497	-	230 155	244 235
<b>Total expenditure estimates</b>	<b>690 069</b>	<b>396 516</b>	<b>290 891</b>	<b>2 662</b>	<b>726 227</b>	<b>774 542</b>
Executive authority	Minister of Public Service and Administration					
Accounting officer	Acting Director General of Public Service and Administration					
Website address	<a href="http://www.dpsa.gov.za">www.dpsa.gov.za</a>					

### Aim

*Lead the modernisation of the public service, through a generally applicable framework of norms and standards, to improve service delivery.*

### Programme purposes

#### Programme 1: Administration

**Purpose:** Provide policy, strategic leadership and overall management of the department.

#### Programme 2: Human Resource Management and Development

**Purpose:** Develop, implement and monitor human resource management policies.

#### Programme 3: Labour Relations and Remuneration Management

**Purpose:** Develop, implement and maintain labour relations and compensation policies. Ensure coordinated engagement with organised labour.

#### Programme 4: Public Sector Information and Communication Technology Management

**Purpose:** Develop, implement and monitor information communication technology policies and norms and standards that enable citizen centred services.

#### Programme 5: Service Delivery and Organisational Transformation

**Purpose:** Promote a service delivery and organisational transformation framework. Engage in interventions and partnerships to promote efficient and effective service delivery.

## **Programme 6: Governance and International Relations**

**Purpose:** Improve participatory governance, strengthen the fight against corruption and engagement with international partners in the field of public administration.

### **Strategic overview: 2007/08 – 2013/14**

The mandate of the Department of Public Service and Administration has evolved over the years, in line with the strategic priorities of government. While initially it was to transform and modernise the public service by developing and implementing policies and frameworks, it is now also to provide implementation support to other government departments to ensure compliance with the policies and frameworks, improve service delivery and performance, and strengthen the monitoring and evaluation functions.

#### **Strategic objectives in line with government's major priorities**

In terms of government's 12 outcomes, the Minister for Public Service and Administration has been allocated the responsibility of coordinating the implementation and monitoring of, and reporting on an efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship (outcome 12).

#### **Medium term objectives**

To integrate the work required to realise this outcome into the department's outputs and activities, 10 key priorities and their related objectives have been identified. They will be the department's focus over the medium term:

##### *Service delivery quality and access*

The department will be working towards improved and more effective public sector accountability by ensuring that the Batho Pele principles are further entrenched in the public service. It has introduced a measure for assessing the impact of Batho Pele across all spheres of government, and a Batho Pele impact assessment concept document will be developed and institutionalised in all sectors of government, starting with the health, education, criminal justice and governance and administration sectors. Another important initiative for improving service delivery and access is the Khaedu project, an integral part of the Batho Pele revitalisation strategy. The objectives of the project are to: equip all senior management service members with a basic management tool kit for problem identification, analysis and resolution; expose senior management service members from all departments to service delivery issues at the coalface, and monitor and evaluate its implementation to ensure that the toolkit is understood and used.

##### *Effective systems, structures and processes*

The department will lead the continual development of the human resource module of the integrated financial management system. The system aims to consolidate and replace ageing financial and human resource systems with modern integrated financial management systems to enhance integrity and effectiveness in the public service. Over the medium term, the department will implement this component of the system in 14 selected national and provincial departments.

##### *Leverage ICT as a strategic resource for the e-government strategy*

The next generation e-government strategy is a critical ICT initiative that aims to automate and modernise platforms through which government conducts business and renders services, largely using mobile technology platforms. A conceptual framework has been developed for the implementation of an e-government prototype platform that will e-enable these pro-poor services: registration of birth and identity documents; notification of death; registration for foster care and pension grants; and application for maintenance orders. Over the medium term, the department will focus on developing an actual platform from the prototype and having 50 automated e-government services operational by the end of 2013/14. The department will also continue improving frontline services by providing ICT connectivity at all Thusong service centres.

##### *Effective recruitment practices and human resource development in the public service*

The department will continue to support the development of human resource training programmes designed to improve the development of human resource managers in the public service. It will also continue to develop and implement policies for more effective learnerships and internships.

*Efficient human resource management, practices, norms and standards*

The department will be conducting an analysis of organisational and senior management services skills gaps in 46 government departments, from which policies and guidelines for compulsory development programmes will be developed. The outer years of the MTEF period will focus on the implementation of these policies. The department will also focus on developing policy interventions to improve the recruitment process in the public service.

*Healthy, safe working environments for all public servants*

The department developed the employee health and wellness framework in 2008, from which a number of policies were developed. Over the medium term, the department will be monitoring and evaluating departments' implementation plans on employee health and wellness with the necessary tools and technologies. The department will also provide the necessary support to ensure that 80 per cent of prioritised departments are implementing employee health and wellness programmes thoroughly.

*Appropriate governance structures and decision-making*

As part of ensuring appropriate governance structures and decision making, the department will develop policies and guidelines for governance and management structures. During the first year of the MTEF period, the department will mainly focus on institutionalising these policies and guidelines, while the outer years will focus on providing support for implementation.

*Citizen engagement and public participation*

Under this priority, the department will be conducting engagements with stakeholders to reflect citizens' needs, conduct a survey to determine the level of citizens' awareness of their rights, and develop norms and standards for community development workers' engagement with communities.

*Effective tackling of corruption*

To contribute to lowering the levels of corruption in the public service, the department will focus on improving IT security in the public service. The department plans to reduce transgression in relation to financial systems and security risks to government systems and information by developing and implementing a vulnerability assessment programme.

*Contribution towards improved public service and administration in Africa and international arena*

The department will continue to contribute to the African Peer Review Mechanism by implementing the national programme of action.

## **Savings and cost effectiveness measures**

Over the MTEF period, savings of R6.2 million will be realised in the *Administration, Service Delivery and Organisational Transformation*, and *Governance and International Relations* programmes through cost containment measures, such as participation in the government fleet management scheme, restricting the use of business class air travel and car hire, and through keeping delegations to national and international destinations as small as possible, to reduce travelling costs. Other cost saving initiatives include: using more economical ICT that will reduce the overall cost of telephonic communications by 30 per cent; applying discounted rates on cellular telephone contracts that have been negotiated by the department; spending less on catering and entertainment; adopting 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. The savings have been identified on non-core items, which will not have a negative impact on the department's service delivery.

## Selected performance indicators

Table 12.1 Public Service and Administration

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of departments where HR Connect skills database and processes have been implemented per year	Human Resource Management and Development	22	22	46	54	19 <sup>1</sup>	-	-
Number of departmental human resource plans analysed and feedback provided per year	Human Resource Management and Development	6	75	99	109	50	40	70
Number of departments submitting human resource development implementation plans per year	Human Resource Management and Development	-	43	72	100	90	100	74
Number of departments equipped with tools and skills in employee health and wellness per year	Human Resource Management and Development	-	-	-	46	47	48	45
Number of departments in which quality methodologies on business process management have been rolled out per year	Service Delivery and Organisational Transformation	-	-	-	-	2	20	14
Number of provincial departments in which the citizen engagement strategy is implemented per year	Service Delivery and Organisational Transformation	-	-	-	-	30	30	30
Number of community development workers trained and inducted per year	Service Delivery and Organisational Transformation	-	-	-	-	1 052	1 009	1 069
Number of national and provincial departments in which training in Batho Pele is conducted per year	Service Delivery and Organisational Transformation	-	-	-	20	40	40	40
Number of national departments where the citizen segmentation of the geographic information system is institutionalised per year	Service Delivery and Organisational Transformation	-	-	-	-	5	10	10
Number of departments assisted with the ministerial directives on organisational structuring per year	Service Delivery and Organisational Transformation	30	51	42	6	70	45	45
Number of departments assisted with organisational design interventions per year	Service Delivery and Organisational Transformation	6	12	6	20	20	10	15
Number of entries for Centre for Public Service Innovation awards solicited and adjudicated per year	Service Delivery and Organisational Transformation	35	110	109	112	135	140	150
Number of successful innovative projects replicated per year	Service Delivery and Organisational Transformation	-	-	1	2	2	3	3
Number of Department of Public Service and Administration policies evaluated for effectiveness per year	Governance and International Relations	-	-	2	4	4	4	-
Number of departments assisted with addressing PERSAL data quality per year	Governance and International Relations	5	10	17	5	20	20	20
Number of departments in which the employee satisfaction survey has been conducted per year	Governance and International Relations	-	-	2	4	5	10	10
Number of monitoring and evaluation tools and templates implemented by departments per year	Governance and International Relations	-	-	-	-	3	2	2

Table 12.1 Public Service and Administration (continued)

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of international governance and public administration projects implemented through departments and international agencies per year	Governance and International Relations	2	4	2	2	4	4	4

1. Project will be completed in 2011/12.

## Expenditure estimates

Table 12.2 Public Service and Administration

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R thousand								
Administration	89 317	96 238	125 428	148 675	148 675	165 259	176 650	189 937
Human Resource Management and Development	21 644	29 445	36 833	43 365	41 459	33 966	36 475	39 489
Labour Relations and Remuneration Management	102 154	107 117	87 996	23 708	23 708	23 273	25 332	27 012
Public Sector Information and Communication Technology Management	38 269	32 270	34 839	40 506	40 506	40 862	43 301	46 037
Service Delivery and Organisational Transformation	207 612	189 410	204 602	203 213	203 213	204 843	214 314	227 832
Governance and International Relations	150 576	176 130	181 084	199 186	199 186	221 866	230 155	244 235
<b>Total</b>	<b>609 572</b>	<b>630 610</b>	<b>670 782</b>	<b>658 653</b>	<b>656 747</b>	<b>690 069</b>	<b>726 227</b>	<b>774 542</b>
Change to 2010 Budget estimate				7 169	5 263	32 924	42 120	52 809
<b>Economic classification</b>								
<b>Current payments</b>	<b>366 203</b>	<b>396 834</b>	<b>406 996</b>	<b>378 473</b>	<b>376 567</b>	<b>396 516</b>	<b>418 656</b>	<b>450 441</b>
Compensation of employees	115 820	129 111	156 780	183 631	183 631	208 792	229 467	250 488
Goods and services	250 383	267 661	250 011	194 628	192 722	187 724	189 189	199 953
<i>of which:</i>								
Administrative fees	872	2 285	3 147	2 081	2 081	1 147	1 166	1 226
Advertising	24 878	16 769	9 645	7 473	7 473	4 569	4 668	5 039
Assets less than the capitalisation threshold	680	352	1 100	10 311	10 311	3 004	1 161	1 136
Audit cost: External	1 667	2 006	3 737	2 572	2 572	3 514	4 226	4 983
Bursaries: Employees	639	550	630	500	500	500	525	551
Catering: Departmental activities	774	1 360	1 111	1 963	1 963	2 559	2 619	2 775
Communication	3 696	3 613	3 842	3 177	3 177	4 709	5 282	5 617
Computer services	36 299	27 428	24 324	33 850	33 850	40 633	39 245	41 451
Consultants and professional services: Business and advisory services	28 777	24 641	26 630	32 402	30 496	18 402	16 202	17 145
Consultants and professional services: Legal costs	561	402	448	550	550	200	210	221
Contractors	76 292	93 316	74 126	6 507	6 507	1 499	1 704	1 549
Agency and support / outsourced services	235	669	283	801	801	8 601	8 598	9 560
Entertainment	586	518	273	426	426	458	431	436
Fleet services (including government motor transport)	-	-	-	289	289	-	-	-
Inventory: Fuel, oil and gas	-	19	-	-	-	-	-	-
Inventory: Learner and teacher support material	1	128	56	463	463	45	51	55
Inventory: Materials and supplies	332	267	548	135	135	90	96	99
Inventory: Medical supplies	-	-	31	10	10	25	26	27
Inventory: Other consumables	343	613	349	671	671	560	517	601
Inventory: Stationery and printing	9 426	4 884	4 547	4 577	4 577	6 728	6 707	6 786

Table 12.2 Public Service and Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
<b>Economic classification</b>								
Lease payments	13 303	12 353	29 191	25 631	25 631	26 459	28 516	30 176
Property payments	6 620	6 660	7 124	6 716	6 716	3 991	4 109	4 325
Transport provided: Departmental activity	5 953	9 391	3 968	290	290	2	-	-
Travel and subsistence	24 686	33 499	29 063	37 069	37 069	39 516	40 809	42 800
Training and development	2 186	4 779	3 992	3 682	3 682	4 861	5 201	5 519
Operating expenditure	2 768	11 394	10 852	3 008	3 008	4 915	5 043	5 331
Venues and facilities	8 809	9 765	10 994	9 474	9 474	10 737	12 077	12 545
Interest and rent on land	-	62	205	214	214	-	-	-
<b>Transfers and subsidies</b>	<b>239 945</b>	<b>223 020</b>	<b>254 343</b>	<b>275 371</b>	<b>275 371</b>	<b>290 891</b>	<b>302 282</b>	<b>318 682</b>
Provinces and municipalities	1	1	1	1	1	-	-	-
Departmental agencies and accounts	239 247	219 021	252 902	273 047	273 047	290 416	301 774	318 142
Foreign governments and international organisations	248	671	555	599	599	475	508	540
Public corporations and private enterprises	436	-	-	-	-	-	-	-
Households	13	3 327	885	1 724	1 724	-	-	-
<b>Payments for capital assets</b>	<b>3 410</b>	<b>10 584</b>	<b>9 437</b>	<b>4 809</b>	<b>4 809</b>	<b>2 662</b>	<b>5 289</b>	<b>5 419</b>
Machinery and equipment	3 410	10 068	9 273	4 567	4 567	2 528	5 144	4 513
Software and other intangible assets	-	516	164	242	242	134	145	906
Payments for financial assets	14	172	6	-	-	-	-	-
<b>Total</b>	<b>609 572</b>	<b>630 610</b>	<b>670 782</b>	<b>658 653</b>	<b>656 747</b>	<b>690 069</b>	<b>726 227</b>	<b>774 542</b>

## Expenditure trends

The spending focus over the medium term will be on implementing projects and programmes that relate to the 10 strategic priorities discussed in the strategic overview by building the capacity required to implement the strategies effectively.

Spending between 2007/08 and 2010/11 increased from R609.6 million to R658.7 million, at an average annual rate of 2.6 per cent. Growth between 2007/08 and 2010/11 was as a result of increased spending in 2008/09 in the *Human Resource Management and Development* programme to finance the rollout of the HR Connect project. Between 2007/08 and 2010/11, spending in the *Administration* programme grew by R59.4 million due to the devolution of accommodation funds from the Department of Public Works to national departments and the appointment of a new deputy minister. Over the same period, spending in the *Labour Relations and Remuneration Management* programme decreased by R78.5 million as a result of shifting expenditure for incapacity leave and ill health retirement to related departments' votes.

Expenditure is expected to grow from R658.7 million to R774.5 million over the medium term, at an average annual rate of 5.6 per cent. This was mainly as a result of higher than anticipated general salary adjustments, and spending to build capacity in the department and office of the newly appointed deputy minister.

The department's use of consultants will be reduced significantly over the MTEF period as the department builds its capacity. Consultants have been used to provide technical skills in the development and implementation projects, including: skills assessments in the public service, policy on incapacity leave and ill health retirement projects, the ICT expenditure review project, the organisational capacity assessment framework and tools, the employee satisfaction and user satisfaction survey, and the cleanup of PERSAL.

The department receives additional funding of R34.9 million in 2011/12, R44.2 million in 2012/13 and R55 million in 2013/14 to be used as follows over the medium term:

- R19.2 million for higher than anticipated general salary adjustments
- R13 million for the newly appointed deputy minister to run her office

- R87.1 million for capacity building and related operational costs
- R14.7 million for transfers to the Public Service Commission.

The ratio of administrative costs to line function costs is 1:2.6.

### Personnel information

The department has an establishment of 437 posts, of which 44 are additional to the approved establishment. There are currently 486 funded posts and 62 unfunded posts. The department's establishment is expected to increase to 521 over the MTEF period to provide the capacity to implement additional work resulting from the minister's service delivery agreement and the 12 outcomes. Vacant posts exist because the department's budget could not accommodate all posts on the establishment. Additional funding has been provided to increase the establishment.

The ratio of support staff to line function staff is 1:1.08.

## Departmental receipts

The department generates revenue mostly from parking fees, interest on bursary debts, commissions, and the recovery of previous years' expenditure. Receipts are expected to remain relatively stable over the MTEF period. Once-off amounts were received in 2007/08 as follows: R297 000 from the Commonwealth Secretariat as sponsorship for the fourth Africa meeting of heads of public service; R100 000 from Sportsman's Warehouse as a sponsorship for the Indaba project; R110 000 from the Government Employees Medical Scheme as a sponsorship for the employee health and wellness day; and R223 000 from Bytes Harges and R430 000 from the Gauteng provincial government for the Global Forum V on fighting corruption and safeguarding integrity. In 2009/10, the department sold two vehicles for the Minister of Public Service and Administration for R1.1 million.

