

20 YEARS OF FREEDOM



BUDGET 2014 ESTIMATES OF NATIONAL EXPENDITURE

VOTE 12 PUBLIC SERVICE AND ADMINISTRATION



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2014

National Treasury

Republic of South Africa

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The Estimates of National Expenditure 2014 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the Estimates of National Expenditure, which includes all national government budget votes, in respect of individual votes these e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are also included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.



“We know it well that none of us acting alone can achieve success. We must therefore act together as a united people, for national reconciliation, for nation building, for the birth of a new world. Let there be justice for all. Let there be peace for all. Let there be work, bread, water and salt for all. Let each know that for each the body, the mind and the soul have been freed to fulfil themselves.”

UNION BUILDINGS, PRETORIA, 10 MAY 1994



national treasury

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National Treasury
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Foreword

The national development plan, Vision 2030 of the government of South Africa, states that ‘Alongside hard work and effort, capabilities and the opportunities that flow from development enable individuals to live the lives to which they aspire.’ The 2014 Budget has been prepared in the spirit of this statement.

While the medium term expenditure framework (MTEF) contained in the 2014 Budget ushers in the new administration after the May elections, the country faces a markedly different situation from that of 2009. In 2006/07 and 2007/08, South Africa achieved budget surpluses. In 2008, however, the worldwide economic crisis meant budget deficit forecasts were inevitable. It is now clear that the recovery in real economic growth has been less robust than initially anticipated. Despite this, the economy is growing and government revenue collection is broadly on target. The 2009 Budget announced a ‘haircut’ and reprioritisation within budget baselines. At that stage, the reassignment of R19 billion comprised 12 per cent of the total monetary value of amendments to budgets made, of R160.6 billion. By contrast, the reassignment of the R19.6 billion in the 2014 Budget comprises 51 per cent of the total of R38.8 billion in amendments to budgets. The quantum of amendments to the total budget that can be made has clearly decreased substantially over time.

Despite the fiscal environment becoming increasingly constrained, National Treasury has been able to sustain the intensity of the pursuit for budget efficiencies, with most of the fiscal space for improvements to service delivery being made through reprioritisation. This will be reinforced by procurement reform and expenditure review initiatives. While the current fiscal position no longer automatically creates room by making additional funding available, progress towards our country objectives of inclusive economic growth and employment creation must be made in the face of a tough fiscal environment. Therefore the main budget non-interest aggregate expenditure ceiling established in the 2013 Budget remains intact. New priorities and the expansion of existing programmes must be achieved through reprioritisation within the existing resource envelope.

The current fiscal context is necessitating hard trade-offs: difficult choices will need to be made in choosing between spending priorities and in deciding on the sequencing of programme implementation. Given the constraints brought to bear by the expenditure ceiling, all government institutions need to manage any cost pressures that may be related to changes in the inflation rate, exchange rate or any other factors affecting input prices with great efficiency. This means that not everything that we believe must be done, can be done at once. In the reprioritisation of existing funds, certain outputs will have to be delayed, or discontinued.

The issue is what goods and services tax-payers’ monies ‘buy’. In keeping with the ongoing endeavour to improve transparency and reinforce accountability, the focus of the sections on budget programme expenditure trends within each vote in the 2014 Estimates of National Expenditure (ENE) publications has shifted, to an explanation of the interrelationship between the significant changes in spending, performance outputs and outcomes, and in personnel.

National Treasury teams have worked closely with policy and budget teams of national and provincial departments, as well as with public entities and local government, ensuring the alignment of policy developments with the national development plan and scrutinising spending trends and cost drivers, ever mindful of service delivery. Without this cooperation and commitment across government, it would not be possible to submit the credible and comprehensive institutional budgets contained in this publication. The political guidance of the Minister of Finance, his Deputy and the members of the ministers’ committee on the budget, has been indispensable to the medium term expenditure committee of accounting officers of departments at the centre of government, in its task of providing the strategic direction in formulating the budget. I thank you all for your assistance.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications are important accountability documents, which set out the details of planned expenditure and planned performance at the time the Budget is tabled. The 2014 ENE publications largely retain the same layout of information as presented in previous years' publications. This allows information to be easily compared across publications and financial years. As in the past, information is presented for a seven-year period and contains details of all national departmental programmes and subprogrammes. Information is presented in a similar way for the national public entities related to each department. For the first time in the ENE publications, in 2014, information on changes in finances, personnel and performance is brought together with the focus on the significant interrelationships between these changes. This discussion, in the expenditure trends sections of the budget programmes in each chapter, allows the reader to assess the effectiveness of past, as well as of planned, spending.

When compared to the abridged version of the ENE, which includes all national government votes, the ENE e-publications provide more detailed expenditure information for individual votes on goods and services as well as transfers and subsidies. While the abridged version of the ENE contains one additional table at the end of each vote which has information on infrastructure spending, the ENE e-publications' additional tables also contain summaries of: the budgeted expenditure and revised estimate for 2013/14, and the audited outcome for 2012/13, by programme and economic classification; expenditure on training; conditional grants to provinces and municipalities; departmental public private partnerships; and donor funding. In selected cases more detailed information at the level of the site of service delivery is included. Budget information is also provided for the public entities that are simply listed in the abridged publication.

A separate ENE Overview e-publication is also available, which contains a description at the main budget non-interest level, summarising the Estimates of National Expenditure publication information across votes. The Overview contains this narrative explanation and summary tables; and also has a write-up on interpreting the information that is contained in each section of the publications.

Public Service and Administration

**National Treasury
Republic of South Africa**



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Vote 12

Public Service and Administration

Budget summary

R million	2014/15				2015/16	2016/17
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	211.4	206.9	0.1	4.4	231.6	240.6
Human Resource Management and Development	37.6	37.4	–	0.2	38.4	40.2
Labour Relations and Remuneration Management	48.5	48.3	–	0.1	33.1	37.5
Public Sector Information and Communication Technology Management	37.6	37.5	–	0.1	35.9	38.5
Service Delivery and Organisational Transformation	237.8	74.1	163.2	0.4	245.4	257.9
Governance and International Relations	302.3	74.3	226.9	1.1	292.4	314.7
Total expenditure estimates	875.1	478.6	390.2	6.3	876.8	929.3

Executive authority Minister of Public Service and Administration
Accounting officer Director General of Public Service and Administration
Website address www.dpsa.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.

Aim

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

Mandate

The Department of Public Service and Administration draws its mandate from section 195(1) of the Constitution, which sets out basic values and principles that the public service should adhere to, and the Public Service Act (1994).

The department's mandate is to:

- transform and modernise the public service
- oversee changes to the structure of the public service
- improve the effectiveness and efficiency of the public service and its service delivery to the public
- establish norms and standards for human resources management and development, conditions of service, labour relations, IT and service delivery
- issue directives and regulations for the public service
- formulate the national anti-corruption strategy
- exercise oversight over the State Information Technology Agency.

Strategic goals

The department's strategic goals over the medium term are to:

- ensure that compliance with all the public administration and public service policies and regulations improves

- continue to provide support and targeted interventions to support departments in achieving the required levels of compliance
- improve citizens' satisfaction levels as measured against specific service delivery criteria
- strengthen departments' organisational structures and business processes to enable more effective service delivery
- enhance the use and efficiency of ICT as a resource that enables government to better communicate with and deliver integrated services to the citizens of South Africa
- improve the efficiency of human resource management and development practices, norms and standards
- improve citizen engagement and public participation in policy development and feedback provision on the delivery of government services
- intensify the fight against corruption through the implementation of anti-corruption policies and interventions
- contribute towards improved public service and administration in Africa and the international arena through sharing lessons and best practices.

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 the 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 engage with international partners in the field of public administration.

Selected performance indicators

Table 12.1 Public Service and Administration

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of departments submitting annual human resource development implementation plans per year	Human Resource Management and Development	Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	100	45	82	137	153	153	153

Table 12.1 Public Service and Administration

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of departments equipped with tools and skills in employee health and wellness policies per year	Human Resource Management and Development	Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	46	45	120	115	138	150	153
Number of provincial and national departments supported in the implementation of human resource management and development policies, directives and guidelines per year	Human Resource Management and Development		-1	45	120	50	50	60	60
Number of expenditure review and research reports produced per year	Labour Relations and Remuneration Management		-1	-1	2	3	4	4	4
Total number of Thusong service centres providing citizen focused services	Public Sector Information and Communication Technology Management		-1	70	102	90	100	100	100
Number of departments in which quality methodologies on business process management have been rolled out per year	Service Delivery and Organisational Transformation		-1	45	2 ²	10	14	14	14
Number of national and provincial departments in which training in Batho Pele principles is conducted per year	Service Delivery and Organisational Transformation		-1	14	17	20	20	20	20
Number of departments assisted with organisational development interventions per year	Service Delivery and Organisational Transformation		20	88	20 ³	15	15	15	14
Number of departments supported with capacity building and assistance with the development of delegations per year	Service Delivery and Organisational Transformation		-1	169	169	60	10	10	10
Number of national and provincial departments supported with the development of service delivery improvement plans per year	Service Delivery and Organisational Transformation		-1	-1	128	59	62	60	60
Number of departments in which employee satisfaction surveys are conducted per year	Governance and International Relations		4	1	4	5	10	10	10
Number of international governance and public administration projects implemented through departments and international agencies	Governance and International Relations		2	6	0 ⁴	4	4	4	4
Number of international bilateral and multilateral engagements facilitated and coordinated per year	Governance and International Relations		2	4	12	4	4	4	4

1. Indicator was introduced after 2010/11 or 2011/12.

2. The initiative targeted all departments when it began in 2011/12. Thereafter, training was provided on request, hence the decrease from 2011/12 onwards.

3. The department expects a lower number of departments to require assistance for organisational development because a large number were assisted in 2011/12.

4. Nothing was achieved due to projects not being approved.

The national development plan

The goals of the national development plan include building a capable and developmental state and fighting corruption. This requires a state that is able to play a developmental and transformative role, a public service driven by a developmental agenda, excellent intergovernmental relations, and experienced, competent public servants.

The Department of Public Service and Administration, along with other departments and entities within this vote, plays a key role in building the capacity of the state to drive development and transformation and deliver high quality services. By focusing on strengthening organisational structures and developing norms and standards, these departments and entities enable the state to be supported by an efficient and effective public service and improve service delivery and access.