Table 12.3 Departmental receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
<b>Departmental receipts</b>	<b>2 701</b>	<b>962</b>	<b>2 242</b>	<b>666</b>	<b>666</b>	<b>740</b>	<b>770</b>	<b>800</b>
Sales of goods and services produced by department	382	416	336	271	271	270	285	300
Sales of scrap, waste, arms and other used current goods	-	-	17	-	-	-	-	-
Transfers received	1 200	-	-	-	-	-	-	-
Interest, dividends and rent on land	43	50	22	40	40	40	40	40
Sales of capital assets	-	3	1 064	-	-	-	-	-
Transactions in financial assets and liabilities	1 076	493	803	355	355	430	445	460
<b>Total</b>	<b>2 701</b>	<b>962</b>	<b>2 242</b>	<b>666</b>	<b>666</b>	<b>740</b>	<b>770</b>	<b>800</b>

## Programme 1: Administration

Table 12.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Ministry <sup>1</sup>	14 962	19 410	28 823	31 679	38 694	39 547	42 320
Departmental Management	7 385	8 614	7 451	8 060	9 869	10 440	11 090
Corporate Services	34 428	40 389	47 269	64 575	68 508	74 749	80 281
Finance Administration	16 490	15 576	14 269	17 523	20 934	23 588	26 276
Internal Audit	1 625	2 357	4 809	4 430	4 846	4 250	4 570
Office Accommodation	14 427	9 892	22 807	22 408	22 408	24 076	25 400
<b>Total</b>	<b>89 317</b>	<b>96 238</b>	<b>125 428</b>	<b>148 675</b>	<b>165 259</b>	<b>176 650</b>	<b>189 937</b>
Change to 2010 Budget estimate				8 144	22 973	27 440	32 520

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.

Table 12.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Economic classification</b>							
<b>Current payments</b>	<b>86 028</b>	<b>91 517</b>	<b>120 833</b>	<b>146 052</b>	<b>162 793</b>	<b>174 328</b>	<b>187 476</b>
Compensation of employees	38 754	47 417	57 903	73 074	84 710	93 943	102 316
Goods and services	47 274	44 068	62 747	72 794	78 083	80 385	85 160
<i>of which:</i>							
Administrative fees	293	511	890	666	535	569	609
Advertising	1 991	3 035	1 280	3 415	2 824	2 772	3 086
Assets less than the capitalisation threshold	601	222	274	1 952	2 390	959	922
Audit cost: External	758	998	1 609	2 572	3 399	4 088	4 817
Bursaries: Employees	639	550	630	500	500	525	551
Catering: Departmental activities	204	285	574	628	1 090	1 190	1 292
Communication	1 719	1 681	1 563	1 306	1 812	1 944	2 082
Computer services	6 665	3 731	5 615	11 526	13 304	14 164	14 824
Consultants and professional services: Business and advisory services	1 618	1 082	2 505	2 109	2 011	1 059	1 110
Consultants and professional services: Legal costs	189	333	71	400	200	210	221
Contractors	435	827	1 703	835	826	861	789
Agency and support / outsourced services	-	-	-	142	75	100	110
Entertainment	292	125	102	183	239	243	250
Fleet services (including government motor transport)	-	-	-	289	-	-	-
Inventory: Learner and teacher support material	-	9	49	179	45	51	55
Inventory: Materials and supplies	244	219	93	81	90	96	99
Inventory: Medical supplies	-	-	31	10	25	26	27
Inventory: Other consumables	79	486	294	606	534	491	575
Inventory: Stationery and printing	2 428	2 248	1 623	1 172	1 887	1 980	2 060
Lease payments	9 316	8 440	22 084	19 813	20 841	22 402	23 589
Property payments	6 620	2 862	3 524	5 113	3 491	3 619	3 825
Transport provided: Departmental activity	2 191	1 545	998	-	-	-	-
Travel and subsistence	7 734	10 377	11 736	14 890	16 814	17 596	18 528
Training and development	628	1 143	976	1 489	1 331	1 425	1 522
Operating expenditure	1 363	1 759	2 613	1 686	2 938	3 096	3 261
Venues and facilities	1 267	1 600	1 910	1 232	882	919	956
Interest and rent on land	-	32	183	184	-	-	-
<b>Transfers and subsidies</b>	<b>21</b>	<b>1 105</b>	<b>240</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	1	1	1	1	-	-	-
Foreign governments and international organisations	12	12	6	25	-	-	-
Households	8	1 092	233	34	-	-	-
<b>Payments for capital assets</b>	<b>3 256</b>	<b>3 600</b>	<b>4 350</b>	<b>2 563</b>	<b>2 466</b>	<b>2 322</b>	<b>2 461</b>
Machinery and equipment	3 256	3 484	4 350	2 363	2 466	2 322	2 461
Software and other intangible assets	-	116	-	200	-	-	-
<b>Payments for financial assets</b>	<b>12</b>	<b>16</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>89 317</b>	<b>96 238</b>	<b>125 428</b>	<b>148 675</b>	<b>165 259</b>	<b>176 650</b>	<b>189 937</b>

Table 12.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Details of transfers and subsidies</b>							
<b>Foreign governments and international organisations</b>							
Current	12	12	6	25	-	-	-
Gifts and donations	12	12	6	25	-	-	-
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
Current	1	1	1	1	-	-	-
Vehicle licenses	-	1	1	1	-	-	-
Regional Service Council levies	1	-	-	-	-	-	-
<b>Households</b>							
<b>Households other transfers</b>							
Current	8	1 092	233	34	-	-	-
Gifts and Donations	8	5	-	-	-	-	-
Employee social benefit	-	992	233	34	-	-	-
Claims against the state	-	95	-	-	-	-	-

### Expenditure trends

Expenditure increased from R89.3 million in 2007/08 to R148.7 million in 2010/11, at an average annual rate of 18.5 per cent. This was due to increased spending in the *Ministry* subprogramme, which grew by R16.7 million to finance the appointment of a deputy minister and create capacity for her office. The filling of vacant posts, mainly at senior level, also contributed to the increase between 2007/08 and 2010/11. Spending on compensation of employees grew from R38.8 million to R73.1 million between 2007/08 and 2010/11 and an additional R30.2 million was spent in the *Corporate Services* subprogramme over the period for the same reason. The increase in spending of R8 million in the *Office Accommodation* subprogramme was due to the devolution of accommodation funds from the Department of Public Works.

Expenditure is expected to increase to R189.9 million over the MTEF period, at an average annual rate of 8.5 per cent. The increase is due to additional funding of R11.7 million in 2011/12, R15.3 million in 2012/13 and R19.5 million in 2013/14 for operational costs for the office of the newly appointed deputy minister, to increase capacity to implement expanded activities, mainly in the *Corporate Services* subprogramme, and to provide for higher than anticipated general salary adjustments. Spending in the *Financial Administration* subprogramme is expected to increase at an average annual rate of 14.5 per cent, from R17.5 million in 2010/11 to R26.3 million, mainly due to the centralisation of all audit and State Information Technology Agency costs into this programme.

### Programme 2: Human Resource Management and Development

- *Management: Human Resource Management* provides for administrative support and management of the programme. This subprogramme has a staff complement of 3 and a budget of R9.1 million over the medium term, of which 68.3 per cent will be used for compensation of employees.
- *Senior Management Services* ensures that there is a professional management service in the public service. This is done by establishing and implementing competency based management through developing transversal employment policies, prescripts and guidelines, and other career practices for senior management service members. This subprogramme has a staff complement of 7 and a budget of R14.7 million over the medium term, of which 78 per cent will be used for compensation of employees. In 2009/10, a senior management services skills gap assessment was conducted in 40 departments and skills gaps were identified and analysed. The implementation of a newly approved competency assessment battery is currently in progress.

- *Human Resource Planning, Performance and Practice* develops policies, prescripts, processes and systems that provide advice and implementation support to improve human resource planning, employment practices and employee performance management. This subprogramme has a staff complement of 14 and a total budget of R27.6 million over the medium term, of which 70.3 per cent will be used for compensation of employees. In 2009/10, the HR Connect project, which is a skills audit process, was rolled out to 46 of the 50 targeted departments at a cost of R12.8 million. By April 2011, the revision of the senior management service performance management and development system should be finalised.
- *Diversity Management* develops policies and guidelines on employment equity in the public service that are intended to remove barriers of access into and within the workplace for designated groups and prevent direct and indirect discrimination against the designated groups. This subprogramme has a staff complement of 8 and a total budget of R15.7 million over the medium term, of which 83.4 per cent will be used for compensation of employees. In 2010/11, 6 consultative workshops were held on the youth development framework and policy on reasonable accommodation and assistive devices at a cost of R106 306.
- *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. This subprogramme has a staff complement of 7 and a total budget of R18.9 million over the medium term, of which 66.9 per cent will be used for compensation of employees. The following outputs were achieved in 2009/10 at a cost of R1.3 million: 308 out of a target of 312 public servants were trained on HIV and AIDS mainstreaming; and health and wellness policy workshops on organisational readiness assessment and operational planning tools were conducted.
- *Human Resource Development* aims to improve the competency levels of public servants through capacity development activities, such as internships, learnerships and skills programmes, designed to ensure a constant pool of productive and contributing employees. This subprogramme has a staff complement of 7 and a total budget of R15 million over the medium term, of which 81.7 per cent will be used for compensation of employees. In 2009/10 and 2010/11, support was given to departments to compile their human resource development organisational readiness assessment reports. 116 national and provincial departments submitted reports in 2009 and 173 submitted their reports between March and April 2010.
- *Integrated Financial Management Systems* develops, implements and manages the human resources component of the integrated financial management system project. This subprogramme has a staff complement of 3 and a total budget of R8.9 million over the medium term, of which 68.3 per cent will be used for compensation of employees. In 2009/10, the development of the human resources management module of the integrated financial management system was completed. The system gone live in the Department of Public Service and Administration.

## Objectives and measures

- Provide information on job requirements in the public service to contribute to addressing the skills gap by finalising the implementation of the HR Connect skills database in all government departments by 2011/12 and maintaining the system thereafter.
- Strengthen senior management system performance by reviewing and revising the performance management and development system through a strategic framework by April 2012.
- Reduce the vacancy rate from 21 per cent to 10 per cent and improve the recruitment process by March 2014 by conducting research and developing appropriate interventions, including identifying categories where special recruitment measures must be introduced and developing guidelines on improving the practice of career management.
- Support the human resource planning strategic framework for the public service by increasing annual departmental submissions of human resource plans to 100 per cent of all departments by 2014.
- Increase the number of government departments implementing employee health and wellness policies from 40 in 2010/11 by an additional 40 per year by developing the capacity to implement these policies through workshops, policy advocacy and communication sessions, organisational systems and governance initiatives.

- Contribute to Cabinet's target to increase the representation at senior management levels of women from 34 per cent to 50 per cent, and of disabled persons from 0.2 per cent to 2 per cent by 2014 by developing and communicating diversity management related strategies.
- Monitor the implementation of gender, disability and youth frameworks by all departments by analysing the reports submitted by departments biannually.
- Improve disability and gender mainstreaming and the implementation of strategies to facilitate the transformation of departments by capacitating gender and disability focal points by providing a training workshop for the national departments and one workshop per province.
- Modernise and enhance the effectiveness of public service financial systems by developing the human resource module of the integrated financial management system and implementing it in 2 lead sites by 2011.

## Expenditure estimates

Table 12.5 Human Resource Management and Development

Subprogramme	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Management: Human Resource Management	2 192	3 463	3 779	2 544	2 820	3 061	3 228
Senior Management Services	2 723	3 013	2 485	4 374	4 711	4 770	5 251
Human Resource Planning, Performance and Practice	6 289	9 605	16 117	19 752	8 481	9 178	9 921
Diversity Management	2 493	3 622	4 596	4 587	4 830	5 209	5 658
Employee Health and Wellness	4 131	4 517	5 050	5 124	5 797	6 251	6 806
Human Resource Development	3 816	4 333	3 339	4 486	4 672	4 986	5 372
Integrated Financial Management Systems	–	892	1 467	2 498	2 655	3 020	3 253
<b>Total</b>	<b>21 644</b>	<b>29 445</b>	<b>36 833</b>	<b>43 365</b>	<b>33 966</b>	<b>36 475</b>	<b>39 489</b>
Change to 2010 Budget estimate				2 529	1 470	2 066	3 188
<b>Economic classification</b>							
<b>Current payments</b>	<b>21 630</b>	<b>29 119</b>	<b>36 744</b>	<b>43 315</b>	<b>33 966</b>	<b>36 475</b>	<b>39 489</b>
Compensation of employees	13 970	17 273	18 125	22 579	24 574	26 576	29 125
Goods and services	7 660	11 838	18 615	20 728	9 392	9 899	10 364
<i>of which:</i>							
<i>Administrative fees</i>	122	275	234	200	141	101	110
<i>Advertising</i>	58	313	99	128	45	77	34
<i>Assets less than the capitalisation threshold</i>	6	2	3	237	1	1	1
<i>Audit cost: External</i>	174	285	378	–	–	–	–
<i>Catering: Departmental activities</i>	199	46	64	334	627	462	490
<i>Communication</i>	328	330	355	356	495	533	573
<i>Computer services</i>	230	863	1 125	216	146	157	168
<i>Consultants and professional services: Business and advisory services</i>	868	2 895	10 309	12 875	815	208	139
<i>Contractors</i>	12	43	21	95	5	5	5
<i>Agency and support / outsourced services</i>	–	–	–	459	–	–	–
<i>Entertainment</i>	45	30	42	49	17	17	17
<i>Inventory: Learner and teacher support material</i>	–	116	1	35	–	–	–
<i>Inventory: Materials and supplies</i>	54	–	17	10	–	–	–
<i>Inventory: Other consumables</i>	4	7	2	15	–	–	–
<i>Inventory: Stationery and printing</i>	830	274	331	371	342	385	405
<i>Lease payments</i>	376	198	140	228	138	145	152
<i>Transport provided: Departmental activity</i>	81	–	52	30	–	–	–
<i>Travel and subsistence</i>	2 583	3 285	2 649	3 134	4 113	3 668	3 940

Table 12.5 Human Resource Management and Development (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Economic classification</b>							
<i>Training and development</i>	383	1 206	1 235	454	380	402	426
<i>Operating expenditure</i>	41	279	512	262	60	145	74
<i>Venues and facilities</i>	1 266	1 391	1 046	1 240	2 067	3 593	3 830
Interest and rent on land	-	8	4	8	-	-	-
<b>Transfers and subsidies</b>	-	2	2	-	-	-	-
Households	-	2	2	-	-	-	-
<b>Payments for capital assets</b>	14	324	87	50	-	-	-
Machinery and equipment	14	324	87	50	-	-	-
<b>Total</b>	<b>21 644</b>	<b>29 445</b>	<b>36 833</b>	<b>43 365</b>	<b>33 966</b>	<b>36 475</b>	<b>39 489</b>
<b>Details of transfers and subsidies</b>							
<b>Households</b>							
<b>Households other transfers</b>							
Current	-	2	2	-	-	-	-
Gifts and donations	-	2	-	-	-	-	-
Employee social benefit	-	-	2	-	-	-	-

## Expenditure trends

The spending focus over the medium term will be on completing the HR Connect project, developing the integrated management system and implementing interventions aimed at improving the recruitment in the public service.

Expenditure increased from R21.6 million in 2007/08 to R43.4 million in 2010/11, at an average annual rate of 26.1 per cent. Over the medium term, expenditure is expected to increase to R39.5 million, at an average annual rate of 3.1 per cent. The increased spending between 2007/08 and 2010/11 was mainly due to the R12 million allocated to the *Human Resource Planning* subprogramme for the rollout of the HR Connect project to departments in 2009/10. The HR Connect project will be completed in 2010/11 and the programme's budget is expected to decrease over the medium term as a result, which also explains the significant decline in spending on consultants and professional services. Spending in the *Employee Health and Wellness* subprogramme is expected to grow by R1.7 million over the medium term, due to the rollout of four new employee health and wellness policies. Spending in the *Management* subprogramme decreased by R1.3 million in 2010/11 due to funding allocated for State Information Technology Agency services and audit costs being moved from this programme to the *Administration* programme. The ratio of administrative costs to line function costs in this programme is 1:11.

## Programme 3: Labour Relations and Remuneration Management

- *Management: Labour Relations and Remuneration* provides administrative support and management of the programme. This subprogramme has a staff complement of 3 and a total budget of R7.5 million, of which 69.1 per cent will be used for compensation of employees.
- *Remuneration and Market Analysis* develops, implements and maintains policies, practices and systems on remuneration. This subprogramme has a staff complement of 8 and a total budget of R18.4 million over the medium term, of which 78.9 per cent will be used for compensation of employees. The resolutions on all occupation specific dispensations were finalised in 2009/10 and have been fully implemented, except for those medical and therapeutic services which were signed in October 2010 and which will be implemented in February and March 2011 with an effective date of 1 July 2010.
- *Conditions of Service* focuses on the development, implementation and maintenance of policies and practices on general and macro benefits including implementing the occupation specific dispensation. This subprogramme has a staff complement of 11 and a total budget of R25.8 million, of which 65.5 per cent will

be used for compensation of employees. In May 2010, the Minister for Public Service and Administration and labour parties in the Public Service Coordinating Bargaining Council launched the redress programme to address past discriminatory pension practices in the public service. The rollout of the project should be finalised by 31 March 2012. In relation to the review of the housing allowance and the prevailing policy, a formal investigation on the development of a pension secured housing finance scheme for the public service was commissioned in May 2010. The investigation has been concluded and the department has developed proposals on the concept and is in the process of finalising discussions with relevant stakeholders on the proposed scheme.

- *Labour Relations and Negotiations* is responsible for the development, implementation and maintenance of policies and systems on labour relations issues for the public service and to ensure coordinated collective bargaining in the Public Service Coordinating Bargaining Council and the General Public Service Sectoral Bargaining Council. This subprogramme has a staff complement of 10 and a total budget of R24 million over the medium term, of which 87.1 per cent will be used for compensation of employees. In 2010, a research report was compiled on the review of the framework on discipline and incapacity in the public service, and PALAMA has been requested to realign the labour relations training material for accreditation and rollout from 2011/12.

## Objectives and measures

- Determine trends on employment and government spending on salaries and conditions of service by conducting a comprehensive personnel expenditure review for the public service by March 2012.
- Review the remuneration policy for the public service by March 2012 in line with the personnel expenditure review and stakeholder consultations.
- Assess the implementation of occupation specific dispensations and draft a report by March 2013 to inform the Minister for the Public Service and Administration for the review of the dispensations.
- Facilitate the establishment of an integrated public service and ensure the mobility of staff by aligning remuneration and conditions of service between the public service and local government and implementing the remuneration policy framework for the single public service by March 2013.
- Establish the efficient management of annual and sick leave in the public service by:
  - establishing baseline data by the end of 2011 to identify possible management gaps and inform the development of a management framework
  - benchmarking internationally and consulting with departments and sectors on current working time arrangements in relation to their service delivery mandates by 2011/12.
- Advance the efficient management of working time in the public service by:
  - establishing baseline data by the end of 2011/12 to inform investigations into rearranging working time in the public service
  - conducting an investigation to identify areas requiring re-arrangement of working time to improve service delivery by 2013/14
  - finalising negotiations during 2011/12 on salaries and other matters, such as housing, shift allowances, medical aid, recognition of qualifications, working hours, and minimum service level agreements.

## Expenditure estimates

Table 12.6 Labour Relations and Remuneration Management

Subprogramme	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Management: Labour Relations and Remuneration	2 209	3 613	3 050	1 722	2 273	2 536	2 648
Remuneration and Market Analysis	3 545	4 241	4 712	4 561	5 435	5 818	7 164
Conditions of Service	80 686	94 076	75 160	6 810	7 811	9 071	8 911
Labour Relations and Negotiations	15 714	5 187	5 074	10 615	7 754	7 907	8 289
<b>Total</b>	<b>102 154</b>	<b>107 117</b>	<b>87 996</b>	<b>23 708</b>	<b>23 273</b>	<b>25 332</b>	<b>27 012</b>

Table 12.6 Labour Relations and Remuneration Management

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Change to 2010 Budget estimate				2 001	1 064	2 154	2 560
<b>Economic classification</b>							
<b>Current payments</b>	<b>102 112</b>	<b>106 978</b>	<b>87 982</b>	<b>22 041</b>	<b>23 273</b>	<b>25 332</b>	<b>27 012</b>
Compensation of employees	12 073	12 407	13 176	16 736	17 445	19 274	20 660
Goods and services	90 039	94 566	74 803	5 301	5 828	6 058	6 352
<i>of which:</i>							
Administrative fees	85	165	362	65	65	72	70
Advertising	10 847	494	67	-	-	33	-
Assets less than the capitalisation threshold	6	18	3	33	-	-	-
Audit cost: External	185	192	305	-	-	-	-
Catering: Departmental activities	45	64	25	40	41	44	54
Communication	285	232	232	221	300	322	346
Computer services	203	706	822	80	51	54	57
Consultants and professional services: Business and advisory services	438	1 070	158	1 859	2 768	2 725	3 040
Consultants and professional services: Legal costs	333	45	377	150	-	-	-
Contractors	75 430	88 899	70 224	-	-	-	-
Agency and support / outsourced services	235	-	-	-	-	-	-
Entertainment	16	17	15	20	26	26	26
Inventory: Learner and teacher support material	-	3	6	10	-	-	-
Inventory: Materials and supplies	-	-	1	-	-	-	-
Inventory: Other consumables	1	10	6	-	-	-	-
Inventory: Stationery and printing	194	281	153	139	219	230	242
Lease payments	255	31	77	150	100	105	110
Transport provided: Departmental activity	7	-	-	-	-	-	-
Travel and subsistence	1 002	1 788	1 342	1 988	1 782	1 959	1 873
Training and development	151	85	172	390	274	291	308
Operating expenditure	77	44	130	45	48	52	56
Venues and facilities	244	422	326	111	154	145	170
Interest and rent on land	-	5	3	4	-	-	-
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 667</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	-	-	-	1 667	-	-	-
<b>Payments for capital assets</b>	<b>42</b>	<b>139</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and equipment	42	139	14	-	-	-	-
<b>Total</b>	<b>102 154</b>	<b>107 117</b>	<b>87 996</b>	<b>23 708</b>	<b>23 273</b>	<b>25 332</b>	<b>27 012</b>
<b>Details of transfers and subsidies</b>							
Households							
Households other transfers							
Current	-	-	-	1 667	-	-	-
Employee social benefit	-	-	-	1 667	-	-	-

## Expenditure trends

The spending focus over the MTEF period will be on reviewing collective bargaining and labour relation structures and procedures in the public service and developing a new remuneration policy framework.

Expenditure decreased significantly from R102.2 million in 2007/08 to R23.7 million in 2010/11, at an average annual rate of 38.5 per cent. The decrease in expenditure was mainly in the *Conditions of Service* subprogramme, which decreased by R73.9 million due to the shifting of expenditure for incapacity leave and ill-health retirement from this subprogramme to the individual departments. The *Labour Relations and*

*Negotiations* subprogramme increased by R5.1 million in 2010/11 as a result of additional funding provided for advertising and other costs relating to the public service strike.

Over the MTEF period, expenditure is expected to grow by R27 million, at an average annual rate of 4.4 per cent. The increase is mainly due to additional funding of R10.8 million received over the medium term for spending on compensation of employees across all subprogrammes, mainly for salary adjustments. The ratio of administrative to line function costs in this programme is 1:3.

## **Programme 4: Public Sector Information and Communication Technology Management**

- *Management: Public Sector Information and Communication Technology* provides administrative support and management of the programme. This subprogramme has a staff complement of 3 and a budget of R17.4 million over the medium term, of which 68.3 per cent will be used for goods and services.
- *E-Government* provides support and leadership to national and provincial departments and the State Information Technology Agency in the development of a government wide architecture and system integration plan. This subprogramme has a staff complement of 3 and a total budget of R11.9 million over the medium term, of which 55 per cent will be used for compensation of employees. The department intends to realise its vision of automating and modernising the platform on which government does its business and renders services through the next generation e-government project. Thus far, a conceptual framework for the implementation of a catalytic prototype has been developed, and further work will be done over the medium term including design, deployment, testing and refinement.
- *Information and Communication Technology Policy and Planning* 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. This subprogramme has a staff complement of 6 and a total budget of R15 million over the medium term, of which 57.4 per cent will be used for compensation of employees. The following outputs were achieved in 2009: a review of ICT expenditure was initiated to identify opportunities for better management and governance, and opportunities for reducing costs while enabling good public administration and accelerated service delivery were improved.
- *Information and Communication Technology Infrastructure and Operations* supports all national and provincial departments on significant transversal projects and e-government projects. This subprogramme has a staff complement of 8 and a total budget of R83.9 million over the medium term, of which 69.7 per cent will be used ICT infrastructure. Connecting government institutions is a critical element in supporting front line staff and enabling them to deliver simpler, more effective services. For example, in 2010/11, 97 Thusong service centres located in remote and rural communities were connected to State Information Technology Agency and government back-end systems.

### **Objectives and measures**

- Contribute to the improvement of service delivery by:
  - connecting 120 Thusong service centres by March 2012
  - completing the connectivity blueprint and bandwidth strategies for connecting schools, libraries, clinics and municipalities over the medium term
  - implementing the next generation e-government platform within the next 3 years.
- Enhance IT governance by adopting and implementing the control objectives for IT framework as the standard for IT governance by March 2013.
- Improve IT security by:
  - developing a security policy and governance framework by March 2010
  - deploying a pilot public key infrastructure to enhance the security of one transversal application by March 2012.

- Reduce government ICT costs over the MTEF period by consolidating printers, optimising network infrastructure (voice and data) and improving on the way software is being procured and managed.
- Consolidate and optimise IT infrastructure and service management by developing a government wide IT plan and a shared services blueprint to assist departments and municipalities to improve security and reduce the costs of ICT over the next three years.

## Expenditure estimates

Table 12.7 Public Sector Information and Communication Technology Management

Subprogramme	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Management: Public Sector Information and Communication Technology	1 391	4 553	4 024	2 762	5 371	5 854	6 221
E-Government	1 577	2 338	5 133	2 787	4 225	3 711	3 991
Information and Communication Technology Policy and Planning	6 232	6 040	6 055	4 754	5 315	5 637	6 015
Information and Communication Technology Infrastructure and Operations	29 069	19 339	19 627	30 203	25 951	28 099	29 810
<b>Total</b>	<b>38 269</b>	<b>32 270</b>	<b>34 839</b>	<b>40 506</b>	<b>40 862</b>	<b>43 301</b>	<b>46 037</b>
Change to 2010 Budget estimate				(1 505)	(948)	(593)	(271)
<b>Economic classification</b>							
<b>Current payments</b>	<b>37 833</b>	<b>30 166</b>	<b>32 830</b>	<b>40 398</b>	<b>40 728</b>	<b>40 383</b>	<b>43 131</b>
Compensation of employees	8 741	8 097	9 468	10 196	11 309	12 440	13 479
Goods and services	29 092	22 066	23 360	30 198	29 419	27 943	29 652
<i>of which:</i>							
Administrative fees	28	101	109	174	75	80	76
Advertising	-	153	35	70	12	13	14
Assets less than the capitalisation threshold	-	8	359	4 619	84	89	94
Audit cost: External	96	105	156	-	-	-	-
Catering: Departmental activities	56	76	58	150	203	218	234
Communication	256	238	215	220	209	227	246
Computer services	25 724	16 606	13 743	21 253	21 423	20 195	21 620
Consultants and professional services: Business and advisory services	427	724	5 946	826	2 400	2 520	2 646
Contractors	228	8	4	-	29	30	31
Agency and support / outsourced services	-	-	-	-	250	158	166
Entertainment	11	50	19	12	32	35	38
Inventory: Materials and supplies	-	46	1	-	-	-	-
Inventory: Other consumables	6	4	-	6	5	5	5
Inventory: Stationery and printing	230	117	143	117	514	540	568
Lease payments	161	56	41	115	70	74	78
Travel and subsistence	1 257	2 120	1 437	2 135	2 780	2 914	2 918
Training and development	221	378	740	410	208	220	233
Operating expenditure	142	670	61	31	131	140	149
Venues and facilities	249	606	293	60	994	485	536
Interest and rent on land	-	3	2	4	-	-	-
<b>Transfers and subsidies</b>	<b>436</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Public corporations and private enterprises	436	-	-	-	-	-	-
Households	-	-	2	-	-	-	-
<b>Payments for capital assets</b>	<b>-</b>	<b>2 104</b>	<b>2 007</b>	<b>108</b>	<b>134</b>	<b>2 918</b>	<b>2 906</b>
Machinery and equipment	-	2 104	2 007	96	-	2 773	2 000
Software and other intangible assets	-	-	-	12	134	145	906
<b>Total</b>	<b>38 269</b>	<b>32 270</b>	<b>34 839</b>	<b>40 506</b>	<b>40 862</b>	<b>43 301</b>	<b>46 037</b>

Table 12.7 Public Sector Information and Communication Technology Management (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Details of transfers and subsidies							
Households							
Households other transfers							
Current	-	-	2	-	-	-	-
Employee social benefit	-	-	2	-	-	-	-
Public corporations and private enterprises							
Public corporations							
Other transfers to public corporations							
Current	436	-	-	-	-	-	-
Nelson Borman and Partners	436	-	-	-	-	-	-

### Expenditure trends

Between 2007/8 and 2010/11, expenditure grew from R38.3 million to R40.5 million, at an average annual rate of 1.9 per cent. This increase was mainly due to inflation related adjustments. Spending in the *Management: Public Sector Information and Communication Technology* subprogramme decreased by 31.4 per cent, from R4 million in 2009/10 to R2.8 million in 2010/11, due to the shifting of the audit function and State Information Technology Agency costs to the *Administration* programme.

Over the MTEF period, expenditure is expected to grow from R40.5 million to R46 million, at an average annual rate of 4.4 per cent. This is mainly due to additional funding of R3 million in this programme over the medium term across all subprogrammes for salary and inflation related adjustments. The ratio of administrative to line function costs in this programme is 1:6.

### Programme 5: Service Delivery and Organisational Transformation

- *Management: Service Delivery and Organisational Transformation* provides administrative support to and management of the programme. This subprogramme has a staff complement of 3 and a budget of R10 million over the medium term, of which 63.2 per cent will be used for compensation of employees.
- *Service Delivery Planning* coordinates and facilitates short term service delivery improvement initiatives. This subprogramme has a staff complement of 2 and a total budget of R5 million over the medium term, of which 75.8 per cent will be used for compensation of employees. During the first half of 2010/11, 500 practitioners were trained on the rollout of service delivery improvement plans through the Batho Pele change management engagement programme.
- *Service Delivery Improvement Mechanisms* supports interventions and partnerships which improve efficiency and effectiveness. This subprogramme has a staff complement of 14 and a total budget of R34 million over the medium term, of which 64 per cent will be used for compensation of employees. In 2010/11, research was conducted on the national knowledge management framework, for which a concept document was developed and a consultative workshop was held in November 2010.
- *Organisational Development of the Public Sector* focuses on the organisational development of the public sector. This subprogramme has a staff complement of 17 and a total budget of R41.6 million over the medium term, of which 65.6 per cent will be used for compensation of employees. In the first half of 2010/11, the department provided guidance and advice to the 9 offices of the premiers on provincial configurations in line with the national macro reorganisation of the state. This involved overall project management and assistance with organisational design to give effect to the transfer of government functions, the renaming of departments, and the splitting of some of the existing departments in line with Cabinet portfolios announced in May 2009. The Department of Public Service and Administration has already assisted 14 departments that have requested assistance on organisational design matters. The Department of Public Service and Administration and the National Treasury will produce a guide and the principles which should underpin appropriate delegations and decision rights, and will engage in a proactive

and extensive support programme to assist departments in reviewing their existing delegations and decision rights against the principles in the guide

- *Community Development and Participation* ensures the smooth coordination and implementation of the community development workers programme in the public service and the promotion of citizen participation. This subprogramme has a staff complement of 7 and a total budget of R16.5 million over the medium term, of which 54.5 per cent will be used for compensation of employees. In 2010/11, draft regulations for the community development and participating programmes were compiled and are scheduled to be implemented in March 2013.
- *Change Management* promotes cultural change in the public service and coordinates the dissemination of lessons for improving service delivery. This subprogramme has a staff complement of 15 and a total budget of R38.1 million over the medium term, of which 60.8 per cent will be used for compensation of employees. In the first half of 2010/11, a change readiness study for the integrated public service was initiated. Effective service delivery implementation is often undermined by over-centralisation of decision making powers with insufficient delegation to staff at the coalface.
- *Integrated Access Mechanisms* facilitates community development through access to government services. This subprogramme has a staff complement of 3 and a total budget of R17.5 million over the medium term, of which 46.6 per cent will be used for compensation of employees and 42.5 per cent for consultants. By 2010/11, the following outputs had been achieved: the geographic information system was established and currently displays the location of service points of selected departments and includes up to date demographic information about South Africa's population; and a draft guideline on improving access to service points was established. Over the medium term, the geographic information system will be enhanced to include additional functionality and service delivery data.
- *Public Administration Leadership and Management Academy* transfers funds to PALAMA, 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* unlocks innovation in the public sector and creates an enabling environment for improved and innovative service delivery through capacity development activities. This subprogramme has a staff complement of 14 and a total budget of R47.7 million over the medium term, of which 60.9 per cent will be used for compensation of employees. In 2010/11, the following outputs were achieved: successfully hosting the fourth conference on innovation, which 400 public sector delegates attended; holding the 8th Annual Innovation Awards in November 2010 to reward innovative initiatives; and identifying and developing an appropriate assistive device for visually impaired teachers, which is currently being used by 50 teachers in 20 schools as part of a comprehensive pilot project.
- *Public Service Education and Training Authority* transfers funds to the Public Service Education and Training Authority, which develops a coordinated framework for providing public service education and training. Due to administrative challenges, the authority was unable to administer its funding, so no transfer payments were made. The transfer payments will begin in 2011/12.