Over the medium term, the department will contribute to the achievement of the national development plan priorities by building a professional public service cadre through reviewing the public service human resource developmental strategic framework, providing support for improvement in the extent and depth of skills for public servants, and capacity building and mandatory training for public service senior management at the National School of Government. The department also aims to enhance the labour relations framework and monitor the revised disciplinary code and procedures, develop and assist government departments with the implementation of frameworks and methodologies on service delivery improvement plans, improve social cohesion, and respond timeously to citizen complaints.

Expenditure estimates

Table 12.2 Public Service and Administration

Subprogramme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)		Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13			2010/11 - 2013/14	2013/14		2014/15	2015/16	2016/17		
R million													
Administration	137.2	150.3	181.3	192.8	192.8	12.0%	23.6%		211.4	231.6	240.6	7.7%	25.0%
Human Resource Management and Development	39.5	32.1	36.6	43.2	43.2	3.1%	5.4%		37.6	38.4	40.2	-2.4%	4.5%
Labour Relations and Remuneration Management	19.3	24.6	26.9	53.0	53.0	40.0%	4.4%		48.5	33.1	37.5	-10.9%	4.9%
Public Sector Information and Communication Technology Management	32.4	34.7	22.2	36.3	36.3	3.8%	4.5%		37.6	35.9	38.5	2.0%	4.2%
Service Delivery and Organisational Transformation	208.0	210.7	221.3	234.0	234.0	4.0%	31.1%		237.8	245.4	257.9	3.3%	27.8%
Governance and International Relations	191.7	193.0	215.4	270.4	270.4	12.1%	31.0%		302.3	292.4	314.7	5.2%	33.6%
Total	628.2	645.5	703.7	829.7	829.7	9.7%	100.0%		875.1	876.8	929.3	3.9%	100.0%
Change to 2013 Budget estimate				13.4	13.4				15.6	(2.9)	(3.5)		

Economic classification

	364.9	341.5	385.0	467.5	467.5	8.6%	55.5%		478.6	490.7	520.3	3.6%	55.7%
Current payments													
Compensation of employees	175.4	181.9	203.3	267.2	267.2	15.1%	29.5%		265.8	296.5	316.6	5.8%	32.6%
Goods and services	189.2	159.3	181.5	200.4	200.4	1.9%	26.0%		212.7	194.2	203.8	0.6%	23.1%
<i>of which:</i>													
Administration fees	3.1	2.3	3.0	2.3	2.3	-10.0%	0.4%		3.7	3.2	2.9	8.1%	0.3%
Advertising	7.0	6.0	13.4	6.8	6.8	-1.1%	1.2%		5.7	4.7	4.7	-11.6%	0.6%
Assets less than the capitalisation threshold	1.0	0.7	1.1	0.6	0.6	-16.5%	0.1%		3.4	2.4	2.6	64.5%	0.3%
Audit costs: External	5.3	4.9	3.2	3.1	3.1	-16.5%	0.6%		3.5	3.5	3.5	4.0%	0.4%
Bursaries: Employees	0.6	0.5	0.3	0.7	0.7	7.5%	0.1%		1.0	1.0	1.0	12.6%	0.1%
Catering: Departmental activities	3.2	2.9	5.2	2.0	2.0	-14.7%	0.5%		2.7	2.4	2.6	8.8%	0.3%
Communication	4.5	4.2	7.4	6.6	6.6	14.0%	0.8%		7.3	7.4	6.9	1.5%	0.8%
Computer services	33.5	31.8	26.1	32.9	32.9	-0.6%	4.4%		36.1	33.3	37.8	4.8%	4.0%
Consultants and professional services: Business and advisory services	24.6	16.4	14.4	21.7	21.7	-4.1%	2.7%		18.1	5.1	8.2	-27.7%	1.5%
Consultants and professional services: Legal costs	0.2	0.6	0.4	0.3	0.3	14.9%	0.1%		-	-	-	-100.0%	0.0%
Contractors	3.0	3.3	4.8	5.4	5.4	21.7%	0.6%		5.8	4.7	4.7	-4.3%	0.6%
Agency and support / outsourced services	2.6	1.6	0.3	0.5	0.5	-42.6%	0.2%		0.4	0.7	0.7	12.2%	0.1%

Table 12.2 Public Service and Administration

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2013/14	2014/15		
	R million											
Entertainment	0.2	0.0	0.1	0.1	0.1	-18.2%	0.0%	0.1	0.1	0.1	-2.9%	0.0%
Fleet services (including government motor transport)	0.4	1.0	1.0	0.3	0.3	-11.3%	0.1%	0.8	0.8	0.8	41.7%	0.1%
Inventory: Food and food supplies	0.0	0.2	0.2	-	-	-100.0%	0.0%	-	-	-	-	-
Inventory: Learner and teacher support material	0.0	0.0	0.2	-	-	-100.0%	0.0%	-	-	-	-	-
Inventory: Materials and supplies	0.1	0.4	0.3	-	-	-100.0%	0.0%	-	-	-	-	-
Inventory: Other supplies	0.7	0.8	0.6	-	-	-100.0%	0.1%	-	-	-	-	-
Consumable supplies	-	-	0.0	2.4	2.4	-	0.1%	2.0	2.0	2.0	-6.2%	0.2%
Consumable: Stationery, printing and office supplies	3.9	2.7	5.9	5.0	5.0	9.0%	0.6%	5.2	4.6	4.7	-1.9%	0.6%
Operating leases	27.1	20.0	21.1	27.7	27.7	0.7%	3.4%	43.5	55.1	59.2	28.9%	5.3%
Property payments	11.7	6.8	5.8	4.2	4.2	-29.1%	1.0%	4.9	5.8	5.5	9.6%	0.6%
Transport provided: Departmental activity	5.1	-	0.0	0.3	0.3	-59.4%	0.2%	0.7	0.8	0.7	28.6%	0.1%
Travel and subsistence	29.1	35.0	48.1	51.7	51.7	21.1%	5.8%	44.3	37.4	36.0	-11.3%	4.8%
Training and development	2.9	3.7	2.9	4.3	4.3	13.6%	0.5%	4.8	4.5	4.5	1.7%	0.5%
Operating payments	10.6	5.4	5.4	6.4	6.4	-15.3%	1.0%	8.6	7.9	7.7	6.0%	0.9%
Venues and facilities	8.7	7.9	8.3	15.2	15.2	20.2%	1.4%	9.7	6.5	6.4	-25.1%	1.1%
Rental and hiring	-	0.2	2.0	0.0	0.0	-	0.1%	0.6	0.6	0.6	317.5%	0.0%
Interest and rent on land	0.4	0.3	0.2	-	-	-100.0%	0.0%	-	-	-	-	-
Transfers and subsidies	256.2	295.8	313.6	357.9	357.9	11.8%	43.6%	390.2	381.4	404.4	4.2%	43.7%
Provinces and municipalities	0.0	0.0	0.0	0.0	0.0	-20.6%	0.0%	-	-	-	-100.0%	0.0%
Departmental agencies and accounts	253.0	293.1	311.8	356.5	356.5	12.1%	43.3%	389.3	380.6	403.6	4.2%	43.6%
Foreign governments and international organisations	0.5	0.7	0.8	0.9	0.9	23.9%	0.1%	0.8	0.8	0.8	-2.4%	0.1%
Households	2.7	2.1	1.0	0.6	0.6	-40.9%	0.2%	-	-	-	-100.0%	0.0%
Payments for capital assets	6.9	8.1	5.1	4.3	4.3	-15.0%	0.9%	6.3	4.6	4.6	2.6%	0.6%
Machinery and equipment	6.9	8.1	5.1	4.3	4.3	-15.0%	0.9%	5.9	4.2	4.1	-0.8%	0.5%
Software and other intangible assets	-	0.1	-	-	-	-	0.0%	0.5	0.4	0.4	-	0.0%
Payments for financial assets	0.1	0.0	0.1	-	-	-100.0%	0.0%	-	-	-	-	-
Total	628.2	645.5	703.7	829.7	829.7	9.7%	100.0%	875.1	876.8	929.3	3.9%	100.0%

Personnel information

Table 12.3 Details of approved establishment and personnel numbers according to salary level¹

Salary level	Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		2013/14		2014/15		2015/16		2016/17								
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			2013/14 - 2016/17		
Public Service and Administration	514	39	503	203.3	0.4	553	267.2	0.5	545	265.8	0.5	553	296.5	0.5	560	316.6	0.6	0.4%	100.0%
1 – 6	152	19	145	24.7	0.2	169	27.9	0.2	158	24.7	0.2	159	30.0	0.2	159	31.3	0.2	-2.0%	29.2%
7 – 10	127	8	127	35.1	0.3	130	49.8	0.4	131	40.1	0.3	134	48.5	0.4	135	51.3	0.4	1.3%	24.0%
11 – 12	114	7	113	47.4	0.4	117	63.0	0.5	116	65.7	0.6	116	67.4	0.6	118	77.8	0.7	0.3%	21.1%
13 – 16	121	5	118	96.2	0.8	137	126.5	0.9	138	131.6	1.0	142	146.7	1.0	146	152.0	1.0	2.1%	25.5%
Other	-	-	-	-	-	-	-	-	2	3.7	1.9	2	3.9	2.0	2	4.1	2.1	-	0.3%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on realising an efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship (outcome 12) through the continuing realignment of the department's activities with the ministerial delivery agreement. Together with the other departments within the vote, the department will put measures in place to professionalise the public service, combat corruption, and promote ethical behaviour and integrity across the public service. To this end, the

department has repositioned the Public Administration Leadership and Management Academy (PALAMA) and renamed it the National School of Government. The school will receive transfers from the department through the *Service Delivery and Organisational Transformation* programme to enhance and improve the training and continuous professional development of public servants. In addition, through the *Governance and International Relations* programme, the department will support capacity building initiatives in the Public Service Commission to address constraints in the commission's monitoring and evaluation programme. The commission receives an additional Cabinet approved allocation of R26.2 million over the medium term for this purpose.

The department receives additional funding of R10 million in 2014/15 for the Presidential Public Service Remuneration Review Commission, which was established in 2013/14 to review the remuneration policy framework of the public service and establish the appropriateness of remuneration and conditions of service of public servants. Of this amount, R6.3 million is allocated to compensation of employees, and R3.7 million is allocated to goods and services, particularly consultants, travel and subsistence and venues and facilities. In addition, the department has established the government employees housing scheme, an initiative to encourage government employees to become homeowners that is set to be implemented over the medium term. The department also plans to establish an office of norms and standards to ensure that government departments comply with the regulatory frameworks and norms and standards determined by the Minister of Public Service and Administration. All these initiatives are expected to lead to higher staff numbers and therefore spending on compensation of employees, which is set to increase significantly between 2013/14 and 2016/17.