## **Objectives and measures**

- Contribute to the implementation of service delivery quality improvement initiatives by developing a methodology on business process quality management and unit costing and implementing both in the departments of education and health by March 2012.
- Institutionalise quality service delivery to all departments by developing and implementing the national knowledge management framework and establishing service delivery forums across the public service by March 2014.
- Contribute to organisational development and transformation by finalising the strategic frameworks on managing organisational change and service delivery implementation by March 2012.
- Improve access to 6 basic services to citizens by developing and implementing a strategy over the MTEF period to build capacity among community development workers.

- Contribute to improving service delivery competency in the public service by providing training on Batho Pele principles over the MTEF period.
- Improve service delivery and senior management service competency by developing and implementing the revised Khaedu management strategy by March 2012.
- Assist departments to develop sector specific generic structures and organisational review projects to promote organisational development by developing strategic frameworks and tools for organisational capacity assessments and the modernisation of the state by 2025.
- Improve the competency of organisational development practitioners by providing training, support and advice on organisational design matters over the medium term.
- Prevent indiscriminate restructuring of departments by monitoring organisational structuring implemented by departments, in collaboration with the auditor general, on an ongoing basis.
- Promote innovative service delivery by investigating, piloting, demonstrating and mainstreaming at least 3 sustainable models and solutions per year.
- Entrench a culture of innovation in the public service through knowledge platforms and products, including by:
  - hosting an annual public sector innovation conference
  - annually rewarding innovative service delivery projects in 5 categories
  - publishing and disseminating 2 editions per year of the innovation journal Ideas that Work.

## Expenditure estimates

Table 12.8 Service Delivery and Organisational Transformation

Subprogramme	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Management: Service Delivery and Organisational Transformation	2 598	3 048	2 181	2 702	3 047	3 376	3 532
Service Delivery Planning	1 077	5 914	2 228	2 672	1 532	1 708	1 771
Service Delivery Improvement Mechanisms	9 474	11 644	10 641	11 716	10 553	11 501	11 979
Organisational Development of the Public Sector	15 535	13 903	10 244	12 525	12 823	13 863	14 878
Community Development and Participation	8 277	3 014	5 906	5 689	5 037	5 536	5 965
Change Management	17 248	11 992	13 129	11 339	12 277	11 955	13 859
Integrated Access Mechanisms	–	1 058	2 081	3 834	5 361	5 940	6 308
Public Administration Leadership and Management Academy	131 113	105 365	121 113	118 414	118 321	122 492	129 201
Centre for Public Service Innovation	10 978	18 724	16 079	14 284	14 848	15 857	17 031
Public Service Education and Training Authority	11 312	14 748	21 000	20 038	21 044	22 086	23 308
<b>Total</b>	<b>207 612</b>	<b>189 410</b>	<b>204 602</b>	<b>203 213</b>	<b>204 843</b>	<b>214 314</b>	<b>227 832</b>
Change to 2010 Budget estimate				(1 451)	(3 197)	(983)	694
<b>Economic classification</b>							
<b>Current payments</b>	<b>76 411</b>	<b>79 046</b>	<b>80 699</b>	<b>64 549</b>	<b>65 387</b>	<b>69 648</b>	<b>75 224</b>
Compensation of employees	33 980	29 363	39 490	36 696	39 093	43 280	47 299
Goods and services	42 431	49 675	41 202	27 845	26 294	26 368	27 925
<i>of which:</i>							
Administrative fees	241	675	931	299	111	117	125
Advertising	3 781	6 748	5 410	1 003	542	512	529
Assets less than the capitalisation threshold	65	71	279	259	41	36	33
Audit cost: External	356	283	1 020	–	115	138	166
Catering: Departmental activities	194	376	206	484	73	84	91
Communication	830	793	997	643	1 100	1 409	1 470
Computer services	3 289	4 915	1 514	337	2 826	2 903	2 991

Table 12.8 Service Delivery and Organisational Transformation (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Current payments</b>							
<i>Consultants and professional services:</i>	10 767	8 579	5 199	3 303	8 157	6 932	7 798
<i>Business and advisory services</i>							
<i>Contractors</i>	80	320	414	5 063	589	755	668
<i>Agency and support / outsourced services</i>	–	3	96	65	–	–	–
<i>Entertainment</i>	123	278	65	85	46	48	50
<i>Inventory: Learner and teacher support material</i>	1	–	–	239	–	–	–
<i>Inventory: Materials and supplies</i>	34	2	52	41	–	–	–
<i>Inventory: Other consumables</i>	253	7	46	37	15	15	15
<i>Inventory: Stationery and printing</i>	4 156	1 323	1 462	2 264	1 879	1 969	1 844
<i>Lease payments</i>	2 628	1 930	3 103	1 752	1 437	1 508	1 582
<i>Property payments</i>	–	3 798	1 163	310	–	–	–
<i>Transport provided: Departmental activity</i>	3 575	61	1 838	240	–	–	–
<i>Travel and subsistence</i>	6 723	9 126	7 462	6 113	4 425	4 824	5 168
<i>Training and development</i>	726	1 815	485	596	1 717	1 905	2 066
<i>Operating expenditure</i>	698	4 702	4 382	802	1 219	1 129	1 265
<i>Venues and facilities</i>	3 911	3 870	5 078	3 910	2 002	2 084	2 064
<i>Interest and rent on land</i>	–	8	7	8	–	–	–
<b>Transfers and subsidies</b>	<b>131 117</b>	<b>107 601</b>	<b>121 751</b>	<b>138 484</b>	<b>139 394</b>	<b>144 617</b>	<b>152 556</b>
Departmental agencies and accounts	131 113	105 365	121 113	138 452	139 365	144 578	152 509
Foreign governments and international organisations	–	3	–	18	29	39	47
Households	4	2 233	638	14	–	–	–
<b>Payments for capital assets</b>	<b>82</b>	<b>2 740</b>	<b>2 152</b>	<b>180</b>	<b>62</b>	<b>49</b>	<b>52</b>
Machinery and equipment	82	2 680	2 031	170	62	49	52
Software and other intangible assets	–	60	121	10	–	–	–
<b>Payments for financial assets</b>	<b>2</b>	<b>23</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>207 612</b>	<b>189 410</b>	<b>204 602</b>	<b>203 213</b>	<b>204 843</b>	<b>214 314</b>	<b>227 832</b>
<b>Details of transfers and subsidies</b>							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	131 113	105 365	121 113	138 452	139 365	144 578	152 509
Public Administration Leadership and Management Academy	131 113	105 365	121 113	118 414	118 321	122 492	129 201
Public Sector Education Training Authority	–	–	–	20 038	21 044	22 086	23 308
Foreign governments and international organisations							
Current	–	3	–	18	29	39	47
Gifts and donations	–	3	–	–	–	–	–
Commonwealth Association for Public Administration and Management	–	–	–	18	29	39	47
Households							
Households other transfers							
Current	4	2 233	638	14	–	–	–
Gifts and donations	4	–	14	–	–	–	–
Employee social benefit	–	1 514	624	14	–	–	–
Claims against the state	–	719	–	–	–	–	–

## Expenditure trends

The spending focus over the MTEF period will be on developing and implementing the Batho Pele impact assessment, the Khaedu project and the community development workers programme

Expenditure decreased from R207.6 million in 2007/08 to R203.2 million in 2010/11, at an average annual rate of 0.7 per cent. The decrease in expenditure of R18.2 million in 2008/09 was mainly in the *Community Development and Participation* subprogramme, due to the completion of the community development indaba,

and the *Public Administration Leadership and Management Academy* subprogramme due to a once-off allocation for purchasing furniture and equipment for the new building of the academy. Between 2007/08 and 2010/11, spending in the *Centre for Public Service Innovation* subprogramme grew at an average annual rate of 9.2 per cent, from R11 million to R14.3 million, due to additional allocations in 2008/09 and 2009/10 for new accommodation and the establishment of the centre. *Public Service Education and Training Authority* subprogramme's expenditure grew at an average annual rate of 21 per cent, from R11.3 million in 2007/08 to R20 million in 2010/11 to increase capacity required for the establishment of the entity.

Expenditure over the MTEF period is expected to increase from R203.2 million to R227.8 million, at an average annual rate of 3.9 per cent. This is mainly due to additional funding over the medium term of R10.4 million mainly for inflation related adjustments to salaries. In addition, R1.2 million has been redirected from other programmes to the *Integrated Access Mechanisms* subprogramme to fund the geographic information systems project. The ratio of administrative to line function costs in this programme is 1:64.

## Programme 6: Governance and International Relations

- *Management: Governance and International Relations* provides administrative support to and management of the programme. This subprogramme has a staff complement of 3 and a budget of R16.4 million over the medium term, of which 68.6 per cent will be used for operations, and mainly travel and subsistence.
- *Integrity and Ethics Management* is responsible for establishing and implementing strategies for fighting corruption and improving ethical conduct in the public service. This subprogramme has a staff complement of 9 and a total budget of R51.8 million over the medium term, of which 60.8 per cent will be used for compensation of employees. In 2009/10 and 2010/11, the following outputs were achieved: a compliance audit of the minimum anti-corruption capacity requirements for 60 provincial departments and 26 national departments was carried out; the programme participated in the three meetings of the Organisation for Economic Cooperation and Development working group on bribery in international business transactions; representatives attended a meeting of the United Nations Convention Against Corruption intergovernmental working group; 428 officials from Mpumalanga, Eastern Cape, Free State, Western Cape and Northern Cape were trained as part of the public service anti-corruption capacity building programme. 327 participants from the business sector in Mpumalanga, Gauteng and KwaZulu-Natal were also trained.
- *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. This subprogramme has a staff complement of 15 and a total budget of R34 million over the medium term, of which 70.4 per cent will be spent on compensation of employees. In 2009/10 and 2010/10, the following outputs were achieved: a strategy on the establishment of a Southern African Development Community public administration cluster was developed; the 6<sup>th</sup> conference of African ministers for public service was hosted, which adapted the African charter and a long term strategy for the continental public administration programme; and the department chaired and contributed to the establishment of the virtual centre of excellence within the India-Brazil-South Africa working group on public administration framework.
- *Monitoring and Evaluation* manages a system for planning, monitoring and evaluating programmes that enable transformation in the public sector. This subprogramme has a staff complement of 13 and a total budget of R27.2 million over the medium term, of which 75.9 per cent will be used for compensation. In 2009/10 and 2010/11, the following outputs were achieved: an employee satisfaction survey was conducted in the offices of premiers in Limpopo and North West, and in the Department of Transport; the 2010 service user satisfaction methodology to be employed in the public service was developed; the public service monitoring and evaluation framework, guidelines, glossary of terms and capacity building plans were developed and are expected to be approved by March 2011; 2 analytical and evaluation reports on the implementation of the Department of Public Service and Administration's policies were produced; and the PERSAL clean-up strategy, guide, tools, methodology and implementation plan were developed.
- *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. This is done by sharing experiences and reinforcing best practices,

including identifying deficiencies and assessing capacity building needs. This subprogramme has a staff complement of 4 and a total budget of R26.4 million over the medium term, of which 65.1 per cent will be used on operations, and mostly on venues and facilities. In 2009/10 and 2010/11, the following outputs were achieved: there was continued implementation of the African Peer Review Mechanism plan of action; and the national African Peer Review Mechanism framework for institutionalising the programme in the national development process was drafted. In 2010/11, R6 million was spent and a further R2.3 million will be reprioritised from other areas to increase the budget for the African Peer Review Mechanism.

- *Integrated Public Administration Reforms* supports the minister and director general in working towards greater public administration integration through facilitating the introduction of enabling frameworks, stakeholder liaison and programme coordination. This subprogramme has a staff complement of 9 and a total budget of R66.5 million over the medium term, of which 82 per cent will be used for operations and 44.3 per cent for outsourced services. In 2009/10 and 2010/11, the subprogramme played a key role in the establishment of the country's first public service pilot urban mall in Soweto by contributing to the development of business processes, ICT systems, organisational structures, as well as the layout and facilities.
- *Public Service Commission* transfers funds to the Public Service Commission, which oversees and evaluates the functioning of the public service with a view to establishing good governance and best practice principles.

### Objectives and measures

- Ensure that South Africa complies with the African Peer Review Mechanism's norms and standards by managing and implementing the African Peer Review Mechanism's national framework by submitting annual progress reports to the African Union (AU) and Cabinet.
- Monitor and evaluate public sector programmes, policies and projects to ensure accountability and transparency by implementing a monitoring and evaluation framework in selected national and provincial departments by end of 2011/12.
- Contribute to the African Agenda and international best practices on the transformation of the public service and public administration by:
  - implementing the continental governance and public administration programme
  - advancing South-South cooperation on public administration
  - regularly participating in the global governance dialogue.
- Tackle corruption in the public service and monitor compliance with national and international anti-corruption instruments across the public service by establishing and operationalising a specialised anti-corruption unit by end of 2011/12.

### Expenditure estimates

Table 12.9 Governance and International Relations

Subprogramme	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Management: Governance and International Relations	2 161	4 066	3 052	3 319	5 156	5 462	5 815
Integrity and Ethics Management	11 475	7 214	5 698	7 665	16 558	17 233	18 014
International and African Affairs	10 680	21 322	10 697	10 294	10 488	11 250	12 236
Monitoring and Evaluation	4 444	5 752	5 316	8 675	8 509	8 959	9 750
African Peer Review Mechanism	2 375	3 904	6 710	9 517	8 299	8 431	9 708
Integrated Public Administration Reforms	11 307	20 216	17 822	25 121	21 805	21 624	23 079
Public Service Commission	108 134	113 656	131 789	134 595	151 051	157 196	165 633
<b>Total</b>	<b>150 576</b>	<b>176 130</b>	<b>181 084</b>	<b>199 186</b>	<b>221 866</b>	<b>230 155</b>	<b>244 235</b>
Change to 2010 Budget estimate				(2 549)	11 562	12 036	14 118

Table 12.9 Governance and International Relations (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Economic classification</b>							
<b>Current payments</b>	<b>42 189</b>	<b>60 008</b>	<b>47 908</b>	<b>62 118</b>	<b>70 369</b>	<b>72 490</b>	<b>78 109</b>
Compensation of employees	8 302	14 554	18 618	24 350	31 661	33 954	37 609
Goods and services	33 887	45 448	29 284	37 762	38 708	38 536	40 500
<i>of which:</i>							
Administrative fees	103	558	621	677	220	227	236
Advertising	8 201	6 026	2 754	2 857	1 146	1 261	1 376
Assets less than the capitalisation threshold	2	31	182	3 211	488	76	86
Audit cost: External	98	143	269	–	–	–	–
Catering: Departmental activities	76	513	184	327	525	621	614
Communication	278	339	480	431	793	847	900
Computer services	188	607	1 505	438	2 883	1 772	1 791
Consultants and professional services: Business and advisory services	14 659	10 291	2 513	11 430	2 251	2 758	2 412
Consultants and professional services: Legal costs	39	24	–	–	–	–	–
Contractors	107	3 219	1 760	514	50	53	56
Agency and support / outsourced services	–	666	187	135	8 276	8 340	9 284
Entertainment	99	18	30	77	98	62	55
Inventory: Fuel, oil and gas	–	19	–	–	–	–	–
Inventory: Materials and supplies	–	–	384	3	–	–	–
Inventory: Other consumables	–	99	1	7	6	6	6
Inventory: Stationery and printing	1 588	641	835	514	1 887	1 603	1 667
Lease payments	567	1 698	3 746	3 573	3 873	4 282	4 665
Property payments	–	–	2 437	1 293	500	490	500
Transport provided: Departmental activity	99	7 785	1 080	20	2	–	–
Travel and subsistence	5 387	6 803	4 437	8 809	9 602	9 848	10 373
Training and development	77	152	384	343	951	958	964
Operating expenditure	447	3 940	3 154	182	519	481	526
Venues and facilities	1 872	1 876	2 341	2 921	4 638	4 851	4 989
Interest and rent on land	–	6	6	6	–	–	–
<b>Transfers and subsidies</b>	<b>108 371</b>	<b>114 312</b>	<b>132 348</b>	<b>135 160</b>	<b>151 497</b>	<b>157 665</b>	<b>166 126</b>
Departmental agencies and accounts	108 134	113 656	131 789	134 595	151 051	157 196	165 633
Foreign governments and international organisations	236	656	549	556	446	469	493
Households	1	–	10	9	–	–	–
<b>Payments for capital assets</b>	<b>16</b>	<b>1 677</b>	<b>827</b>	<b>1 908</b>	<b>–</b>	<b>–</b>	<b>–</b>
Machinery and equipment	16	1 337	784	1 888	–	–	–
Software and other intangible assets	–	340	43	20	–	–	–
<b>Payments for financial assets</b>	<b>–</b>	<b>133</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>150 576</b>	<b>176 130</b>	<b>181 084</b>	<b>199 186</b>	<b>221 866</b>	<b>230 155</b>	<b>244 235</b>
<b>Details of transfers and subsidies</b>							
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>108 134</b>	<b>113 656</b>	<b>131 789</b>	<b>134 595</b>	<b>151 051</b>	<b>157 196</b>	<b>165 633</b>
Public Service Commission	108 134	113 656	131 789	134 595	151 051	157 196	165 633
<b>Foreign governments and international organisations</b>							
<b>Current</b>	<b>236</b>	<b>656</b>	<b>549</b>	<b>556</b>	<b>446</b>	<b>469</b>	<b>493</b>
Gifts and donations	12	–	8	–	–	–	–

Table 12.9 Governance and International Relations (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Economic classification</b>							
Commonwealth Association for Public Administration and Management	30	-	-	36	40	42	44
Organisational Economic Cooperation and Development	144	179	161	150	200	210	221
African Association for Public Administration and Management	50	113	64	58	60	63	66
Centre for Training and Research in Administration for Development	-	332	316	312	110	116	122
International Institute of Administration Services	-	32	-	-	36	38	40
<b>Households</b>							
<b>Households other transfers</b>							
Current	1	-	10	9	-	-	-
Gifts and donations	1	-	1	-	-	-	-
Employee social benefit	-	-	9	9	-	-	-

## Expenditure trends

The spending focus over the medium term will be on developing an anti-corruption management system, developing and implementing the bilateral and multilateral engagement framework, conducting the African Peer Review Mechanism country review and compiling progress reports on it.

Expenditure increased from R150.6 million in 2007/08 to R199.2 million in 2010/11, at an average annual rate of 9.8 per cent. This was mainly due to additional funding in 2008/09 in the *African Peer Review Mechanism* and *Integrated Public Administration Reforms* subprogrammes to conclude the African Peer Review Mechanism country assessment report and to implement the single public service project. Spending in the *Monitoring and Evaluation* subprogramme also contributed to the increase from R4.4 million in 2007/08 to R8.7 million in 2010/11, an average annual increase of 25 per cent, due to expenditure on performance assessments through the public management watch system.

Expenditure is projected to grow from R199.2 million in 2010/11 to R244.2 million in 2013/14, at an average annual rate of 7 per cent. This is mainly due to additional allocations for: establishing the special anti-corruption unit, which accounts for the R10.3 million growth in the *Integrity and Ethics Management* subprogramme; revising the complaints and grievance rules within public service; and evaluating poverty reduction programmes throughout government. Inflation related adjustments for salaries and operational costs also contribute to the growth. The ratio of administrative to line function costs in this programme is 1:41.

## Other departments within the vote

### Public Service Commission

#### Strategic overview: 2007/08 – 2013/14

The Public Service Commission derives its mandate from sections 195 and 196 of the Constitution. The commission is the only government body independently empowered and mandated to oversee and evaluate the functioning of the public service, with a view to establishing good governance and best practice principles. As a custodian of good governance established by the Constitution, the commission provides Parliament and the national and provincial legislatures with an independent perspective on the performance of the public service, while advising the national and provincial executives on good administrative practice.

Over the MTEF period, the commission aims to strengthen partnerships with other appropriate institutions that have monitoring and evaluation responsibilities. The implementation of the framework for the evaluation of heads of department is critical in the context of the introduction of new performance agreements and service delivery agreements with ministers and premiers.

The following are the key functions that will impact on the spending plans over the medium term:

The commission continues to play a critical role in promoting sound labour relations in the public service. By reviewing grievances that have been referred to it by the executive authorities, as well as resolving grievances within departments, it contributes to the amicable resolution of grievances and sets trends and benchmarks for grievance management. The trend reports point to areas needing attention. The commission also gives guidance to departments on grievance resolution management and through focused meetings with specific departments. Since 2010, heads of department have had the option of either lodging their grievances directly with the commission or with the relevant executive authority. This means that over the MTEF period, the commission's investigative work will increase.

In terms of government's new outcomes approach, the commission can make a valuable contribution by conducting citizen satisfaction surveys. The survey findings, together with the commission's findings in its inspections of departments' service delivery sites, will help government to gauge the progress it is making in ensuring a better life for all South Africans.

The national anti-corruption hotline, which is managed by the commission, is an important public participation mechanism for reporting cases of alleged corruption. The successful investigation of some cases has resulted in the imposition of a sanction of dismissal of employees found guilty of misconduct, and large sums of money involved in acts of corruption being recovered.

### Savings and cost effectiveness measures

Over the MTEF period, savings of R434 000, R451 000 and R476 000 will be realised through cost containment measures and a focus on improving efficiency. These measures have been identified in the *Corporate Services* subprogramme in the *Administration* programme and include: limiting and prioritising local and foreign trips to save on travel and accommodation costs; reducing expenditure on entertainment; and making reports available on the commission's website to reduce printing costs.

### Selected performance indicators

Table 12.10 Public Service Commission

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Total number of grievances investigated and concluded	Leadership and Management Practices	597	654	614	700	750	800	850
Number of reports on the management of grievances in the public service per year	Leadership and Management Practices	3	1	2	1	1	1	1
Number of research reports on labour relations per year	Leadership and Management Practices	3	1	1	1	1	1	1
Percentage of 146 heads of department whose performance is evaluated	Leadership and Management Practices	56% (73)	8% (12)	52% (76)	100% (146)	100% (146)	100% (146)	100% (146)
Percentage of 146 heads of department whose performance agreements have been quality assured and filed	Leadership and Management Practices	82% (119)	73% (106)	59% (86)	100% (146)	100% (146)	100% (146)	100% (146)
Number of reports on public service leadership per year	Leadership and Management Practices	5	2	3	2	2	2	2
Number of reports on monitoring and evaluation per year	Monitoring and Evaluation	22	27	32	23	16	16	16
Number of reports on service delivery per year	Monitoring and Evaluation	9	8	4	6	10	10	10
Number of public administration investigations concluded per year	Integrity and Anti-Corruption	10	4	27	47	10	10	10
Number of public administration research projects finalised and reports published per year	Integrity and Anti-Corruption	7	4	2	2	1	1	1

Table 12.10 Public Service Commission (continued)

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of national anti-corruption hotline cases reported per year	Integrity and Anti-Corruption	1 624	1 348	1 800	2 000	2 000	2 000	2 000
Percentage of financial disclosure forms received and scrutinised	Integrity and Anti-Corruption	77% (6 558)	100% (8 700)	78% (7 099)	100% (8 900)	100% (9 000)	100% (9 100)	100% (9 100)

### Details of programmes/activities/objectives

The total budget allocated to this department for 2010/11 was R134.6 million, of which 50.7 per cent was used in the Administration programme

**Administration** Manages the office of the Public Service Commission and provides centralised support services. The total budget for this programme over the medium term is R247.8 million, of which 54 per cent will be spent on corporate services. This programme is supported by 59 administration staff.

**Leadership and Management Practices** Promotes sound public service leadership, human resources management, labour relations and labour practices. The programme comprises two subprogrammes: Labour Relations Improvements and Leadership and Human Resource Reviews. This programme has a staff complement of 37 and the budget over the medium term is R74.5 million, of which 89 per cent will be used for compensation of employees. In 2009/10, the following outputs were achieved: 464 grievances were received and assessed and of these, 137 cases were finalised and 179 grievances were referred back to departments due to insufficient information provided; the guidelines for evaluation of heads of department 2008/2009 were produced and distributed in September 2009; and a fact sheet on the filling of performance agreements was completed.

**Monitoring and Evaluation** Establishes a high standard of service delivery, monitoring and good governance in the public service. The programme comprises two subprogrammes: Governance Monitoring and Service Delivery, and Compliance Evaluations. This programme has a staff complement of 45 and a total budget of R72.8 million over the medium term, of which 86.5 per cent will be used for compensation of employees. A transversal monitoring and evaluation system was successfully implemented in 25 departments (7 national and 18 provincial) in 2009/10, and in 30 departments (2 national and 28 provincial) in 2010/2011. In 2010/11, the Public Service Commission evaluated the role of agencification in public service delivery, with case studies on the South African Social Security Agency and the Small Enterprise Development Agency.

**Integrity and Anti-Corruption** Undertakes public administration investigations, promotes a high standard of ethical conduct among public servants and contributes to preventing and combating corruption. The programme comprises two subprogrammes: Public Administration Investigations and Professional Ethics. This subprogramme has a staff complement of 43 and a total budget of R78.8 million over the medium term, of which 85.3 per cent will be used for compensation of employees. In 2010/11, the following outputs were achieved: 11 complaints on human resource related issues, unethical behaviour, and corruption and maladministration were finalised; a report on financial misconduct for 2008/2009 was finalised; a fact sheet on the financial disclosure framework was completed and distributed to all relevant stakeholders; and 8 115 cases of alleged corruption have been referred to departments for investigation, feedback 2 928 cases has been received and 1 631 cases on the national anti-corruption hotline's case management system have been closed.

### Objectives and measures

- Improve public service labour relations, practices and policies, monitor the standard of public service leadership, and evaluate human resource policies by:
  - increasing investigations of grievances and complaints lodged by public servants from 700 in 2010/11 to 850 in 2013/14
  - implementing the performance management framework and evaluating all qualifying heads of department in 2012/13.
- Improve governance practices in the public service by:

- evaluating the management practices and service delivery performance of at least 15 departments and undertaking at least 1 programme evaluation per year
- conducting at least 6 service delivery assessments per year by 2011/12 to establish the expectations and perceptions of citizens on service delivery.
- Investigate and improve public administration practices by conducting 10 audits and investigations into public administration practices per year by 2013/14, and by making recommendations to departments on how to promote good governance.
- Promote professional ethics and integrity in the public service by researching and evaluating professional ethics and corruption prevention and from 2012/13 the department will produce 1 report with recommendations per year
- Monitor and raise awareness of potential conflicts of interest among managers by managing the financial disclosure framework through official correspondence and annual reporting on non-complying managers, to increase compliance to 100 per cent by 2012/13.
- Contribute to the fight against corruption by continuously managing the national anti-corruption hotline.

## Expenditure estimates

Table 12.11 Public Service Commission

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R thousand								
Administration	58 927	59 352	72 433	68 246	68 246	78 904	82 099	86 763
Leadership and Management Practices	13 815	14 604	16 352	21 305	21 305	23 775	24 774	26 017
Monitoring and Evaluation	17 531	18 960	19 684	21 955	21 955	23 218	24 181	25 396
Integrity and Anti-Corruption	17 861	20 740	23 320	23 089	23 089	25 154	26 142	27 457
<b>Total</b>	<b>108 134</b>	<b>113 656</b>	<b>131 789</b>	<b>134 595</b>	<b>134 595</b>	<b>151 051</b>	<b>157 196</b>	<b>165 633</b>
Change to 2010 Budget estimate				829	829	5 539	5 964	6 083
<b>Economic classification</b>								
<b>Current payments</b>	<b>105 378</b>	<b>112 325</b>	<b>120 623</b>	<b>133 808</b>	<b>133 808</b>	<b>150 211</b>	<b>156 322</b>	<b>164 712</b>
Compensation of employees	69 329	77 224	87 565	103 413	103 413	112 169	117 774	123 665
Goods and services	36 049	35 101	33 047	30 395	30 395	38 034	38 541	41 042
<i>of which:</i>								
<i>Administrative fees</i>	<i>160</i>	<i>343</i>	<i>125</i>	<i>11 101</i>	<i>11 101</i>	<i>68</i>	<i>64</i>	<i>66</i>
<i>Advertising</i>	<i>18</i>	<i>523</i>	<i>383</i>	<i>108</i>	<i>108</i>	<i>161</i>	<i>159</i>	<i>165</i>
<i>Assets less than the capitalisation threshold</i>	<i>4</i>	<i>458</i>	<i>174</i>	<i>28</i>	<i>28</i>	<i>690</i>	<i>759</i>	<i>712</i>
<i>Audit cost: External</i>	<i>1 908</i>	<i>1 665</i>	<i>1 959</i>	<i>–</i>	<i>–</i>	<i>2 416</i>	<i>2 508</i>	<i>3 006</i>
<i>Bursaries: Employees</i>	<i>–</i>	<i>68</i>	<i>173</i>	<i>–</i>	<i>–</i>	<i>639</i>	<i>627</i>	<i>659</i>
<i>Catering: Departmental activities</i>	<i>158</i>	<i>303</i>	<i>248</i>	<i>68</i>	<i>68</i>	<i>248</i>	<i>241</i>	<i>256</i>
<i>Communication</i>	<i>2 201</i>	<i>2 093</i>	<i>2 226</i>	<i>1 048</i>	<i>1 048</i>	<i>1 961</i>	<i>1 923</i>	<i>2 021</i>
<i>Computer services</i>	<i>2 116</i>	<i>2 196</i>	<i>3 312</i>	<i>26</i>	<i>26</i>	<i>4 295</i>	<i>4 274</i>	<i>4 440</i>
<i>Consultants and professional services: Business and advisory services</i>	<i>4 973</i>	<i>4 535</i>	<i>3 992</i>	<i>2 522</i>	<i>2 522</i>	<i>3 815</i>	<i>3 739</i>	<i>4 193</i>
<i>Consultants and professional services: Legal costs</i>	<i>–</i>	<i>7</i>	<i>150</i>	<i>30</i>	<i>30</i>	<i>43</i>	<i>42</i>	<i>44</i>
<i>Contractors</i>	<i>80</i>	<i>255</i>	<i>261</i>	<i>9</i>	<i>9</i>	<i>1 536</i>	<i>1 633</i>	<i>1 723</i>
<i>Agency and support / outsourced services</i>	<i>4</i>	<i>57</i>	<i>11</i>	<i>11</i>	<i>11</i>	<i>269</i>	<i>267</i>	<i>281</i>
<i>Entertainment</i>	<i>–</i>	<i>2</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>

Table 12.11 Public Service Commission (continued)

R thousand	Audited outcome			Adjusted	Revised	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	appropriation	estimate	2011/12	2012/13	2013/14
<b>Economic classification</b>								
<i>Fleet services (including government motor transport)</i>	–	–	3	–	–	–	–	–
<i>Inventory: Learner and teacher support material</i>	2	5	11	–	–	–	–	–
<i>Inventory: Other consumables</i>	–	24	51	11	11	–	–	–
<i>Inventory: Stationery and printing</i>	4 973	2 858	3 592	2 941	2 941	3 497	3 433	3 606
<i>Lease payments</i>	7 814	7 291	7 391	9 629	9 629	10 280	10 785	11 379
<i>Property payments</i>	222	1 814	2 151	226	226	114	8	9
<i>Travel and subsistence</i>	7 031	8 417	4 992	2 600	2 600	5 328	5 258	5 518
<i>Training and development</i>	–	590	494	–	–	1 103	1 159	1 216
<i>Operating expenditure</i>	3 763	1 074	881	6	6	874	982	1 031
<i>Venues and facilities</i>	622	523	467	31	31	697	680	717
<i>Interest and rent on land</i>	–	–	11	–	–	8	7	5
<b>Transfers and subsidies</b>	<b>32</b>	<b>35</b>	<b>10 142</b>	<b>40</b>	<b>40</b>	<b>45</b>	<b>48</b>	<b>50</b>
Foreign governments and international organisations	32	35	33	40	40	45	48	50
Households	–	–	10 109	–	–	–	–	–
<b>Payments for capital assets</b>	<b>2 724</b>	<b>1 290</b>	<b>968</b>	<b>747</b>	<b>747</b>	<b>795</b>	<b>826</b>	<b>871</b>
Machinery and equipment	2 592	1 290	968	747	747	795	826	871
Software and other intangible assets	132	–	–	–	–	–	–	–
<b>Payments for financial assets</b>	<b>–</b>	<b>6</b>	<b>56</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>108 134</b>	<b>113 656</b>	<b>131 789</b>	<b>134 595</b>	<b>134 595</b>	<b>151 051</b>	<b>157 196</b>	<b>165 633</b>

## Expenditure trends

The spending focus over the medium term will be on strengthening measures to inculcate a culture of integrity within the public service by researching and evaluating professional ethics and corruption prevention. The commission will also carry out research on how to conduct lifestyle audits in the public service.

Between 2007/8 and 2010/11, expenditure grew from R108.1 million to R134.6 million, at an annual average rate of 7.6 per cent. This growth was as a result of additional funds received for revising the complaints and grievance rules, establishing the national anti-corruption hotline, creating the integrity and anti-corruption branch, managing conflicts of interest, evaluating poverty reduction programmes, and the devolution of funds for accommodation from the Department of Public Works.

Over the MTEF period, expenditure is expected to grow at an average annual rate of 7.2 per cent to reach R165.6 million in 2013/14. This growth is mainly due to additional funds received for inflation related salary adjustments and operational costs. The ratio of administrative costs to line function costs for the commission is 1:1.1.

## Personnel information

The commission had 247 funded posts, of which 184 are filled. The vacancy rate was 26 per cent, with the highest vacancy rates in salary levels 8 and 10. The Administration programme had the highest vacancy rate, at 45 per cent. This is mainly attributable to delays in filling vacant posts. The commission anticipates filling all funded posts over the medium term.

## **Public Administration Leadership and Management Academy**

### **Strategic overview: 2007/08 – 2013/14**

The mandate of the Public Administration Leadership and Management Academy is outlined in the Public Service Amendment Act (2007).