Over the medium term, the department is to effect a Cabinet approved budget reduction of R27 million on non-essential goods and services across all programmes as a result of constant underspending in this area.

Departmental receipts

Table 12.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2014/15	2015/16		
R thousand												
Departmental receipts	2 098	535	471	1 151	1 151	-18.1%	100.0%	831	867	878	-8.6%	100.0%
Sales of goods and services produced by department	247	245	241	234	234	-1.8%	22.7%	316	332	343	13.6%	32.9%
Sales by market establishments	194	187	176	160	160	-6.2%	16.9%	250	260	265	18.3%	25.1%
of which:												
Rental of open and covered parking	194	187	176	160	160	-6.2%	16.9%	250	260	265	18.3%	25.1%
Administration fees	53	58	65	74	74	11.8%	5.9%	66	72	78	1.8%	7.8%
of which:												
Commission insurance	53	58	64	72	72	10.8%	5.8%	65	70	76	1.8%	7.6%
Replacement of security cards	-	-	1	2	2	-	0.1%	1	2	2	-	0.2%
Transfers received	-	84	-	675	675	-	17.8%	-	-	-	-100.0%	18.1%
Interest, dividends and rent on land	21	6	6	5	5	-38.0%	0.9%	40	35	35	91.3%	3.1%
Interest	21	6	6	5	5	-38.0%	0.9%	40	35	35	91.3%	3.1%
Transactions in financial assets and liabilities	1 830	200	224	237	237	-49.4%	58.5%	475	500	500	28.3%	45.9%
Total	2 098	535	471	1 151	1 151	-18.1%	100.0%	831	867	878	-8.6%	100.0%

Programme 1: Administration

Expenditure estimates

Table 12.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2010/11 - 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Ministry	32 143	35 397	59 971	43 124	10.3%	25.8%	46 720	61 493	63 001	13.5%	24.5%
Departmental Management	4 672	8 503	7 171	8 799	23.5%	4.4%	9 587	9 103	9 284	1.8%	4.2%
Corporate Services	56 143	60 782	70 001	86 471	15.5%	41.3%	91 159	84 710	88 494	0.8%	40.0%
Finance Administration	16 468	17 798	20 353	22 688	11.3%	11.7%	20 866	21 691	22 477	-0.3%	10.0%
Internal Audit	4 612	5 278	4 192	5 982	9.1%	3.0%	5 814	5 094	5 296	-4.0%	2.5%
Office Accommodation	23 203	22 571	19 634	25 738	3.5%	13.8%	37 263	49 465	52 087	26.5%	18.8%
Total	137 241	150 329	181 322	192 802	12.0%	100.0%	211 409	231 556	240 639	7.7%	100.0%
Change to 2013 Budget estimate				(5 700)			5 198	6 688	-		
Economic classification											
Current payments	133 656	143 662	176 249	189 768	12.4%	97.2%	206 937	228 520	237 562	7.8%	98.4%
Compensation of employees	65 660	76 015	83 368	102 600	16.0%	49.5%	100 780	122 831	127 982	7.6%	51.8%
Goods and services	67 754	67 443	92 711	87 168	8.8%	47.6%	106 157	105 689	109 580	7.9%	46.6%
of which:											
Administration fees	940	802	1 095	944	0.1%	0.6%	1 910	1 553	1 296	11.1%	0.7%
Advertising	1 522	2 519	8 989	3 870	36.5%	2.6%	4 888	3 948	4 020	1.3%	1.9%
Assets less than the capitalisation threshold	228	445	797	355	15.9%	0.3%	1 295	836	820	32.2%	0.4%
Audit costs: External	3 268	3 299	3 247	3 069	-2.1%	1.9%	3 450	3 450	3 450	4.0%	1.5%
Bursaries: Employees	562	512	307	700	7.6%	0.3%	1 000	1 000	1 000	12.6%	0.4%
Catering: Departmental activities	664	834	1 318	958	13.0%	0.6%	1 146	1 139	1 122	5.4%	0.5%
Communication	1 906	2 230	5 459	3 783	25.7%	2.0%	3 769	3 012	3 031	-7.1%	1.6%
Computer services	10 727	6 979	12 763	11 267	1.7%	6.3%	13 243	11 343	12 440	3.4%	5.5%
Consultants and professional services: Business and advisory services	495	886	1 587	2 431	70.0%	0.8%	3 085	1 226	1 317	-18.5%	0.9%
Consultants and professional services: Legal costs	165	175	373	250	14.9%	0.1%	-	-	-	-100.0%	-
Contractors	1 494	2 013	3 580	2 907	24.8%	1.5%	3 324	2 330	2 343	-6.9%	1.2%
Agency and support / outsourced services	1 141	1 346	90	-	-100.0%	0.4%	436	656	706	-	0.2%
Entertainment	124	42	72	88	-10.8%	-	77	77	78	-3.9%	-
Fleet services (including government motor transport)	345	985	1 031	144	-25.3%	0.4%	434	437	440	45.1%	0.2%
Inventory: Food and food supplies	3	63	64	-	-100.0%	-	-	-	-	-	-
Inventory: Fuel, oil and gas	1	-	41	-	-100.0%	-	-	-	-	-	-
Inventory: Learner and teacher support material	45	25	9	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	109	182	196	-	-100.0%	0.1%	-	-	-	-	-
Inventory: Medical supplies	-	-	1	-	-	-	-	-	-	-	-
Inventory: Other supplies	603	685	446	-	-100.0%	0.3%	-	-	-	-	-
Consumable supplies	-	-	-	2 214	-	0.3%	1 210	1 251	1 203	-18.4%	0.7%
Consumable: Stationery, printing and office supplies	1 796	1 350	2 600	2 500	11.7%	1.2%	2 695	2 212	2 245	-3.5%	1.1%
Operating leases	20 360	18 198	15 686	23 238	4.5%	11.7%	36 732	47 797	51 279	30.2%	18.1%
Property payments	4 504	5 664	5 056	3 007	-12.6%	2.8%	4 471	5 238	4 829	17.1%	2.0%
Transport provided: Departmental activity	1 042	-	22	41	-66.0%	0.2%	60	80	80	25.0%	-
Travel and subsistence	10 105	13 670	22 483	18 991	23.4%	9.9%	14 803	10 578	10 348	-18.3%	6.2%
Training and development	668	1 016	810	2 184	48.4%	0.7%	2 587	2 676	2 655	6.7%	1.2%
Operating payments	3 647	2 100	3 017	2 467	-12.2%	1.7%	3 484	3 108	3 134	8.3%	1.4%
Venues and facilities	1 290	1 422	1 299	1 755	10.8%	0.9%	1 539	1 222	1 222	-11.4%	0.7%
Rental and hiring	-	1	273	5	-	-	519	520	522	370.9%	0.2%
Interest and rent on land	242	204	170	-	-100.0%	0.1%	-	-	-	-	-
Transfers and subsidies	85	1 654	850	352	60.6%	0.4%	67	67	67	-42.5%	0.1%
Provinces and municipalities	1	2	1	1	-	-	-	-	-	-100.0%	-
Departmental agencies and accounts	-	-	-	72	-	-	67	67	67	-2.4%	-
Foreign governments and international organisations	-	-	3	-	-	-	-	-	-	-	-
Households	84	1 652	846	279	49.2%	0.4%	-	-	-	-100.0%	-

Table 12.5 Administration

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Payments for capital assets	3 491	5 007	4 206	2 682	-8.4%	2.3%	4 405	2 969	3 010	3.9%	1.5%
Machinery and equipment	3 491	4 928	4 206	2 682	-8.4%	2.3%	4 285	2 944	2 985	3.6%	1.5%
Software and other intangible assets	-	79	-	-	-	-	120	25	25	-	-
Payments for financial assets	9	6	17	-	-100.0%	-	-	-	-	-	-
Total	137 241	150 329	181 322	192 802	12.0%	100.0%	211 409	231 556	240 639	7.7%	100.0%
Proportion of total programme expenditure to vote expenditure	21.8%	23.3%	25.8%	23.2%			24.2%	26.4%	25.9%		

Details of transfers and subsidies

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	1	2	1	1	-	-	-	-	-	-100.0%	-
Vehicle licences	1	2	1	1	-	-	-	-	-	-100.0%	-
Foreign governments and international organisations											
Current	-	-	3	-	-	-	-	-	-	-	-
Gifts and donations	-	-	3	-	-	-	-	-	-	-	-
Households											
Other transfers to households											
Current	84	1 652	846	279	49.2%	0.4%	-	-	-	-100.0%	-
Gifts and donations	2	-	-	-	-100.0%	-	-	-	-	-	-
Employee social benefits	82	1 652	800	279	50.4%	0.4%	-	-	-	-100.0%	-
Claims against the state	-	-	46	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	-	-	72	-	-	67	67	67	-2.4%	-
Communication	-	-	-	72	-	-	67	67	67	-2.4%	-

Personnel information

Table 12.6 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17						
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost							
Administration																			
Salary level	248	17	242	83.4	0.3	271	102.6	0.4	265	100.8	0.4	265	122.8	0.5	265	128.0	0.5	-0.7%	100.0%
1 - 6	108	9	102	18.3	0.2	117	19.3	0.2	108	15.5	0.1	108	20.0	0.2	108	20.9	0.2	-2.6%	41.4%
7 - 10	63	1	64	16.9	0.3	66	20.9	0.3	66	17.0	0.3	66	24.5	0.4	66	23.9	0.4	-	24.8%
11 - 12	39	5	40	17.8	0.4	40	22.9	0.6	40	20.0	0.5	40	23.0	0.6	40	23.9	0.6	-	15.0%
13 - 16	38	2	36	30.4	0.8	48	39.5	0.8	49	44.6	0.9	49	51.4	1.0	49	55.1	1.1	0.7%	18.3%
Other	-	-	-	-	-	-	-	-	2	3.7	1.9	2	3.9	2.0	2	4.1	2.1	-	0.6%

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

² Rand million.