The academy plays a significant role in developing capacity through training designed to support effective service delivery. Since the reconstitution of the organisation in August 2008, following a Cabinet decision, the academy has sought to increase the number of public servants trained through a range of training programmes offered either directly or in collaboration with partners and providers. Between 2007/08 and 2009/10, the academy trained a total of 104 816 public sector officials, which translates to 369 594 person training days.

In terms of government's outcome based performance approach, the work of the academy primarily relates to outcome 12 which focuses on developing an efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship. In addition, the academy has a critical role to play in the development of personnel skills and required competencies across government in support of the other 11 outcomes. In pursuit of its objectives, the academy will identify mandatory programmes, determine minimum annual training days to be undertaken by public servants and also review its funding model.

To achieve the targets set for MTEF period to 2014, the academy will focus on 3 key areas of development, namely, leadership, management and administration. In relation to these, the training and development curriculum and learning methods used will focus on the needed response to government's service delivery competency requirements. The following strategic objectives which are aligned to the key service delivery outcomes of government will be advanced: improving service delivery quality and access; improving human resource management and development; enhancing business processes, decision rights and accountability; tackling corruption effectively; and developing PALAMA into a high performance organisation.

### **Savings and cost effectiveness measures**

Over the MTEF period, savings of R1.1 million will be realised. Cost saving measures for promoting efficiency and reducing wastage have been identified across the department specifically under goods and services, and will be implemented in a manner that will not jeopardise service delivery. PALAMA will reduce the use of consultants as well as travel and subsistence costs, and will continue to review policies relating to these areas to ensure that non-core expenditure is kept at a minimum.

### **Selected performance indicators**

Indicators are reported under the training trading account, in the public entities section below.

### **Details of programmes/activities/measures**

The total budget allocated to this department for 2010/11 was R118.4 million, of which 52.6 per cent was used in the Administration programme.

**Administration** facilitates the overall management of PALAMA and provides support services for its organisational functions. This programme has a staff complement of 54 and a total budget of R196.4 million over the medium term, of which 55.2 per cent will be used for goods and services.

**Public Sector Organisational and Staff Development** facilitates transfer payments to the training trading account for management development and training public sector employees.

### **Objectives and measures**

Objectives and measures are reported under the training trading account, in the public entities section below.

## Expenditure estimates

Table 12.12 Public Administration Leadership and Management Academy

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R thousand								
Administration	73 897	62 765	63 568	62 245	62 245	63 176	64 837	68 350
Public Sector Organisational and Staff Development	57 216	42 600	57 545	56 169	56 169	55 145	57 655	60 851
<b>Total</b>	<b>131 113</b>	<b>105 365</b>	<b>121 113</b>	<b>118 414</b>	<b>118 414</b>	<b>118 321</b>	<b>122 492</b>	<b>129 201</b>
Change to 2010 Budget estimate				944	944	-	-	-
<b>Economic classification</b>								
<b>Current payments</b>	<b>66 247</b>	<b>56 291</b>	<b>57 387</b>	<b>60 354</b>	<b>60 354</b>	<b>61 142</b>	<b>62 702</b>	<b>66 098</b>
Compensation of employees	13 327	11 826	18 257	24 401	24 401	25 888	27 162	28 670
Goods and services	52 920	44 465	39 071	35 953	35 953	35 254	35 540	37 428
<i>of which:</i>								
<i>Administrative fees</i>	37	1 273	819	2 145	2 145	510	542	576
<i>Advertising</i>	1 030	677	775	702	702	746	795	843
<i>Assets less than the capitalisation threshold</i>	5 540	1 385	928	670	670	709	755	801
<i>Audit cost: External</i>	773	850	1 338	1 547	1 547	1 646	1 751	1 859
<i>Bursaries: Employees</i>	73	160	84	11	11	12	12	15
<i>Catering: Departmental activities</i>	660	863	408	341	341	405	431	458
<i>Communication</i>	1 993	2 163	1 025	1 093	1 093	1 130	1 460	1 275
<i>Computer services</i>	2 088	3 269	5 234	1 797	1 797	1 941	2 065	2 192
<i>Consultants and professional services: Business and advisory services</i>	14 331	8 994	6 887	3 584	3 584	4 464	5 162	5 654
<i>Consultants and professional services: Legal costs</i>	-	-	1 186	35	35	-	-	-
<i>Contractors</i>	-	5 804	155	866	866	920	979	1 038
<i>Agency and support / outsourced services</i>	-	6 670	8 191	5 769	5 769	5 696	4 741	5 078
<i>Entertainment</i>	254	118	98	159	159	173	182	192
<i>Fleet services (including government motor transport)</i>	1	-	-	-	-	463	493	526
<i>Inventory: Food and food supplies</i>	-	-	-	40	40	-	-	-
<i>Inventory: Learner and teacher support material</i>	-	9	10	270	270	287	306	324
<i>Inventory: Materials and supplies</i>	329	463	250	253	253	269	284	301
<i>Inventory: Medical supplies</i>	-	2	-	-	-	1	1	1
<i>Inventory: Other consumables</i>	8	125	405	90	90	93	100	106
<i>Inventory: Stationery and printing</i>	3 840	1 151	1 899	2 300	2 300	2 444	1 601	1 690
<i>Lease payments</i>	18 015	2 182	5 005	3 725	3 725	4 235	4 400	4 642
<i>Property payments</i>	-	5 627	448	4 739	4 739	513	539	569
<i>Transport provided: Departmental activity</i>	46	-	-	-	-	-	-	-
<i>Travel and subsistence</i>	2 756	1 639	2 279	4 008	4 008	3 863	3 240	3 427
<i>Training and development</i>	379	174	494	675	675	725	877	930
<i>Operating expenditure</i>	592	433	352	586	586	2 071	1 831	1 942
<i>Venues and facilities</i>	175	434	801	548	548	1 938	2 993	2 989
<i>Interest and rent on land</i>	-	-	59	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>57 216</b>	<b>42 600</b>	<b>57 554</b>	<b>56 169</b>	<b>56 169</b>	<b>55 145</b>	<b>57 655</b>	<b>60 851</b>
Departmental agencies and accounts	57 216	42 600	57 545	56 169	56 169	55 145	57 655	60 851
Households	-	-	9	-	-	-	-	-

Table 12.12 Public Administration Leadership and Management Academy (continued)

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
R thousand								
<b>Economic classification</b>								
Payments for capital assets	7 644	6 474	5 938	1 891	1 891	2 034	2 135	2 252
Machinery and equipment	7 400	5 946	5 194	1 641	1 641	1 968	2 066	2 180
Software and other intangible assets	244	528	744	250	250	66	69	72
Payments for financial assets	6	-	234	-	-	-	-	-
<b>Total</b>	<b>131 113</b>	<b>105 365</b>	<b>121 113</b>	<b>118 414</b>	<b>118 414</b>	<b>118 321</b>	<b>122 492</b>	<b>129 201</b>

### Expenditure trends

The spending focus over the MTEF period will be on supporting local government's turnaround strategy through the provision of training to frontline support staff and unemployed youth. The department will also implement capacity building programmes through skills development and deployment to the coalface of service delivery.

The transfer payment to the training trading account constitutes 45.8 per cent of PALAMA's total spending over the seven-year period. Between 2007/08 and 2010/11, expenditure decreased from R131.1 million to R118.4 million, at an average annual rate of 3.3 per cent. The decrease was due to an additional once-off payment of R60 million provided in the 2007 Adjusted Estimates of National Expenditure to equip the new PALAMA premises and provide start-up funding for public sector mass induction training.

Over the MTEF period, expenditure is expected to increase at an average annual rate of 2.9 per cent to reach R129.2 million. The increase is as a result of additional funding of R1.1 million in 2011/12 and 2012/13, and R1.2 million in 2013/14 to provide for the higher than anticipated general salary adjustments. The ratio of administrative costs to line function programme costs is 1:1.9. The department has allocated R15.3 million over the medium term for the use of contractors, consultants and professional services. Consultants used provide support to the department for the designing and development of course material.

### Personnel information

The total establishment of the department stood at 268 posts in 2010/11 compared to 242 posts in 2009/10. There are 194 filled posts, including those additional to the establishment and 7 interns. There are 74 vacancies, of which 32 are funded and 42 are unfunded. It is important to note that the department is in the process of a far-reaching and fundamental transformation that is expected to have implications for the number of staff and consequently the funding for compensation of employees in the following and subsequent financial years.

## Public entities and other agencies

### Training trading account for PALAMA

The training trading account functions within PALAMA as a mechanism for the partial recovery of the costs of training programmes. The branches of the trading account directly facilitate and monitor the provision of leadership development and management training at all three levels of government, in collaboration with provincial academies and local government training entities.

### Strategic overview: 2007/08 – 2013/14

The strategic overview is discussed in the department's section above.

### Savings and cost effectiveness measures

A baseline reduction of R724 000 has been effected over the medium term to promote efficiency and reduce wastage. PALAMA will continue to review policies relating to cost containment areas to ensure non-core expenditure is kept at minimal levels. The entity will implement the measures in a way that will not jeopardise service delivery.

## Selected performance indicators

Table 12.13 PALAMA training trading account

Indicator	Programme/Activity	Past			Current 2010/11	Projections		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Number of training courses accredited each year	Public sector organisational and staff development	5	11	6	6	6	6	6
Number of actual person training days each year	Public sector organisational and staff development	104 292	134 375	149 744	61 500	145 000	145 000	145 000
Total number of certificates of competency issued	Public sector organisational and staff development	1 932	2 000	4 500	3 400	6 300	6 800	7 100
Revenue from course fees each year	Public sector organisational and staff development	R53.4m	R95m	R100m	R61m	R115m	R120m	R126m
Average number of days to collect debt	Public sector organisational and staff development	104	1 891	101	101	101	101	101

## Details of programmes/activities/objectives

The total budget allocated to this entity for 2010/11 was R117.2 million, of which 52 per cent was used for goods and services.

- **Executive Development** works with institutions of higher learning to deliver training at the senior management services level. In 2009/10 this programme designed 14 modules, reviewed 200 contracted service providers and presented 142 courses to 2 350 participants.
- **Curriculum Design, Accreditation and Quality** designs or commissions designs of course materials to be used by providers under the training framework, sees to its accreditation to assure quality, and seeks to advance the contribution of e-learning. In 2009/10, this programme reviewed and upgraded 10 courses and developed 10 new courses. Over the medium term, the programme will develop a draft public service qualifications framework.
- **Junior and Middle Management Services Providers** mobilises and coordinates the range of organisations that provide training and provides them with continuing professional development, and monitors the actual provision. In 2009/10 22 632 new employees were inducted through the induction programme. (This is 99 more compared to the previous year.)
- **Training Coordination** links users of training at all levels to extended training opportunities from providers. To this end, it has established a hi-tech countrywide contact centre, which also handles referrals to provincial academies and local government training entities and their respective providers. In September 2009, the call centre became fully operational and in 2010/11. A customer relations management system was taken forward as part of the broader enterprise resource project for PALAMA.
- **Business Development** actively conveys the opportunities for training to user departments countrywide by assigning staff at regional sites to collaborate with provincial academies and local government training entities. In 2009/10, PALAMA managed 130 927 (71 per cent) person training days. New training needs analysis methodology and tools have been developed and are being piloted in selected provinces.
- **International Relations** is responsible for projects with other countries in Africa such as the Democratic Republic of the Congo, Rwanda, Burundi, and Southern Sudan. It links with the African Management Development Institute's network and provides the focal point for donor relations. In 2009/10, this programme ensured that PALAMA has a continental and international footprint by facilitating a number of workshops where different countries come together to strengthen institutional systems and capacity building for better service delivery.

## Objectives and measures

- Improve the capacity of the state to deliver services by raising the skills levels of civil servants through providing competency based training of 145 000 person training days per year by 2013/14.
- Improve the quality of training by accrediting 6 courses per year on a rolling schedule between 2011/12 and 2013/14.

## Expenditure estimates

Table 12.14 PALAMA training trading account

R thousand	Audited outcome			Revised estimate 2010/11	Medium-term estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Public sector organisational and staff development	85 502	137 126	168 605	120 970	169 265	177 366	186 585
<b>Total expense</b>	<b>85 502</b>	<b>137 126</b>	<b>168 605</b>	<b>120 970</b>	<b>169 265</b>	<b>177 366</b>	<b>186 585</b>

Table 12.15 PALAMA training trading account

Statement of financial performance							
R thousand	Audited outcome			Revised estimate 2010/11	Medium-term estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>60 957</b>	<b>96 344</b>	<b>109 568</b>	<b>61 620</b>	<b>115 246</b>	<b>120 998</b>	<b>127 038</b>
Sale of goods and services other than capital assets	53 393	82 260	100 485	61 420	115 046	120 798	126 838
<i>of which:</i>							
<i>Sales by market establishments</i>	53 393	82 260	100 485	61 420	115 046	120 798	126 838
<i>Other non-tax revenue</i>	7 564	14 084	9 083	200	200	200	200
Transfers received	62 202	42 600	57 545	55 553	55 145	57 655	60 851
<b>Total revenue</b>	<b>123 159</b>	<b>138 944</b>	<b>167 113</b>	<b>117 173</b>	<b>170 391</b>	<b>178 653</b>	<b>187 889</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>85 502</b>	<b>137 126</b>	<b>168 605</b>	<b>120 970</b>	<b>169 265</b>	<b>177 366</b>	<b>186 585</b>
Compensation of employees	26 425	32 917	49 462	58 814	63 726	66 877	70 250
Goods and services	58 183	102 988	118 069	61 206	104 553	109 465	115 273
Depreciation	894	1 221	1 074	950	986	1 024	1 062
<b>Total expenses</b>	<b>85 502</b>	<b>137 126</b>	<b>168 605</b>	<b>120 970</b>	<b>169 265</b>	<b>177 366</b>	<b>186 585</b>
<b>Surplus / (Deficit)</b>	<b>37 657</b>	<b>1 818</b>	<b>(1 492)</b>	<b>(3 797)</b>	<b>1 126</b>	<b>1 287</b>	<b>1 304</b>
<b>Statement of financial position</b>							
Carrying value of assets	1 633	2 728	4 166	3 216	2 230	1 206	144
<i>of which: Acquisition of assets</i>	1 183	2 316	2 687	-	-	-	-
Receivables and prepayments	28 729	45 817	33 447	27 300	30 030	32 732	35 433
Cash and cash equivalents	79 931	59 333	69 242	29 821	34 509	38 771	37 417
<b>Total assets</b>	<b>110 293</b>	<b>107 878</b>	<b>106 855</b>	<b>60 337</b>	<b>66 769</b>	<b>72 709</b>	<b>72 994</b>
Accumulated surplus/deficit	88 858	90 676	89 184	53 509	59 341	64 681	64 366
Trade and other payables	19 207	14 346	13 220	5 000	5 500	6 000	6 500
Provisions	2 228	2 856	4 451	1 828	1 928	2 028	2 128
<b>Total equity and liabilities</b>	<b>110 293</b>	<b>107 878</b>	<b>106 855</b>	<b>60 337</b>	<b>66 769</b>	<b>72 709</b>	<b>72 994</b>
Contingent liabilities	89	-	-	-	-	-	-

## Expenditure trends

The spending focus over the MTEF period will be on: developing new programmes and interventions to meet emerging needs, exploring alternative delivery modes of training with particular reference to e-learning approaches, and setting up regional sites to ensure greater presence where training opportunities need to be provided.

Between 2007/08 and 2010/11, total revenue decreased from R123.2 million to R117.2 million, at an average annual rate of 2 per cent. This decrease is as a result of a decline in the number of people training days during the 2010 FIFA Soccer World Cup. The entity's main source of revenue is sales of goods and services, which constitute 61 per cent of the entity's revenue over the seven-year period. Over the medium term, revenue is expected to increase to R188 million, at an average annual rate of 12 per cent due to the anticipated increase in the number of people training days.

Between 2007/08 and 2008/09, expenditure in the training trading account increased from R85.5 million to R121 million, at an average annual rate of 12 per cent. This was mainly due to the additional allocation of R28 million that was provided in the 2007 Adjusted Estimates of National Expenditure for the public sector mass induction programme and due to an increase in training activity and expenditure on outsourced partner

organisations. Over the MTEF period, expenditure is expected to increase to R187 million, at an average annual rate of 3 per cent. This is driven by operational costs including the cost of trainers, training venues, learner accommodation, and course material development and accreditation. The increase is also due to course marketing, quality assurance, monitoring and evaluation, and logistics related costs.

## Personnel

Table 12.16 PALAMA training trading account

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year <sup>1</sup>	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Executive management	4	4	–	–	3	4	4	4	4	4
Senior management	34	31	4	15	13	29	31	33	39	39
Middle management	60	51	6	43	34	44	46	52	59	59
Semi-skilled	50	40	4	33	19	42	36	40	51	51
Very low skilled	2	2	–	7	2	2	2	2	2	2
<b>Total</b>	<b>150</b>	<b>128</b>	<b>14</b>	<b>98</b>	<b>71</b>	<b>121</b>	<b>119</b>	<b>131</b>	<b>155</b>	<b>155</b>
Compensation (R thousand)				26 425	32 917	49 462	58 814	63 726	66 877	70 250
Unit cost (R thousand)				270	464	409	494	486	431	453

1. As at 30 September 2010

As at 31 March 2010, the training trading account had 154 approved posts, of which 121 were filled. The vacancy rate stood at 21 per cent and there were 119 filled positions. The entity anticipates that over the MTEF period, 155 posts will be filled.

## Public Services Sector and Education Training Authority

### Strategic overview: 2007/08 – 2013/14

The Public Services Sector Education and Training Authority is a sector education and training authority for the public services sector established in terms of the Skills Development Act (1998). Its main objectives are to: implement sector skills plans for developing appropriate skills, develop and register learning programmes, act as an education and training quality assurance body, and distribute skills development levy funds. The authority has its licence renewed for one year, after which continued renewal of the license for continued operations will depend on the outcome of the inter-ministerial task team investigation on the viability and operating model of the entity.

The authority met the National Skills Development Strategy targets through a legislated service level agreement with the Department of Higher Education and Training. These annual agreements are determined by the national skills development strategy's five-year target, which is also calculated in annual terms over the five-year period. Sector education and training authority skills plans are automatically uploaded through an integrated data collection process into the employment services system so that the annual national scarce skills list is efficiently updated.

The authority's priority over the MTEF period is to improve the level of skills and competency in the public service sector through the implementation of the national skills development strategy III. The authority has identified skills development interventions in the following areas: trades and artisanships, professional placements, work integrated learning, internships, learnerships, adult basic education and training, skills programmes, pivotal programmes, and work experience placements. In addition, the authority has set aside resources for implementing the rural youth development project, which is a national government priority.

### Savings and cost effectiveness measures

Savings will be effected mainly by centralising the procurement process to streamline the authority's activities. The authority has aligned divisional business processes to reduce unnecessary travelling and subsistence expenses, conducted a skills audit and identified internal capacity to reduce the use of consultants, explored the option of repairing office equipment, furniture and fittings instead of replacing it, implemented cost effective telephone practices, and reduced office refreshments and entertainment allowances.

## Selected performance indicators

Table 12.17 Public Services Sector and Education Training Authority

Indicator	Programme/Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of broad based black economic empowerment small, medium and micro enterprises and cooperatives that receive skills development support per year	Discretionary Grants	6 335	2 400	2 450	2 500	2 000	2 000	2 000
Number of adult basic education and training learners registered by sector education and training authorities per year	Discretionary Grants	3 200	650	2 450	2 500	2 500	2 500	2 500
Number of adult basic education and training learners who have completed programmes per year	Discretionary Grants	1 000	1 300	650	1 250	1 000	1 000	1 000
Number of workers assisted to enter scarce and critical skills programmes through learnerships, apprenticeships, bursaries and skills programmes per year	Discretionary Grants	700	700	1 300	2 000	2 500	2 500	2 500
Number of workers enrolled in scarce and critical skills programmes who have completed learning programmes per year	Discretionary Grants	6 335	347	650	1 000	1 250	1 250	1 250
Number of unemployed people assisted to enter scarce and critical skills programmes in learnerships, apprenticeships, internships, bursaries and skills programmes per year	Discretionary Grants	3 200	3 200	1 300	1 500	2 000	2 000	2 000
Number of unemployed learners who have completed learning programmes per year	Discretionary Grants	347	347	347	1 030	1 250	1 250	1 250
Number of youth supported through new venture creation programmes per year	Discretionary Grants	1 000	1 000	1 000	2 000	1 000	1 000	1 000
Number of ventures sustainable 12 months after completion of the programme per year	Discretionary Grants	700	700	700	1 500	750	750	750

## Details of programmes/activities/objectives

The total budget allocated to this entity for 2010/11 was R21.1 million, of which 95 per cent was used in the Administration programme

- **Administration Costs** relates to expenditure of the administration activities of the authority, which are mainly for procurement of goods and services and compensation of employees.
- **Discretionary Grants** funds skills development programmes to address skills gaps identified in the sector skills plan. The authority has discretionary reserves of R8.5 million, from which it intends to fund discretionary related projects, such as the emerging provider development project (45 cooperatives), adult education and training, skills programmes and short courses, planning for catalytic grant application, and the rural youth development project.
- **Mandatory Grants** pays out grants to qualifying employers after their submission of work skills plans and annual training reports that are to meet the Public Services Sector Education and Training Authority's prescribed criteria.

## Expenditure estimates

Table 12.18 Public Services Sector and Education Training Authority

R thousand	Audited outcome			Revised estimate 2010/11	Medium-term estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Mandatory Grants	1	1	54	133	717	749	782
Discretionary Grants	-	-	-	-	14 176	9 923	7 839
Administration	7	10	17	20 057	16 192	17 455	18 650
National Skills Fund Expenditure	6	241	2	1	-	-	-
<b>Total expense</b>	<b>14</b>	<b>252</b>	<b>73</b>	<b>20 191</b>	<b>31 084</b>	<b>28 127</b>	<b>27 271</b>

Table 12.19 Public Services Sector and Education Training Authority

### Statement of financial performance

R thousand	Audited outcome			Revised estimate 2010/11	Medium-term estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
<b>Revenue</b>							
Non-tax revenue	430	306	41	4	2 282	2 459	2 656
<i>Other non-tax revenue</i>	430	306	41	4	2 282	2 459	2 656
Transfers received	1 837	1 182	989	21 105	22 190	23 285	24 559
<b>Total revenue</b>	<b>2 267</b>	<b>1 488</b>	<b>1 030</b>	<b>21 109</b>	<b>24 472</b>	<b>25 743</b>	<b>27 214</b>
<b>Expenses</b>							
Current expense	11	10	17	20 057	16 192	17 455	18 650
Compensation of employees	-	-	-	7 128	7 410	8 151	8 803
Goods and services	11	10	17	12 929	8 522	8 948	9 395
Depreciation	-	-	-	-	260	356	452
Transfers and subsidies	3	241	56	134	14 892	10 672	8 621
<b>Total expenses</b>	<b>14</b>	<b>252</b>	<b>73</b>	<b>20 191</b>	<b>31 084</b>	<b>28 127</b>	<b>27 271</b>
<b>Surplus / (Deficit)</b>	<b>2 252</b>	<b>1 236</b>	<b>957</b>	<b>918</b>	<b>(6 612)</b>	<b>(2 384)</b>	<b>(57)</b>
<b>Statement of financial position</b>							
Carrying value of assets	-	-	-	-	630	630	511
<i>of which: Acquisition of assets</i>	-	-	-	-	890	356	333
Inventory	-	-	-	-	55	62	58
Receivables and prepayments	215	2 991	6 561	228	274	302	286
Cash and cash equivalents	15 315	13 688	10 121	9 604	9 931	8 748	7 435
<b>Total assets</b>	<b>15 530</b>	<b>16 679</b>	<b>16 681</b>	<b>9 832</b>	<b>10 890</b>	<b>9 741</b>	<b>8 290</b>
Accumulated surplus/deficit	6 205	7 441	8 398	9 316	2 704	320	263
Trade and other payables	9 298	9 202	8 233	454	1 681	926	787
Provisions	27	37	50	63	82	106	128
<b>Total equity and liabilities</b>	<b>15 530</b>	<b>16 679</b>	<b>16 681</b>	<b>9 833</b>	<b>4 466</b>	<b>1 353</b>	<b>1 178</b>

## Expenditure trends

Spending over the MTEF period will focus on projects that are in alignment with the national skills development strategy and support the new economic growth path, the industrial policy action plan and rural development

In the past, the training authority's baseline allocations had been ringfenced and accounted for within the Department of Public Service and Administration for operational purposes. While the department has been performing procurement and other services on behalf of the authority, from April 2011, the authority will take over these functions and start operating as a jurisdiction person. The department will transfer baseline allocations directly to the training authority's bank account, which explains the increases in transfers and subsidies, and expenses over the medium term.

Between 2011/12 and 2013/14, total revenue is expected to grow at an average annual rate of 5.4 per cent, from R24.4 million to R27.1 million, mainly due to increases in skills development levies collected by the South African Revenue Service and transfers from the department.

Over the medium term, spending on compensation of employees is projected to grow from R7.4 million to R8.8 million, at an average annual rate of 9 per cent. This is attributable to an increase in the entity's establishment as a result of organisational growth. Spending on goods and services will increase at an average annual rate of 7 per cent over the medium term, from R8.5 million in 2011/12 to R9.3 million in 2013/14. The decrease in transfers and subsidies is due to an anticipated decrease in levy income resulting from a decrease in transfer payments to qualifying companies and projects.

The finance and corporate service unit is responsible for the overall administration of the training authority. Its estimated cost of employment for support units will be R7.4 million for 2011/12.

### Personnel Information

Historically, the training authority has never had its own staff, and has depended on employees seconded from the department. The training authority has filled 10 posts in 2010/11 and expects to fill 29 in 2011/12 as it establishes itself.

Table 12.20 Public Services Sector and Educational Training Authority

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year <sup>1</sup>	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Salary Level</b>										
Executive management	-	-	-	-	-	-	2	2	2	2
Senior management	-	-	-	-	-	-	5	5	5	5
Middle management	-	-	-	-	-	-	12	12	12	12
Professionals	-	-	-	-	-	-	6	6	6	6
Semi-skilled	-	-	-	-	-	-	10	10	10	10
Very low skilled	-	-	-	-	-	-	4	4	4	4
<b>Total</b>	-	-	-	-	-	-	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>
Compensation (R thousand)				-	-	-	7 128	7 410	8 151	8 803
Unit cost (R thousand)				-	-	-	183	190	209	226

1. As at 30 September 2010

## State Information Technology Agency

### Strategic overview: 2007/08 – 2013/14

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 currently in the process of implementing a turn around strategy and operating plan that will build on its demonstrated capabilities and address all the challenges facing the agency. The strategy has identified six key outcomes which must be achieved over the next three to five years: to be the proficient lead agency in public sector IT; to achieve an effective and integrated public sector ICT supply chain management system; to ensure competitive pricing and financial sustainability; to be an effective regulator; to carry out effective governance and monitoring; and to be an employer of choice.

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.

The turn around strategy will be executed through programmes and projects with approved operating plans and projected budgets.

### Savings and cost effectiveness measures

The agency's contributions to reducing the cost of conducting business include: creating a shared services model for centralising, standardising and consolidating 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 12.21 State Information Technology Agency

Indicator	Past			Current 2010/11	Projections		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Percentage of operating profit margin	6%	6%	6%	6%	6%	6%	6%
Liquidity ratio	2:1	2:1	2:1	1.5:1	1.5:1	1.5:1	1.5:1
Value of debtors balances per year	R618.2m	R692.4m	R768m	R770m	R769m	R791m	R831m
Solvency ratio	2:1	2:1	2:1	0	2:1	2:1	2:1
Percentage of external customer satisfaction according to satisfaction index	61%	70%	70%	75%	79%	79%	79%
Percentage turnover rate of personnel with critical skills	8%	7%	6%	0%	7%	7%	7%
Average employee satisfaction according to satisfaction index 1 to 5, 1 = poor and 5 = excellent)	2,5	2,8	3	3,5	3,7	3,9	3,9

### Expenditure estimates

Table 12.22 State Information Technology Agency

R thousand	Audited outcome			Revised estimate 2010/11	Medium-term estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Integrated Financial Management Services	1 240 878	1 315 331	1 394 251	1 477 906	1 566 580	1 723 238	1 895 562
Supply Chain Management Solution	1 932 429	2 426 908	2 123 073	2 362 386	2 121 645	2 170 962	2 357 057
Business Intelligence and Technology Architect Solution	24 583	196 700	194 866	193 771	193 771	213 148	234 463
Functional Architecture	47 776	30 000	53 681	56 902	60 316	166 348	172 983
Change Management	228 615	82 534	302 063	175 467	668 440	760 835	836 919
<b>Total expense</b>	<b>3 474 281</b>	<b>4 051 473</b>	<b>4 067 934</b>	<b>4 266 432</b>	<b>4 610 752</b>	<b>5 034 531</b>	<b>5 496 984</b>

Table 12.23 State Information Technology Agency

Statement of financial performance				Revised estimate 2010/11	Medium-term estimate		
R thousand	Audited outcome				2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>3 773 481</b>	<b>4 161 980</b>	<b>4 099 673</b>	<b>4 312 830</b>	<b>4 699 395</b>	<b>5 166 883</b>	<b>5 680 970</b>
Sale of goods and services other than capital assets	3 614 374	3 933 571	3 941 773	4 240 830	4 622 505	5 084 755	5 593 231
<i>of which:</i>							
<i>IT services revenue</i>	3 614 374	3 933 571	3 941 773	4 240 830	4 622 505	5 084 755	5 593 231
<i>Infrastructure (mainframe, network)</i>	159 107	228 409	157 900	72 000	76 890	82 128	87 739
<b>Total revenue</b>	<b>3 773 481</b>	<b>4 161 980</b>	<b>4 099 673</b>	<b>4 312 830</b>	<b>4 699 395</b>	<b>5 166 883</b>	<b>5 680 970</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>3 345 507</b>	<b>4 005 951</b>	<b>4 050 111</b>	<b>4 247 481</b>	<b>4 576 280</b>	<b>4 983 061</b>	<b>5 425 434</b>
Compensation of employees	1 240 878	1 432 387	1 709 646	1 775 239	1 902 836	1 997 978	2 097 877
Goods and services	1 932 429	2 327 468	2 105 216	2 313 116	2 489 307	2 779 946	3 114 888
Depreciation	124 424	172 412	177 512	159 126	184 137	205 137	212 669
Interest, dividends and rent on land	47 776	73 684	57 737	–	–	–	–
<b>Total expenses</b>	<b>3 474 281</b>	<b>4 051 473</b>	<b>4 067 934</b>	<b>4 266 432</b>	<b>4 610 752</b>	<b>5 034 531</b>	<b>5 496 984</b>
<b>Surplus / (Deficit)</b>	<b>299 200</b>	<b>110 507</b>	<b>31 739</b>	<b>46 398</b>	<b>88 643</b>	<b>132 352</b>	<b>183 986</b>
<b>Statement of financial position</b>							
Carrying value of assets	594 135	615 991	517 222	630 050	631 803	672 056	704 277
<i>of which: Acquisition of assets</i>	261 825	198 506	88 049	275 760	190 000	250 000	250 000
Inventory	15 852	19 584	67 634	78 753	86 629	80 291	84 306
Receivables and prepayments	809 561	918 419	854 470	1 072 686	950 000	807 850	848 243
Cash and cash equivalents	1 101 256	984 717	1 085 152	722 452	727 440	1 167 643	1 226 025
Assets not classified elsewhere	39 763	73 274	144 622	20 843	456 125	546 918	668 926
<b>Total assets</b>	<b>2 560 567</b>	<b>2 611 985</b>	<b>2 669 100</b>	<b>2 524 784</b>	<b>2 851 997</b>	<b>3 274 758</b>	<b>3 531 776</b>
Accumulated surplus/deficit	740 629	851 135	882 875	929 273	1 017 916	1 150 268	1 334 254
Capital and reserves	625 335	625 334	627 335	627 334	627 334	627 334	627 334
Borrowings	20 800	10 400	10 400	5 200	–	–	–
Post-retirement benefits	93 213	102 382	110 835	110 835	110 835	166 835	166 835
Trade and other payables	625 664	690 553	577 156	602 142	750 000	836 249	836 249
Provisions	73 500	66 943	–	–	40 211	63 428	111 300
Liabilities not classified elsewhere	381 426	265 239	460 499	250 000	305 701	430 644	455 804
<b>Total equity and liabilities</b>	<b>2 560 567</b>	<b>2 611 986</b>	<b>2 669 100</b>	<b>2 524 784</b>	<b>2 851 997</b>	<b>3 274 758</b>	<b>3 531 776</b>

## Expenditure trends

Over the MTEF period, spending will focus on implementing a turn around strategy and operating plan that will address the challenges facing the agency.

The agency's main source of revenue is from sales by the market establishment including revenue from IT services. Between 2007/08 and 2010/11, revenue increased from R3.8 billion to R4.3 billion, at an average annual rate of 4.6 per cent. The main contributor to this increase is sales of goods and services. Revenue is expected to increase from R4.3 billion in 2010/11 to R5.7 billion in 2013/14, due to an anticipated increase in sales of services.

Between 2007/08 and 2010/11, expenditure grew from R3.5 billion in 2007/08 to R4.3 billion in 2010/11, at an average annual rate of 7.1 per cent. The main contributor of this increase is the growth of the business intelligence and technology unit due to its piloting of a performance management tool on the enterprise planning system in 2008. A significant portion of the expenditure is attributed to spending on compensation of employees, which accounts for 41.2 per cent of current expenses. Over the medium term, expenditure is expected to grow at an average annual rate of 8.8 per cent, to reach R5.5 billion. This increase is mainly due to inflation related adjustments to salaries.

## Personnel Information

As at the 30 September 2010, the agency had an approved funded establishment of 3 883 posts, of which 2 654 had been filled. As part of the turnaround strategy, the agency is currently focusing on resourcing the entity. It is expected that the establishment will increase to 3 903 by 2013/14 and that 1 249 posts will be filled over the medium term. Each of the entity's departments are being assessed and evaluated to determine the required skills and resources. As a result of this exercise, there is currently a moratorium on all non-recoverable vacancies, while recoverable vacancies are approved on an individual basis.