Expenditure trends

The spending focus over the medium term will be on providing policy, strategic leadership and overall management of the department and public entities reporting to the Minister for Public Service and Administration; and supporting the overall functions of the department, including financial and human resource management support. Therefore, the *Ministry* and *Corporate Services* subprogrammes, which perform these functions, are the largest spending vehicles over the medium term.

Spending in the *Ministry* subprogramme increased significantly between 2010/11 and 2013/14, particularly on compensation of employees and related goods and services, such as travel and subsistence. This was mainly due to an increase in the staff complement from 36 in 2010/11 to 55 in 2013/14 in this subprogramme. The

additional capacity was needed to support the department's oversight of public entities and national departments in the same vote in order to achieve the goals set out in the national development plan.

Spending in this subprogramme is expected to continue to increase as a result of funds reprioritised to it to provide for ministerial communication projects that the department will be undertaking over the medium term to promote and brand department work for public consumption.

In addition, the programme has been involved in a number of policy initiatives, which include the establishment of the office of norms and standards and the government employees housing scheme, which will be carried out in the *Governance and International Relations* and *Labour Relations and Remuneration Management* programmes. As a result of increasing personnel numbers over the medium term, the department plans to acquire additional office accommodation, which accounts for the significant increase in spending projected in the *Office Accommodation* subprogramme over the same period.

Cabinet approved budget reductions of R18.3 million over the medium term are to be effected on non-essential goods and services items, such as catering, administration fees and travel and subsistence, and this is reflected in the decrease in spending in the *Financial Administration* and *Internal Audit* subprogrammes over the same period.

Programme 2: Human Resource Management and Development

Objectives

- Improve the competency levels of senior management in government by supporting the implementation of the directive on compulsory capacity development and mandatory training days for public service senior managers by March 2015.
- Contribute to building a capable public service by developing policies, regulations, and prescribing procedures to support and improve human resource planning, employment practices and employee performance management systems on an ongoing basis.
- Contribute to the health, safety and positive morale of public service employees by providing support to increase the number of government departments implementing employee health and wellness policies from 115 departments in 2013/14 to 153 departments by March 2017.
- Contribute to building a professional and equitable public service cadre by reviewing the current public service human resource development strategic framework vision 2015 to align it with the national development plan and the new growth path by March 2015.
- Ensure that training and development interventions in the public service are responsive to government priority skills areas by providing a framework or model that will identify priority skills to inform departmental training budgets by March 2015.

Subprogrammes

- *Management: Human Resource Management* provides for administrative support and management of the programme. In 2012/13 and 2013/14, strategic guidelines and administrative support were provided to enable the development of objectives, the prioritisation of projects and outputs, and the determination of resource requirements. This subprogramme had a staff complement of 4 in 2013/14.
- *Senior Management Services* ensures that there is a professional management service in the public service. This entails establishing and implementing competency based management through developing transversal employment policies, prescripts and guidelines and other career practices for senior management service members. In 2013/14, departments were supported in implementing competency based assessments for senior managers. Stakeholders were also engaged to solicit inputs for the draft directive on compulsory capacity development and mandatory training days for senior managers in the public service. Departments will be trained on the appropriate use of competency assessments results in 2014/15. This subprogramme had a staff complement of 7 in 2013/14.
- *Human Resource Planning, Performances and Practice* develops policies, prescripts, processes and systems; and provides advice and support to departments in implementing improvements to human resource planning,

employment practices and employee performance management. In 2012/13, departments were supported through workshops on their roles pertaining to the strategy to improve recruitment and reduce vacancy rates. In 2013/14, the main focus areas were monitoring, analysing and reporting on recruitment and vacancy trends in the public service and compliance of senior management service members in signing performance agreements. This subprogramme had a staff complement of 14 in 2013/14.

- *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 designated groups. This subprogramme also monitors and reports on the achievement of Cabinet approved employment equity targets on race, gender and people with disabilities by public service institutions. In 2012/13, 5 consultation workshops were conducted with national and provincial departments and civil society organisations dealing with gender related issues. In 2013/14, 3 advocacy workshops were conducted to introduce the policy on prevention of sexual harassment. This subprogramme had a staff complement of 8 in 2013/14.
- *Employee Health and Wellness* promotes and manages health and wellness in the public service and improves the occupational health and quality of work life through a holistic and integrated employee health and wellness strategic framework, related policies, guidelines and monitoring and evaluation plans. This subprogramme also coordinates government's mainstreamed response to HIV and AIDS, which is a focal point of the Southern African Development Community (SADC). In 2013/14, the National Public Service Sports Day was held and the implementation of 4 employment health and safety policies was monitored. This subprogramme had a staff complement of 6 in 2013/14.
- *Human Resource Development* aims to improve the competency levels of public servants through targeted capacity development activities, including internships, learnerships, compulsory courses and skills programmes designed to ensure a constant pool of productive and contributing employees through appropriate policies, prescripts, advice and support. In 2013/14, the focus was on monitoring and reporting on the implementation of internships, learnerships and artisan programmes; drafting a framework for the use of departmental training budgets; and developing a methodology to measure the depth of skill levels in the public service. This subprogramme had a staff complement of 9 in 2013/14.
- *Integrated Financial Management Systems* develops and supports the implementation of, and manages the integrated financial management system's human resource module. In 2013/14, the department was assisted in maintaining and enhancing the human resource management module, and the Free State Department of Education and the Western Cape departments of economic development and tourism were supported in addressing challenges surrounding the implementation of the module. In addition, a fundamental review of the integrated financial management system solution architecture was conducted in conjunction with the National Treasury and the State Information and Technology Agency. This subprogramme had a staff complement of 5 in 2013/14.

Expenditure estimates

Table 12.7 Human Resource Management and Development

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2010/11	2011/12	2012/13		2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	Expenditure/total: Average (%)
R thousand											
Management: Human Resource Management	2 690	3 086	2 897	3 267	6.7%	7.9%	2 929	3 043	3 155	-1.2%	7.8%
Senior Management Services	3 490	4 177	4 280	5 407	15.7%	11.5%	4 870	4 658	4 929	-3.0%	12.5%
Human Resource Planning, Performances and Practice	18 288	7 334	8 850	10 187	-17.7%	29.5%	10 234	10 913	11 391	3.8%	26.8%
Diversity Management	4 759	4 682	4 691	5 873	7.3%	13.2%	5 363	5 626	6 024	0.8%	14.4%
Employee Health and Wellness	4 039	4 178	6 910	7 693	24.0%	15.1%	5 044	4 672	4 843	-14.3%	14.0%
Human Resource Development	4 317	5 866	5 958	7 330	19.3%	15.5%	5 798	6 041	6 271	-5.1%	16.0%
Integrated Financial Management Systems	1 907	2 797	3 029	3 482	22.2%	7.4%	3 319	3 422	3 547	0.6%	8.6%
Total	39 490	32 120	36 615	43 239	3.1%	100.0%	37 557	38 375	40 160	-2.4%	100.0%
Change to 2013 Budget estimate				2 800			(4 704)	(5 251)	-		

Table 12.7 Human Resource Management and Development

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand	39 294	31 866	36 445	42 862	2.9%	99.3%	37 383	38 211	39 996	-2.3%	99.4%	
Current payments												
Compensation of employees	22 146	23 476	27 720	30 449	11.2%	68.5%	30 610	32 062	33 512	3.2%	79.5%	
Goods and services	17 124	8 367	8 725	12 413	-10.2%	30.8%	6 773	6 149	6 484	-19.5%	20.0%	
<i>of which:</i>												
Administration fees	243	316	319	202	-6.0%	0.7%	166	199	196	-1.0%	0.5%	
Advertising	18	16	139	65	53.4%	0.2%	35	-	-	-100.0%	0.1%	
Assets less than the capitalisation threshold	22	21	32	172	98.5%	0.2%	-	-	-	-100.0%	0.1%	
Audit costs: External	-	-	-	-	-	-	10	-	-	-	-	
Catering: Departmental activities	335	485	534	109	-31.2%	1.0%	153	153	153	12.0%	0.4%	
Communication	361	330	341	569	16.4%	1.1%	563	569	575	0.4%	1.4%	
Computer services	146	93	72	96	-13.0%	0.3%	499	579	667	90.8%	1.2%	
Consultants and professional services:	11 699	658	161	71	-81.8%	8.3%	568	-	-	-100.0%	0.4%	
Business and advisory services												
Contractors	24	250	373	120	71.0%	0.5%	89	90	91	-8.8%	0.2%	
Entertainment	15	-	1	10	-12.6%	-	7	7	7	-11.2%	-	
Fleet services (including government motor transport)	4	2	-	26	86.6%	-	53	53	53	26.8%	0.1%	
Inventory: Food and food supplies	1	18	21	-	-100.0%	-	-	-	-	-	-	
Inventory: Materials and supplies	-	2	8	-	-	-	-	-	-	-	-	
Inventory: Other supplies	2	2	2	-	-100.0%	-	-	-	-	-	-	
Consumable supplies	-	-	-	47	-	-	110	110	110	32.8%	0.2%	
Consumable: Stationery, printing and office supplies	103	125	235	819	99.6%	0.8%	484	367	372	-23.1%	1.3%	
Property payments	-	-	27	-	-	-	-	-	-	-	-	
Transport provided: Departmental activity	100	-	-	-	-100.0%	0.1%	5	5	5	-	-	
Travel and subsistence	2 612	3 562	3 111	7 378	41.4%	11.0%	2 243	2 577	2 648	-28.9%	9.3%	
Training and development	368	336	199	371	0.3%	0.8%	281	234	235	-14.1%	0.7%	
Operating payments	129	405	227	1 045	100.8%	1.2%	594	402	396	-27.6%	1.5%	
Venues and facilities	942	1 502	1 242	1 310	11.6%	3.3%	913	804	976	-9.3%	2.5%	
Rental and hiring	-	244	1 681	3	-	1.3%	-	-	-	-100.0%	-	
Interest and rent on land	24	23	-	-	-100.0%	-	-	-	-	-	-	
Transfers and subsidies	64	101	4	185	42.5%	0.2%	-	-	-	-100.0%	0.1%	
Foreign governments and international organisations	-	1	-	-	-	-	-	-	-	-	-	
Households	64	100	4	185	42.5%	0.2%	-	-	-	-100.0%	0.1%	
Payments for capital assets	126	153	139	192	15.1%	0.4%	174	164	164	-5.1%	0.4%	
Machinery and equipment	126	153	139	192	15.1%	0.4%	174	164	164	-5.1%	0.4%	
Payments for financial assets	6	-	27	-	-100.0%	-	-	-	-	-	-	
Total	39 490	32 120	36 615	43 239	3.1%	100.0%	37 557	38 375	40 160	-2.4%	100.0%	
Proportion of total programme expenditure to vote expenditure	6.3%	5.0%	5.2%	5.2%			4.3%	4.4%	4.3%			

Details of transfers and subsidies

Foreign governments and international organisations											
Current	-	1	-	-	-	-	-	-	-	-	-
Gift to foreign dignitary	-	1	-	-	-	-	-	-	-	-	-
Households											
Other transfers to households											
Current	64	100	4	185	42.5%	0.2%	-	-	-	-100.0%	0.1%
Employee social benefits	-	100	4	185	-	0.2%	-	-	-	-100.0%	0.1%
Claim against the state	64	-	-	-	-100.0%	-	-	-	-	-	-

Table 12.8 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2012/13			2013/14			2014/15			2015/16			2016/17					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Human Resource Management and Development	53	1	53	27.7	0.5	53	30.4	0.6	52	30.6	0.6	52	32.1	0.6	52	33.5	0.6	-0.6%	100.0%
Salary level	6	-	5	1.0	0.2	7	1.1	0.2	6	1.2	0.2	6	1.3	0.2	6	1.4	0.2	-5.0%	12.0%
7 - 10	11	-	12	3.4	0.3	12	3.8	0.3	12	3.6	0.3	12	3.8	0.3	12	4.0	0.3	-	23.0%
11 - 12	20	-	20	8.9	0.4	19	10.5	0.6	19	10.6	0.6	19	11.6	0.6	19	13.0	0.7	-	36.4%
13 - 16	16	1	16	14.4	0.9	15	15.1	1.0	15	15.2	1.0	15	15.4	1.0	15	15.1	1.0	-	28.7%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on building a capable public service by measuring the depth of skills levels in the public service, improving recruitment policies and reducing the vacancy rate, and developing retention strategies for department heads and senior management service members. This is set to be achieved through supporting 60 national and provincial departments with the implementation of human resource management and development policies, directives and guidelines per year; supporting the implementation of the directive on compulsory capacity development and mandatory training days for public service senior managers; and by developing policies, regulations, prescribing procedures to support and improve human resource planning, employment practices and employee performance management systems. In addition, the department expects to increase the number of departments submitting annual human resource development implementation plans from 137 in 2013/14 to 153 in 2016/17. These activities are carried out in the *Human Resource Planning Performances and Practice*, *Senior Management Services* and the *Human Resource Development* subprogrammes, mainly through the allocations to compensation of employees.

The department is also working in collaboration with the National Treasury on developing the integrated financial management systems, which will replace the numerous inadequate and outdated systems employed by the public service with a single solution aligned with the legislation, policies and directives informing the management of public sector organisations. The department is responsible for the development of the human resource management module of the system. As part of the piloting project, the module was implemented in the department between 2010/11 and 2013/14, which explains the increase in spending in the *Integrated Financial Management Systems* subprogramme over this period.

The programme has a funded establishment of 53 posts, of which 4 were vacant at the end of November 2013, due to normal staff turnover. 2 of these positions are expected to be filled by the end of 2013/2014 and the entire establishment is expected to be filled by 2014/15, with personnel numbers then set to remain constant over the medium term.

The programme budget was reduced by R16.1 million over the medium term, of which R15.3 million has been reprioritised to other programmes, while the balance is to be effected on non-essential goods and services items such as catering, administration fees and travel and subsistence. This explains the decrease expected in the programme's expenditure over this period. The reduction in the budget is not expected to have a negative impact on service delivery.

Programme 3: Labour Relations and Remuneration Management

Objectives

- Coordinate and oversee the implementation of the Public Service Coordinating Bargaining Council resolutions by:
 - monitoring the implementation of its resolution 1 of 2012 by all the roleplayers by March 2015
 - tabling proposed resolutions for negotiation on the conditions of service for public servants in the Public Service Coordinating Bargaining Council for the three-year period starting in 2015/16.

- Promote home ownership by employees in the public service by overseeing the establishment of the Government Employees Housing Scheme and institutional framework by March 2015.
- Contribute to improved productivity, enhanced and fast-tracked service delivery by ensuring the implementation of the Public Service Charter between the state as employer, sectors of civil society and citizens by March 2015.
- Contribute to improving the management of discipline within the public service by enhancing the labour relations framework and negotiating the revised disciplinary code and procedure by March 2015.

Subprogrammes

- *Management: Labour Relations and Remuneration* provides administrative support to and management of the programme. In 2012/13 and 2013/14, strategic guidelines and administrative support were provided to enable the programme to develop objectives, prioritise projects and outputs, and determine resource requirements. This subprogramme had a staff complement of 3 in 2013/14.
- *Remuneration and Market Analysis* develops, implements and maintains policies, practices and systems on remuneration. Work on the personnel expenditure review started in 2012/13 and was finalised in 2013/14. A new remuneration policy for the public service was also drafted in 2013/14. The focus for 2014/15 is set to be on obtaining approval for this policy and circulating it for implementation by national and provincial departments. Audits on the selected occupational specific dispensations will also be performed in order to determine a way forward. This subprogramme had a staff complement of 9 in 2013/14.
- *Conditions of Service* focuses on the development, implementation and maintenance of policies and practices on general and macro benefits. In 2014/15, the development and establishment of the Government Employees Housing Scheme and institutional framework will be facilitated, with the objective of promoting home ownership in the public service. Work on this project began in 2012/13. Actuarial models for the revised housing policy were developed and related market surveys were completed in 2013/14. This subprogramme had a staff complement of 11 in 2013/14.
- *Labour Relations and Negotiations* develops, implements and maintains policies and systems on labour relations issues for the public service and ensures coordinated collective bargaining on the Public Service Coordinating Bargaining Council and the General Public Service Sectoral Bargaining Council. In 2012/13, a multi-term wage agreement on salaries and improvement of other conditions of service was negotiated and concluded. In 2013/14, the focus was on implementing the Public Service Coordinating Bargaining Council resolution on the revised disciplinary code and procedure for the public service. This subprogramme had a staff complement of 11 in 2013/14.

Expenditure estimates

Table 12.9 Labour Relations and Remuneration Management

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand												
Management: Labour Relations and Remuneration	1 349	2 400	2 943	2 868	28.6%	7.7%	3 433	3 517	3 610	8.0%	7.8%	
Remuneration and Market Analysis	4 205	8 911	7 563	21 566	72.5%	34.1%	20 362	9 802	10 070	-22.4%	35.9%	
Conditions of Service	5 928	8 791	9 393	16 011	39.3%	32.4%	13 146	8 944	8 772	-18.2%	27.2%	
Labour Relations and Negotiations	7 849	4 476	7 037	12 589	17.1%	25.8%	11 541	10 838	15 003	6.0%	29.0%	
Total	19 331	24 578	26 936	53 034	40.0%	100.0%	48 482	33 101	37 455	-10.9%	100.0%	
Change to 2013 Budget estimate				23 360			17 435	5 526	-			
Economic classification												
Current payments	17 513	24 460	26 833	52 903	44.6%	98.2%	48 345	32 964	37 318	-11.0%	99.7%	
Compensation of employees	11 566	13 720	16 553	35 185	44.9%	62.2%	26 995	21 685	25 281	-10.4%	63.4%	
Goods and services	5 931	10 726	10 280	17 718	44.0%	36.0%	21 350	11 279	12 037	-12.1%	36.3%	
of which:												
Administration fees	128	83	172	121	-1.9%	0.4%	195	193	211	20.4%	0.4%	
Advertising	2 864	54	30	48	-74.4%	2.4%	68	70	33	-11.7%	0.1%	
Assets less than the capitalisation threshold	12	28	47	-	-100.0%	0.1%	-	-	-	-	-	

Table 12.9 Labour Relations and Remuneration Management

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16			2016/17
R thousand												
Audit costs: External	–	1 569	–	–	–	1.3%	–	–	–	–	–	–
Catering: Departmental activities	60	160	131	74	7.2%	0.3%	285	276	288	57.3%	0.5%	
Communication	200	184	198	388	24.7%	0.8%	390	394	398	0.9%	0.9%	
Computer services	62	44	42	85	11.1%	0.2%	2 072	1 072	2 072	190.0%	3.1%	
Consultants and professional services: Business and advisory services	989	6 460	6 082	9 502	112.6%	18.6%	7 786	868	869	-54.9%	11.1%	
Consultants and professional services: Legal costs	–	413	76	–	–	0.4%	–	–	–	–	–	
Contractors	15	–	1	–	-100.0%	–	–	–	–	–	–	
Entertainment	16	–	–	–	-100.0%	–	–	–	–	–	–	
Fleet services (including government motor transport)	4	5	–	18	65.1%	–	47	47	47	37.7%	0.1%	
Inventory: Food and food supplies	2	23	17	–	-100.0%	–	–	–	–	–	–	
Inventory: Learner and teacher support material	1	–	–	–	-100.0%	–	–	–	–	–	–	
Inventory: Materials and supplies	–	5	4	–	–	–	–	–	–	–	–	
Inventory: Other supplies	–	1	1	–	–	–	–	–	–	–	–	
Consumable supplies	–	–	–	36	–	–	90	90	90	35.7%	0.2%	
Consumable: Stationery, printing and office supplies	196	175	203	152	-8.1%	0.6%	297	307	297	25.0%	0.6%	
Property payments	–	44	–	–	–	–	–	–	–	–	–	
Transport provided: Departmental activity	82	–	–	–	-100.0%	0.1%	–	–	–	–	–	
Travel and subsistence	939	969	2 687	4 064	63.0%	7.0%	7 312	7 159	6 993	19.8%	14.8%	
Training and development	138	176	191	245	21.1%	0.6%	196	198	200	-6.5%	0.5%	
Operating payments	75	68	70	269	53.1%	0.4%	257	259	261	-1.0%	0.6%	
Venues and facilities	148	265	328	2 716	163.8%	2.8%	2 355	346	278	-53.2%	3.3%	
Interest and rent on land	16	14	–	–	-100.0%	–	–	–	–	–	–	
Transfers and subsidies	1 671	12	25	–	-100.0%	1.4%	–	–	–	–	–	
Households	1 671	12	25	–	-100.0%	1.4%	–	–	–	–	–	
Payments for capital assets	122	103	77	131	2.4%	0.3%	137	137	137	1.5%	0.3%	
Machinery and equipment	122	103	77	131	2.4%	0.3%	137	137	137	1.5%	0.3%	
Payments for financial assets	25	3	1	–	-100.0%	–	–	–	–	–	–	
Total	19 331	24 578	26 936	53 034	40.0%	100.0%	48 482	33 101	37 455	-10.9%	100.0%	
Proportion of total programme expenditure to vote expenditure	3.1%	3.8%	3.8%	6.4%			5.5%	3.8%	4.0%			