Table 12.24 State Information Technology Agency

	Post Status as at 30 September 2010			No. of posts filled on funded establishment						
	No. of posts on approved establishment	No. of funded posts (establishment)	No. of vacant posts	Actual			Mid-year <sup>1</sup> 2010/11	Projections over the MTEF		
				2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
<b>Salary Level</b>										
Board Members	18	9	1	9	7	18	18	19	19	19
Executive Management	3	6	1	6	5	3	3	9	9	9
Senior Management	35	37	2	34	32	36	35	35	35	40
Middle Management	724	1 000	103	608	425	715	724	690	755	1 000
Professionals	1 283	1 716	148	1 090	929	1 278	1 283	1 500	1 650	1 716
Semi-skilled	530	1 019	255	538	510	532	530	650	700	1 019
Very low skilled	61.0	96.0	37.0	48.0	63.0	59.0	61.0	70.0	85.0	100.0
<b>Total</b>	<b>2 654</b>	<b>3 883</b>	<b>547</b>	<b>2 333</b>	<b>1 971</b>	<b>2 641</b>	<b>2 654</b>	<b>2 973</b>	<b>3 253</b>	<b>3 903</b>
Compensation (R thousand)				1 240 878	1 432 387	1 709 646	1 775 239	1 902 836	1 997 978	2 097 877
Unit cost (R thousand)				532	727	647	669	640	614	538

1. As at 30 September 2010.

## Additional tables

**Table 12.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	2009/10		2009/10	2010/11			2010/11
Administration	109 568	116 178	125 428	140 531	8 144	148 675	148 675
Human Resource Management and Development	40 485	39 667	36 833	40 836	2 529	43 365	41 459
Labour Relations and Remuneration Management	17 748	86 596	87 996	21 707	2 001	23 708	23 708
Public Sector Information and Communication Technology Management	39 122	38 062	34 839	42 011	(1 505)	40 506	40 506
Service Delivery and Organisational Transformation	200 066	206 697	204 602	204 664	(1 451)	203 213	203 213
Governance and International Relations	189 335	195 589	181 084	201 735	(2 549)	199 186	199 186
<b>Total</b>	<b>596 324</b>	<b>682 789</b>	<b>670 782</b>	<b>651 484</b>	<b>7 169</b>	<b>658 653</b>	<b>656 747</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>331 884</b>	<b>405 913</b>	<b>406 996</b>	<b>376 913</b>	<b>1 560</b>	<b>378 473</b>	<b>376 567</b>
Compensation of employees	137 871	153 387	156 780	174 430	9 201	183 631	183 631
Goods and services	194 013	252 526	250 011	202 483	(7 855)	194 628	192 722
Interest and rent on land	–	–	205	–	214	214	214
<b>Transfers and subsidies</b>	<b>262 791</b>	<b>275 227</b>	<b>254 343</b>	<b>271 626</b>	<b>3 745</b>	<b>275 371</b>	<b>275 371</b>
Provinces and municipalities	1	1	1	1	–	1	1
Departmental agencies and accounts	262 365	274 798	252 902	271 229	1 818	273 047	273 047
Foreign governments and international organisations	400	400	555	396	203	599	599
Households	25	28	885	–	1 724	1 724	1 724
<b>Payments for capital assets</b>	<b>1 649</b>	<b>1 649</b>	<b>9 437</b>	<b>2 945</b>	<b>1 864</b>	<b>4 809</b>	<b>4 809</b>
Machinery and equipment	1 539	1 539	9 273	2 623	1 944	4 567	4 567
Software and other intangible assets	110	110	164	322	(80)	242	242
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>6</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>596 324</b>	<b>682 789</b>	<b>670 782</b>	<b>651 484</b>	<b>7 169</b>	<b>658 653</b>	<b>656 747</b>

**Table 12.B Detail of approved establishment and personnel numbers according to salary level <sup>1</sup>**

Department	Personnel post status as at 30 September 2010			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved	Number of funded posts establishment	Number of posts additional to the establishment	Actual			Mid-year <sup>2</sup>	Medium-term estimate		
				2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
<b>Department</b>	<b>522</b>	<b>437</b>	<b>44</b>	–	–	<b>466</b>	<b>440</b>	<b>521</b>	<b>521</b>	<b>521</b>
Salary level 1 – 6	151	126	26	–	–	132	120	140	140	140
Salary level 7 – 10	135	114	9	–	–	122	121	122	122	122
Salary level 11 – 12	123	99	5	–	–	101	95	138	138	138
Salary level 13 – 16	113	98	4	–	–	111	104	121	121	121
<b>Administration</b>	<b>241</b>	<b>199</b>	<b>14</b>	–	–	<b>210</b>	<b>210</b>	<b>219</b>	<b>219</b>	<b>219</b>
Salary level 1 – 6	105	86	11	–	–	87	87	91	91	91
Salary level 7 – 10	64	57	–	–	–	60	60	60	60	60
Salary level 11 – 12	39	29	2	–	–	29	29	35	35	35
Salary level 13 – 16	33	27	1	–	–	34	34	33	33	33
<b>Human Resource Management and Development</b>	<b>80</b>	<b>78</b>	<b>10</b>	–	–	<b>61</b>	<b>45</b>	<b>71</b>	<b>71</b>	<b>71</b>
Salary level 1 – 6	16	15	6	–	–	13	9	12	12	12
Salary level 7 – 10	15	14	3	–	–	12	8	14	14	14
Salary level 11 – 12	29	29	1	–	–	19	15	25	25	25
Salary level 13 – 16	20	20	–	–	–	17	13	20	20	20

Table 12.B Detail of approved establishment and personnel numbers according to salary level <sup>1</sup> (continued)

	Personnel post status as at 30 September 2010			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved	Number of funded posts establishment	Number of posts additional to the establishment	Actual			Mid-year <sup>2</sup> 2010/11	Medium-term estimate		
				2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
<b>Labour Relations and Remuneration Management</b>	37	29	1	-	-	56	46	65	65	65
Salary level 1 – 6	5	3	1	-	-	10	3	10	10	10
Salary level 7 – 10	11	10	-	-	-	17	16	17	17	17
Salary level 11 – 12	12	10	-	-	-	18	16	23	23	23
Salary level 13 – 16	9	6	-	-	-	11	11	15	15	15
<b>Public Sector Information and Communication Technology Management</b>	31	21	2	-	-	32	31	41	41	41
Salary level 1 – 6	3	3	1	-	-	3	3	7	7	7
Salary level 7 – 10	7	3	-	-	-	3	7	3	3	3
Salary level 11 – 12	9	5	-	-	-	9	9	16	16	16
Salary level 13 – 16	12	10	1	-	-	17	12	15	15	15
<b>Service Delivery and Organisational Transformation</b>	71	59	4	-	-	58	58	67	67	67
Salary level 1 – 6	12	10	3	-	-	10	9	10	10	10
Salary level 7 – 10	19	15	-	-	-	15	15	15	15	15
Salary level 11 – 12	20	16	-	-	-	16	16	20	20	20
Salary level 13 – 16	20	18	1	-	-	17	18	22	22	22
<b>Governance and International Relations</b>	62	51	13	-	-	49	50	58	58	58
Salary level 1 – 6	10	9	4	-	-	9	9	10	10	10
Salary level 7 – 10	19	15	6	-	-	15	15	13	13	13
Salary level 11 – 12	14	10	2	-	-	10	10	19	19	19
Salary level 13 – 16	19	17	1	-	-	15	16	16	16	16

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. As at 30 September 2010.

Table 12.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Compensation of employees (R thousand)	115 820	129 111	156 780	183 631	209 974	230 669	251 786
Training expenditure (R thousand)	2 186	3 701	2 634	3 386	3 239	3 444	3 655
Training as percentage of compensation of employees	1.9%	2.9%	1.7%	1.8%	1.5%	1.5%	1.5%
Total number trained in department (head count)	200	202	211	211			
<i>of which:</i>							
Employees receiving bursaries (head count)	47	45	42	41			
Learnerships trained (head count)	-	-	5	-			
Internships trained (head count)	24	25	25	25			

Table 12.D Summary of departmental public private partnership (PPP) projects

Project description: National Fleet Contract (RTG718PPP)	Project annual unitary fee at time of contract	Budgeted expenditure 2010/11	Medium-term expenditure estimate		
			2011/12	2012/13	2013/14
R thousand					
Projects signed in terms of Treasury Regulation 16	1 013	1 607	1 643	1 685	1 728
PPP unitary charge	1 013	1 607	1 643	1 685	1 728
<b>Total</b>	<b>1 013</b>	<b>1 607</b>	<b>1 643</b>	<b>1 685</b>	<b>1 728</b>

## Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	National fleet contract (RT718SP also known as RTG718PPP)
Brief description	Provision of fleet vehicles to the state (full maintenance lease contract)
Date PPP agreement was signed	3 June 2009
Duration of PPP agreement	Five years (ending November 2011)
Escalation index for unitary fee	CPIX (annually) factored in at 3.2 % for 2010/2011 and 4% per year on the variable factors for the remaining period
Net present value of all payment obligations discounted at appropriate duration government bond yield	N/A
Variations / amendments to PPP agreement	CPIX increase effective annually within the month of December
Cost implications of variations/amendments	R121 000 from 2011 - 2014
Significant contingent fiscal obligations including termination payments, guarantees, warranties and indemnities and maximum estimated value of such liabilities	N/A

Table 12.E Summary of donor funding

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand												
Foreign In cash												
United Kingdom	Integrated Provincial Support	Service Delivery and Organisational Transformation	9 036	Goods and services	Programme and project management, improved transparency and accountability, enhanced accessibility of basic service to the poor, strengthening the centre of government in Limpopo, Free State, Mpumalanga, KwaZulu-Natal and the Eastern Cape	1 681	-	-	-	-	-	-
Sweden	Public support in the Democratic Republic of the Congo	Governance and International Relations	5 784	Goods and services	Regional support to the Democratic Republic of the Congo, stabilisation of the country, building confidence in the state and developing a new governance framework through a census project. Census project in Kinshasa completed	533	-	-	-	-	-	-
Gesellschaft Technische Zusammenarbeit (GTZ)	Public service Aids Indaba III	Human Resource Management and Development	200	Goods and services	Contribution towards the public service reform project which is intended exclusively for costs incurred during the Learning session on the third public service AIDS indaba. The project was not completed and funding was refunded to donor	200	-	-	-	-	-	-
Gesellschaft Technische Zusammenarbeit (GTZ)	South African public management conversation conference and the fourth pan African conference of ministers of public service	Governance and International Relations	179	Goods and services	Contribution to the Minister for Public Service and Administration Africa programme commitments by paying for the publication cost emanating from South African public management conversation conference and the 4th pan African conference of ministers of public service	179	-	-	-	-	-	-
Commonwealth Secretariat	Provincial learning and knowledge management workshop	Service Delivery and Organisational Transformation	37	Goods and services	Contribution to the provincial learning and knowledge management workshop hosted	37	-	-	-	-	-	-

Table 12.E Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand Foreign In cash												
Commonwealth Secretariat	Sponsored a study tour to Canada	Human Resource Management and Development	7	Goods and services	To gain insight in terms of best practices from the Canadian federal government system to relate their experiences to current issues faced by the South African government such as the macro-organisation of the state and centralisation versus decentralisation	7	-	-	-	-	-	-
Commonwealth Secretariat	Fourth Pan African meeting of ministers of public service	Governance and International Relations	297	Goods and services	Successfully hosting of the Pan African meeting of ministers of public service	297	-	-	-	-	-	-
Canadian International Development Agency	Anti-corruption capacity building programme	Governance and International Relations	21 287	Goods and services	Strengthening competencies to prevent, detect, investigate, prosecute and monitor corruption by law enforcement officials, as well as to increase the understanding of corruption. Training material developed, officials trained	-	-	706	3 827	3 299	3 427	-
Royal Danish Embassy	Business anti-corruption training programme	Governance and International Relations	6 163	Goods and services	Increased capacity to fight corruption in the public sector. Report on the business survey against corruption	-	-	6 163	-	-	-	-
Gesellschaft Technische Zusammenarbeit (GTZ)	Senior management service competency assessment	Human Resource Management and Development	1 080	Goods and services	Compulsory competency assessment instruments for senior management service members finalised	-	225	747	-	-	-	-
Gesellschaft Technische Zusammenarbeit (GTZ)	HR Connect	Human Resource Management and Development	2 049	Goods and services	Implementation of phases 2 and 3 of HR Connect. Organisational structure changed on Persal, Job title changed on Persal, posts updated with new job titles on Persal, department unique job profiles defined, distribution and capturing of survey forms	-	527	1 522	-	-	-	-

Table 12.E Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand												
African Renaissance Fund	Democratic Republic of the Congo census project	Governance and International Relations	30 404	Goods and services	Regional support to the Democratic Republic of the Congo, stabilisation of the country, building confidence in the state and developing new governance framework through a census project. The public service census has been completed in Kinshasa and Bas Con	-	16 729	7 499	6 176	-	-	-
United Nations Development Programme	Ministers' programme	Governance and International Relations	1 161	Goods and services	To successfully convene the sixth Pan African conference of ministers for public service	-	-	1 161	-	-	-	-
Gesellschaft Technische Zusammenarbeit (GTZ)	Awards sponsor	Service Delivery and Organisational Transformation	593	Goods and services	Hosting the annual Innovation conference and Innovation awards	-	-	328	255	-	-	-
In kind												
Gesellschaft Technische Zusammenarbeit (GTZ)	Conference sponsor	Human Resource Management and Development	500	Goods and services	Successful hosting of the senior management service conference	-	500	-	-	-	-	-
Gesellschaft Technische Zusammenarbeit (GTZ)	Procurement of a research specialist	Governance and International Relations	400	Goods and services	Procurement of a research specialist	-	400	-	-	-	-	-
Department for International Development (DFID)	Travel allowance	Human Resource Management and Development	2 100	Goods and services	Payment of travel allowance	-	2 100	-	-	-	-	-
Gesellschaft Technische Zusammenarbeit (GTZ)	Operational costs	Human Resource Management and Development	500	Goods and services	Contribution towards human resource management and development operational cost	-	500	-	-	-	-	-
Gesellschaft Technische Zusammenarbeit (GTZ)	Operational costs	Governance and International Relations	16	Goods and services	Payment of assessments	-	16	-	-	-	-	-
Gesellschaft Technische Zusammenarbeit (GTZ)	Operational costs	Human Resource Management and Development	78	Goods and services	Contribution towards human resource management and development operational cost	-	500	-	-	-	-	-
United Nations	Travelling expenditure	Governance and International Relations	21	Goods and services	Payment of travel allowance	-	21	-	-	-	-	-

Table 12.E Summary of donor funding (continued)

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand												
World Health Organisation	Training	Human Resource Management and Development	300	Goods and services	Training of government officials on Occupational Health and Safety	-	-	300	-	-	-	-
JHPIEGO Corporation	Increased capacity	Human Resource Management and Development	469	Goods and services	Increasing the capacity for the Health and Wellness Policy with regard to the implementation and access to confidentiality counselling and testing of HIV and Aids in the Public Sector	-	-	469	-	-	-	-
<b>Local In cash</b>												
Sportsman's Warehouse	Indaba Project	Human Resource Management and Development	100	Goods and services	Successful completion of the indaba project	100	-	-	-	-	-	-
Government Employees Medical Scheme	Employee health and wellness day	Human Resource Management and Development	110	Goods and services	Hosted the employee health and wellness day	110	-	-	-	-	-	-
Bytes Harges	Global forum V	Governance and International Relations	223	Goods and services	Hosted the global forum V	223	-	-	-	-	-	-
Gauteng Provincial Government	Global forum V	Governance and International Relations	470	Goods and services	Hosted the global forum V	470	-	-	-	-	-	-
<b>In kind</b>												
Sanlam	Senior management services conference	Human Resource Management and Development	1 200	Goods and services	Successful hosting of the annual senior management service conference	600	-	-	-	-	-	-
Internet Café (Cape Town)	Senior management services conference	Human Resource Management and Development	35	Goods and services	Successful hosting of the annual senior management services conference	35	-	-	-	-	-	-
South African Airways	Travel rands	Administration	9	Goods and services	Usage of South African Airways travel rands provided to the department	-	9	-	-	-	-	-
Microsoft	Awards sponsor	Service Delivery and Organisational Transformation	313	Goods and services	Contribution towards the hosting of the Centre for Public Service Innovation awards	-	313	-	-	-	-	-
National Credit Regulator	Training	Human Resource Management and Development	86	Goods and services	Training of government officials on Financial Wellness Capacity Development programs	-	-	86	-	-	-	-
<b>Total</b>			<b>85 207</b>			<b>4 472</b>	<b>21 840</b>	<b>18 981</b>	<b>10 258</b>	<b>3 299</b>	<b>3 427</b>	<b>-</b>



**ESTIMATES  
OF NATIONAL  
EXPENDITURE** **2011**

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