Details of transfers and subsidies

Households												
Other transfers to households												
Current	1 671	12	25	–	-100.0%	1.4%	–	–	–	–	–	–
Gifts and donations	4	–	–	–	-100.0%	–	–	–	–	–	–	–
Employee social benefits	1 667	12	25	–	-100.0%	1.4%	–	–	–	–	–	–

Personnel information

Table 12.10 Details of approved establishment and personnel numbers according to salary level¹

Labour Relations and Remuneration Management	Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13	Unit Cost	Cost	2013/14	Unit Cost	Cost	2014/15		2015/16		2016/17				2013/14 - 2016/17		
Salary level	41	–	35	16.6	0.5	41	35.2	0.9	41	27.0	0.7	37	21.7	0.6	41	25.3	0.6	–	100.0%
1 – 6	5	–	5	0.8	0.2	4	0.9	0.2	5	1.0	0.2	5	1.0	0.2	5	1.1	0.2	7.7%	11.9%
7 – 10	13	–	12	5.1	0.4	13	12.0	0.9	13	6.1	0.5	12	4.6	0.4	13	5.0	0.4	–	31.9%
11 – 12	12	–	9	3.5	0.4	11	6.8	0.6	12	8.6	0.7	10	6.2	0.6	12	8.6	0.7	2.9%	28.1%
13 – 16	11	–	9	7.2	0.8	13	15.5	1.2	11	11.3	1.0	10	9.8	1.0	11	10.5	1.0	-5.4%	28.1%

¹ Data has been provided by the department and may not necessarily reconcile with official government personnel data.
² Rand million.

Expenditure trends

The spending focus over the medium term is on determining the sustainability of the occupation specific dispensation model as an incentive strategy to attract, motivate and retain essential service professionals in the public service. These objectives are expected to be achieved through conducting occupation specific dispensation audits in the *Remuneration and Market Analysis* subprogramme. The audit will mainly be funded from the reprioritisation of savings identified in other programmes. R23.8 million has been reprioritised to this programme over the medium term, of which R7.3 million is in relation to the occupation specific dispensation audits and will impact on spending on goods and services such as travel and subsistence and consultants. R15.8 million has been reprioritised to the *Labour Relations and Negotiations* subprogramme for backlogs identified in disciplinary cases in national departments and user licences for case management. This explains the increase in expenditure in this subprogramme over the medium term, and particularly in 2016/17, when additional employees will be appointed for this purpose.

In addition, during the 2013 adjustments budget process, the department established the Presidential Public Service Remuneration Review Commission to review the remuneration policy framework of the public service to assess the appropriateness of remuneration and conditions of service. Additional funding of R13.6 million was provided for the establishment of the commission in 2013/14 and a further R10 million is allocated for the continuation of the commission's activities in 2014/15. This explains the significant increase in spending on compensation of employees and personnel numbers in 2013/14. The overall spending and the number of filled posts are expected to decrease significantly in 2015/16, as activities relating to the commission are concluded.

In 2011/12, the department established the government employees housing scheme, which is funded through the *Conditions of Service* subprogramme. The scheme is part of government's initiative to promote home ownership among public servants. Expenditure in the *Conditions of Service* subprogramme is expected to decrease over the medium term, as activities relating to the establishment of the scheme are concluded and implementation begins.

To give effect to Cabinet approved budget reductions, R2.7 million over the medium term is set to be cut from spending on non-core goods and services items such as catering and travel and subsistence, which explains the decrease in spending over this period. The reductions will not have an impact on service delivery.

Programme 4: Public Sector Information and Communication Technology Management

Objectives

- Improve e-governance by revising the e-government policy and strategic framework, and developing and launching an e-government transversal system for implementation by departments by March 2015.
- Improve the security of government information by launching the minimum information security standards framework and associated standards and monitor their implementation by departments by March 2015.
- Enhance IT governance by developing implementation guidelines to support the implementation of the IT governance framework and monitor its implementation by March 2015.
- Improve the functioning of the State Information Technology Agency by developing mechanisms to address agency related issues as raised by departments and reviewing the shareholder compact and legal and administrative framework of the agency by March 2015.
- Contribute to the improvement of service delivery at Thusong service centres by validating the ICT infrastructure and conducting an impact assessment on improved service delivery at connected centres by March 2015.

Subprogrammes

- *Management: Public Sector Information and Communication Technology* provides administrative support to and management of the programme. In 2013/14, strategic guidelines and administrative support were provided to enable the development of objectives, the prioritisation of projects and outputs, and the determination of resource requirements. This subprogramme had a staff complement of 3 in 2013/14.

- *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. In 2012/13, the green IT policy was finalised with e-waste guidelines as an appendix. Activities in 2013/14 included the development of the draft government wide enterprise architecture framework, which is designed to improve the alignment of ICT planning to the planning of the business, the development of the draft e-government policy framework and the finalisation and adoption of the information security policy framework for the public service. The focus for 2014/15 will be on launching the e-government policy and strategic framework, an e-government transversal system and the minimum information security standards framework and associated standards. Implementation will also be monitored. This subprogramme had a staff complement of 5 in 2013/14.
- *Information and Communication Technology Policy and Planning* develops policies, strategies and regulations on information communication technology 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. The free open source software impact assessment, which seeks to address the level of implementation of the related 2007 policy, is being conducted on an ongoing basis. In 2012/13, members of the Government Information Technology Officers' Council were trained on the implementation of the green IT policy. In 2013/14, improvements in the functioning of the State Information Technology Agency were supported with the development of mechanisms to address issues and the review of the shareholder compact and legal and administrative framework of the agency. This subprogramme had a staff complement of 6 in 2013/14.
- *Information and Communication Technology Infrastructure and Operations* supports all national and provincial departments on significant transversal projects and ICT infrastructure related projects. In 2013/14, the Batho Pele gateway call centre was upgraded, ICT infrastructure at 89 of the 96 connected Thusong service centres was validated, IT service management standards were developed, a corporate governance framework of ICT policy was developed and a directive on compliance with the framework was issued by the minister. This subprogramme had a staff complement of 9 in 2013/14.

Expenditure estimates

Table 12.11 Public Sector Information and Communication Technology Management

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Management: Public Sector Information and Communication Technology	2 759	1 527	1 227	2 820	0.7%	6.6%	2 822	2 955	3 043	2.6%	7.9%
E-Government	4 017	3 876	1 998	4 452	3.5%	11.4%	5 318	5 239	5 652	8.3%	13.9%
Information and Communication Technology Policy and Planning	3 652	4 549	6 598	8 731	33.7%	18.7%	7 764	6 235	6 504	-9.3%	19.7%
Information and Communication Technology Infrastructure and Operations	21 975	24 752	12 394	20 257	-2.7%	63.2%	21 650	21 451	23 321	4.8%	58.5%
Total	32 403	34 704	22 217	36 260	3.8%	100.0%	37 554	35 880	38 520	2.0%	100.0%
Change to 2013 Budget estimate				(3 100)			(6 322)	(7 612)	-		

Economic classification

	32 147	34 398	22 151	36 092	3.9%	99.4%	37 476	35 802	38 442	2.1%	99.7%
Current payments											
Compensation of employees	9 553	8 186	7 824	12 265	8.7%	30.1%	14 948	15 630	16 310	10.0%	39.9%
Goods and services	22 582	26 202	14 327	23 827	1.8%	69.2%	22 528	20 172	22 132	-2.4%	59.8%
of which:											
Administration fees	99	103	141	94	-1.7%	0.3%	119	114	125	10.0%	0.3%
Advertising	-	22	111	385	-	0.4%	52	2	2	-82.7%	0.3%
Assets less than the capitalisation threshold	18	34	16	15	-5.9%	0.1%	6	-	-	-100.0%	-
Audit costs: External	562	-	-	-	-100.0%	0.4%	-	-	-	-	-
Catering: Departmental activities	186	244	173	300	17.3%	0.7%	130	98	98	-31.1%	0.4%
Communication	239	150	133	259	2.7%	0.6%	303	304	305	5.6%	0.8%
Computer services	16 784	20 513	9 469	15 151	-3.4%	49.3%	16 654	16 145	17 942	5.8%	44.5%
Consultants and professional services: Business and advisory services	2 315	2 676	1 319	2 348	0.5%	6.9%	1 290	-	-	-100.0%	2.5%
Contractors	14	-	136	971	310.9%	0.9%	833	842	851	-4.3%	2.4%
Entertainment	13	-	-	-	-100.0%	-	-	-	-	-	-

Table 12.11 Public Sector Information and Communication Technology Management

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand												
Fleet services (including government motor transport)	2	4	-	11	76.5%	-	26	26	26	33.2%	0.1%	
Inventory: Food and food supplies	2	15	8	-	-100.0%	-	-	-	-	-	-	
Inventory: Learner and teacher support material	1	-	1	-	-100.0%	-	-	-	-	-	-	
Inventory: Materials and supplies	1	7	4	-	-100.0%	-	-	-	-	-	-	
Inventory: Other supplies	5	2	1	-	-100.0%	-	-	-	-	-	-	
Consumable supplies	-	-	-	30	-	-	65	65	65	29.4%	0.2%	
Consumable: Stationery, printing and office supplies	126	195	133	102	-6.8%	0.4%	169	169	169	18.3%	0.4%	
Transport provided: Departmental activity	125	-	-	-	-100.0%	0.1%	-	-	-	-	-	
Travel and subsistence	948	762	1 517	2 329	34.9%	4.4%	1 592	1 548	1 689	-10.2%	4.8%	
Training and development	471	698	314	327	-11.5%	1.4%	241	241	241	-9.7%	0.7%	
Operating payments	549	141	110	586	2.2%	1.1%	146	146	147	-36.9%	0.7%	
Venues and facilities	122	636	741	919	96.0%	1.9%	902	472	472	-19.9%	1.9%	
Interest and rent on land	12	10	-	-	-100.0%	-	-	-	-	-	-	
Transfers and subsidies	6	80	14	83	140.1%	0.1%	-	-	-	-100.0%	0.1%	
Departmental agencies and accounts	-	-	-	8	-	-	-	-	-	-100.0%	-	
Households	6	80	14	75	132.1%	0.1%	-	-	-	-100.0%	0.1%	
Payments for capital assets	241	226	52	85	-29.3%	0.5%	78	78	78	-2.8%	0.2%	
Machinery and equipment	241	226	52	85	-29.3%	0.5%	78	78	78	-2.8%	0.2%	
Payments for financial assets	9	-	-	-	-100.0%	-	-	-	-	-	-	
Total	32 403	34 704	22 217	36 260	3.8%	100.0%	37 554	35 880	38 520	2.0%	100.0%	
Proportion of total programme expenditure to vote expenditure	5.2%	5.4%	3.2%	4.4%			4.3%	4.1%	4.1%			

Details of transfers and subsidies

Households											
Other transfers to households											
Current	6	80	14	75	132.1%	0.1%	-	-	-	-100.0%	0.1%
Employee social benefits	6	80	14	75	132.1%	0.1%	-	-	-	-100.0%	0.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	-	-	8	-	-	-	-	-	-100.0%	-
Communication	-	-	-	8	-	-	-	-	-	-100.0%	-

Personnel information**Table 12.12 Details of approved establishment and personnel numbers according to salary level¹**

Public Sector Information and Communication Technology Management	Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts additional to the establishment	Medium-term expenditure estimate															Average growth rate (%)	Salary level/total: Average (%)
			Actual			Revised estimate			2014/15			2015/16			2016/17				
			2012/13	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17											
Salary level	24	2	24	7.8	0.3	24	12.3	0.5	25	14.9	0.6	25	15.6	0.6	25	16.3	0.7	1.4%	100.0%
1-6	5	2	5	0.7	0.1	5	0.9	0.2	6	1.1	0.2	6	1.1	0.2	6	1.2	0.2	6.3%	23.2%
7-10	4	-	4	0.9	0.2	4	1.3	0.3	4	1.3	0.3	4	1.3	0.3	4	1.3	0.3	-	16.2%
11-12	3	-	3	1.1	0.4	3	1.5	0.5	3	2.2	0.7	3	2.2	0.7	3	2.9	1.0	-	12.1%
13-16	12	-	12	5.1	0.4	12	8.7	0.7	12	10.4	0.9	12	11.0	0.9	12	10.9	0.9	-	48.5%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on continuing to implement information management and e-government policies in the public service, ensuring the effective operation of the Thusong service centres, and coordinating and managing the Government Information Technology Officers' Council. These objectives will be achieved through increasing the number of Thusong service centres providing citizen focused services from 90 in 2013/14 to 100 in 2016/17, reviewing and implementing various policies related to information

management and e-governance in the public service, and coordinating and managing the council and portal. In addition, the department aims to develop and launch an e-government transversal system, which is set to be implemented by all national departments by March 2015. These activities are carried out in the *Information and Communication Technology Policy and Planning*, and *Information and Communication Technology Infrastructure and Operations* subprogrammes, mainly using the funds allocated to compensation of employees, as well as goods and services, particularly computer services.

The department hosts the annual Government Chief Information Officers' Council summit to keep abreast of developments in IT and gain insights into how the quality of service delivery can be raised. Due to the lack of sponsorship in 2012/13, the department had to pay for half the costs related to the hosting of the summit. This resulted in the significant increase in spending between 2011/12 and 2012/13 in the *Information and Communication Technology Policy and Planning* subprogramme, particularly on goods and services, such as travel and subsistence and catering. The department plans to implement cost saving measures and scale down the cost of the summit over the medium term. Expenditure in this subprogramme is therefore expected to decrease over this period, mainly on goods and services items, such as travel and subsistence and catering. The decrease in spending on these items can also be attributed to the R1.1 million Cabinet approved budget reductions effected over this period.

In addition, R20.3 million over the medium term has been reprioritised from this programme, specifically from goods and services such as consultants and computer services, due to the decision to limit the use of consultants and the frequent underspending of the computer services allocation. These reductions explain the below inflation growth expected in the overall programme budget over the medium term.

Programme 5: Service Delivery and Organisational Transformation

Objectives

- Facilitate the implementation of service delivery quality improvement initiatives by assisting national and provincial departments with the implementation of frameworks and methodologies on service delivery improvement plans, business process mapping and standard operating procedures, unit costing and geographic mapping by March 2015.
- Provide support in the organisational development and transformation of departments by:
 - revising existing legal instruments, frameworks, methodologies and directives on delegations, organisational design and change management within the public service by March 2015
 - assisting sector departments as and when requested, to develop sector specific organisational structures and conducting reviews on the efficiency of organisational structures and assessing functional capacity by March 2015
 - providing advocacy programmes for organisational development practitioners by March 2015.
- Enhance the professionalism and morale of public servants by focusing on minimum productivity measures required and strategies to acknowledge service delivery improvement efforts by March 2015.
- Contribute towards the improvement of service delivery in government by ensuring effective citizen participation and engagement, responding timeously to citizens' complaints and providing redress using citizen interfacing mechanisms by March 2015.
- Encourage innovative service delivery in the public sector by investigating, testing and piloting at least 2 sustainable innovative service delivery models and solutions per year for replication and mainstreaming.

Subprogrammes

- *Management: Service Delivery and Organisational Transformation* provides for administrative support and management of the programme. In 2012/13 and 2013/14, strategic guidelines and administrative support were provided to enable the development of objectives, the prioritisation of projects and outputs, and the determination of resource requirements. This subprogramme had a staff complement of 3 in 2013/14.

- *Service Delivery Planning* coordinates and facilitates service delivery improvement initiatives such as the development and implementation of a service delivery planning framework in departments. In 2012/13, a service delivery planning toolkit was successfully institutionalised in all national and provincial departments. The R1.2 million operational budget in 2013/14 was mainly used for consultations and support for the determination of unit costing in the health, human settlement and education sectors. This subprogramme had a staff complement of 4 in 2013/14.
- *Service Delivery Improvement Mechanisms* supports interventions and partnerships that improve efficiency and effectiveness. A study on productivity management began in 2012/13 and will be concluded in 2013/14. In addition, a Batho Pele impact assessment was conducted within the Department of Human Settlements under the umbrella of Public Service Month in 2013/14. The African Public Service Day celebrations and a conversation on service delivery issues were also hosted. Planned activities for 2014/15 include improving the professionalism and morale of public servants by focusing on minimum productivity measures required, and developing strategies to acknowledge service delivery improvement efforts. This subprogramme had a staff complement of 14 in 2013/14.
- *Organisational Development of the Public Sector* focuses on the organisational development of the public sector. In 2012/13, research studies were undertaken and concluded in a draft uniform job grading policy framework for the public service. In 2013/14, the implementation of the standardised delegation templates across the public service was monitored and reported on and departments were assisted in developing sector specific structures. This subprogramme had a staff complement of 16 in 2013/14.
- *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. In 2012/13, community development worker empowerment workshops were held in each province. This was followed by a national conference at which senior government leaders, including the president and ministers, consolidated their views on how community development workers should convey government messages and information to citizens. In 2013/14, wards were profiled and the citizen engagement strategy and Know Your Rights campaign were showcased in the Mpumalanga, Limpopo and North West Provinces. This subprogramme had a staff complement of 5 in 2013/14.
- *Change Management Process and System* promotes cultural change in the public service and coordinates the dissemination of lessons for improving service delivery. The key focus in 2013/14 was on developing a framework to improve the morale of public servants. Other deliverables included a project on the modernisation of government and the development of a change management framework. In 2014/15, activities are set to include providing support to and transforming departments by revising existing legal instruments, frameworks, methodologies and directives on change management. This subprogramme had a staff complement of 6 in 2013/14.
- *Integrated Access Mechanisms* facilitates community development through providing access to government services. In 2012/13, a national and metro accessibility study focusing on the spatial location and access to government service point was conducted. A study on the geographic accessibility of Thusong service centres in metropolitan areas was also completed. This subprogramme had a staff complement of 3 in 2013/14.
- *National School of Government* 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. This subprogramme's total budget is transferred on a monthly basis to the National School 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. The annual innovation conference was hosted in August 2013 in Gauteng and the annual Centre for Public Service Innovation Public Sector Awards ceremony was held in November 2013. This subprogramme had a staff complement of 23 in 2013/14.
- *Public Service Sector Education and Training Authority* develops a coordinated framework for providing public service education and training. This subprogramme's total budget is transferred on a quarterly basis to the Public Service Education and Training Authority.

- *Batho Pele* manages and promotes the Batho Pele programmes in the public service. In 2012/13, capacity building workshops were held in 6 provinces as part of the institutionalisation of the Batho Pele programme. In 2013/14, a toolkit and methodology was developed for conducting a productivity study in the public service and a Batho Pele advocacy programme was also conducted in both national and provincial departments. The focus as per the national priorities was the provincial and national Departments of Health, Education and Human Settlements. To ensure the effective implementation of service delivery improvement programmes, the refocused institutionalisation of the Batho Pele principles will be prioritised in 2014/15. This subprogramme had a staff complement of 6 in 2013/14.

Expenditure estimates

Table 12.13 Service Delivery and Organisational Transformation

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Management: Service Delivery and Organisational Transformation	2 754	3 204	3 195	3 874	12.0%	1.5%	3 304	3 106	3 216	-6.0%	1.4%
Service Delivery Planning	2 431	1 603	3 082	3 863	16.7%	1.3%	4 318	4 521	4 704	6.8%	1.8%
Service Delivery Improvement Mechanisms	10 163	13 054	10 954	13 643	10.3%	5.5%	10 000	9 551	9 417	-11.6%	4.4%
Organisational Development of the Public Sector	11 438	11 722	13 376	14 069	7.1%	5.8%	14 757	14 261	14 816	1.7%	5.9%
Community Development and Participation	4 428	5 062	4 453	4 854	3.1%	2.2%	5 379	5 631	5 658	5.2%	2.2%
Change Management Process and System	5 090	13 142	5 952	4 850	-1.6%	3.3%	4 594	4 849	4 899	0.3%	2.0%
Integrated Access Mechanisms	2 717	3 715	6 523	5 259	24.6%	2.1%	4 310	5 127	5 921	4.0%	2.1%
National School of Government	118 414	118 321	124 384	131 922	3.7%	56.4%	138 508	143 654	151 860	4.8%	58.0%
Centre for Public Service Innovation	17 852	17 200	20 613	22 824	8.5%	9.0%	22 304	23 003	24 094	1.8%	9.5%
Public Service Sector Education and Training Authority	27 466	23 708	25 295	23 308	-5.3%	11.4%	24 706	25 843	27 213	5.3%	10.4%
Batho Pele	5 219	-	3 425	5 558	2.1%	1.6%	5 584	5 858	6 063	2.9%	2.4%
Total	207 972	210 731	221 252	234 024	4.0%	100.0%	237 764	245 404	257 861	3.3%	100.0%
Change to 2013 Budget estimate				(2 042)			(9 937)	(10 728)	-		

Economic classification

	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		
Current payments	88 230	68 420	71 304	78 195	-3.9%	35.0%	74 106	75 502	78 342	0.1%	31.4%
Compensation of employees	44 792	36 408	40 009	47 343	1.9%	19.3%	49 249	51 563	53 860	4.4%	20.7%
Goods and services	43 407	31 984	31 295	30 852	-10.8%	15.7%	24 857	23 939	24 482	-7.4%	10.7%
of which:											
Administration fees	747	664	745	442	-16.0%	0.3%	491	533	439	-0.2%	0.2%
Advertising	2 020	3 304	1 140	2 027	0.1%	1.0%	271	303	264	-49.3%	0.3%
Assets less than the capitalisation threshold	88	29	98	21	-38.0%	-	1 708	1 400	1 700	332.6%	0.5%
Audit costs: External	1 443	-	-	-	-100.0%	0.2%	-	-	-	-	-
Bursaries: Employees	2	-	-	-	-100.0%	-	-	-	-	-	-
Catering: Departmental activities	1 388	906	1 957	448	-31.4%	0.5%	633	540	625	11.7%	0.2%
Communication	1 155	645	627	833	-10.3%	0.4%	926	937	948	4.4%	0.4%
Computer services	3 834	2 069	1 099	3 186	-6.0%	1.2%	484	1 079	885	-34.8%	0.6%
Consultants and professional services: Business and advisory services	5 171	5 466	4 987	2 476	-21.8%	2.1%	1 417	1 520	2 473	-	0.8%
Contractors	923	660	665	1 198	9.1%	0.4%	1 450	1 310	1 340	3.8%	0.5%
Agency and support / outsourced services	1 435	-	15	-	-100.0%	0.2%	-	-	-	-	-
Entertainment	40	1	3	2	-63.2%	-	8	8	8	58.7%	-
Fleet services (including government motor transport)	16	8	-	32	26.0%	-	91	91	91	41.7%	-
Inventory: Food and food supplies	2	16	18	-	-100.0%	-	-	-	-	-	-
Inventory: Fuel, oil and gas	6	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Learner and teacher support material	1	2	197	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	4	9	16	-	-100.0%	-	-	-	-	-	-
Inventory: Medical supplies	1	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Other supplies	93	22	125	-	-100.0%	-	-	-	-	-	-
Consumable supplies	-	-	-	72	-	-	320	280	380	74.1%	0.1%
Consumable: Stationery, printing and office supplies	1 287	572	1 900	503	-26.9%	0.5%	674	667	675	10.3%	0.3%
Operating leases	2 982	1 778	1 666	2 073	-11.4%	1.0%	2 260	2 463	2 685	9.0%	1.0%
Property payments	3 319	282	158	154	-64.1%	0.4%	136	141	212	11.2%	0.1%
Transport provided: Departmental activity	999	-	-	-	-100.0%	0.1%	570	610	580	-	0.2%
Travel and subsistence	7 610	9 497	10 830	11 237	13.9%	4.5%	8 309	7 569	6 654	-16.0%	3.5%

Table 12.13 Service Delivery and Organisational Transformation

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17			2013/14 - 2016/17
	R thousand												
Training and development	700	703	848	628	-3.6%	0.3%	813	516	519	-6.2%	0.3%		
Operating payments	4 196	1 913	1 180	1 387	-30.9%	1.0%	2 019	2 135	2 286	18.1%	0.8%		
Venues and facilities	3 945	3 434	3 011	4 133	1.6%	1.7%	2 217	1 777	1 658	-26.2%	1.0%		
Rental and hiring	-	4	10	-	-	-	60	60	60	-	-		
Interest and rent on land	31	28	-	-	-100.0%	-	-	-	-	-	-		
Transfers and subsidies	119 302	142 071	149 751	155 275	9.2%	64.8%	163 238	169 521	179 097	4.9%	68.4%		
Provinces and municipalities	1	-	-	-	-100.0%	-	-	-	-	-	-		
Departmental agencies and accounts	118 414	142 029	149 679	155 254	9.4%	64.7%	163 238	169 521	179 097	4.9%	68.4%		
Foreign governments and international organisations	-	2	-	-	-	-	-	-	-	-	-		
Non-profit institutions	1	-	-	-	-100.0%	-	-	-	-	-	-		
Households	886	40	72	21	-71.3%	0.1%	-	-	-	-100.0%	-		
Payments for capital assets	398	223	179	554	11.7%	0.2%	420	381	422	-8.7%	0.2%		
Machinery and equipment	398	223	179	554	11.7%	0.2%	420	381	422	-8.7%	0.2%		
Payments for financial assets	42	17	18	-	-100.0%	-	-	-	-	-	-		
Total	207 972	210 731	221 252	234 024	4.0%	100.0%	237 764	245 404	257 861	3.3%	100.0%		
Proportion of total programme expenditure to vote expenditure	33.1%	32.6%	31.4%	28.2%			27.2%	28.0%	27.7%				

Details of transfers and subsidies

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	1	-	-	-	-100.0%	-	-	-	-	-	-
Vehicle licences	1	-	-	-	-100.0%	-	-	-	-	-	-
Foreign governments and international organisations											
Current	-	2	-	-	-	-	-	-	-	-	-
Gifts and donations	-	2	-	-	-	-	-	-	-	-	-
Households											
Other transfers to households											
Current	886	40	72	21	-71.3%	0.1%	-	-	-	-100.0%	-
Employee social benefits	886	40	72	21	-71.3%	0.1%	-	-	-	-100.0%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	118 414	142 029	149 679	155 254	9.4%	64.7%	163 238	169 521	179 097	4.9%	68.4%
Communication	-	-	-	24	-	-	24	24	24	-	-
National School of Government	118 414	118 321	124 384	131 922	3.7%	56.4%	138 508	143 654	151 860	4.8%	58.0%
Public Service Sector Education and Training Authority	-	23 708	25 295	23 308	-	8.3%	24 706	25 843	27 213	5.3%	10.4%
Non-profit institutions											
Current	1	-	-	-	-100.0%	-	-	-	-	-	-
Gifts and donations	1	-	-	-	-100.0%	-	-	-	-	-	-

Personnel information

Table 12.14 Details of approved establishment and personnel numbers according to salary level¹

Service Delivery and Organisational Transformation	Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Salary level	84	9	85	40.0	0.5	91	47.3	0.5	88	49.2	0.6	88	51.6	0.6	88	53.9	0.6	-1.1%	100.0%
1 - 6	18	7	18	1.9	0.1	22	3.3	0.1	19	3.4	0.2	19	3.6	0.2	19	3.7	0.2	-4.8%	22.3%
7 - 10	17	1	17	4.8	0.3	17	6.1	0.4	17	6.4	0.4	17	6.6	0.4	17	6.3	0.4	-	19.2%
11 - 12	25	1	25	10.5	0.4	25	12.5	0.5	25	14.8	0.6	25	16.1	0.6	25	16.9	0.7	-	28.2%
13 - 16	24	-	25	22.9	0.9	27	25.5	0.9	27	24.7	0.9	27	25.3	0.9	27	26.9	1.0	-	30.4%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on continuing to enhance the quality, extent and impact of public sector management and leadership development, coordinating frameworks for providing public service education and training, and transforming, reforming and using innovation to improve the effectiveness, efficiency and the level of service delivery in the public service. These objectives are set to be achieved through providing training on Batho Pele principles to 20 national and provincial departments per year, supporting 60 national and provincial departments on the development of the service delivery improvement plans per year, and testing and piloting at least 2 sustainable innovative service delivery models and solutions per year for replication and mainstreaming. These objectives are provided for by funds allocated to the *Centre for Public Service Innovation, Service Delivery Improvement Mechanisms* and *Organisational Development of the Public Sector* subprogrammes, particularly on compensation of employees.

Another focus area will be on repositioning PALAMA as the National School of Government to meet the objectives of the public service as set out in the national development plan and the ministerial service delivery agreement. The repositioning of the academy is intended to increase the coverage of government's education, training and development programmes from the current 2 per cent to reach the entire public service. These objectives will be funded from a transfer payment to the *National School of Government* subprogramme.

As part of the Cabinet approved budget reductions, the programme reduced spending mainly on goods and services, such as catering, administration, and travel and subsistence, by R2.4 million over the medium term. The programme also reprioritised R31.5 million, mainly on goods and services such as advertising, computer service and venues and facilities, as part of cost saving measures to fund departmental priorities in other programmes. These budget reductions are the reason for the significant decrease in spending on goods and services over the medium term.

Programme 6: Governance and International Relations

- Contribute to greater alignment of public administration across the 3 spheres of government for strengthened administration and service delivery by developing enabling policy and legislative frameworks by March 2015.
- Contribute to government's fight against corruption in the public service by introducing the public sector integrity management framework and support investigations and disciplinary processes relating to corruption cases by March 2015.
- Ensure South Africa's compliance with the African Peer Review Mechanism by:
 - managing and implementing the African Peer Review Mechanism's national programme of action by March 2015
 - preparing and submitting progress implementation reports and coordinating the second generation country review process by March 2015.
- Contribute to the transformation agenda of the global public service by:
 - participating in continental governance and public administration initiatives by March 2015
 - advancing South-South cooperation, establishing and managing North-South relations and participating in global governance forums by March 2015.
- Ensure accountability and transparency in national and provincial departments by implementing a monitoring and evaluation framework for public service regulations and policies by March 2015.

Subprogrammes

- *Management: Governance and International Relations* provides administrative support and management of the programme. In 2013/14, strategic guidelines and administrative support were provided to enable the development of objectives, the prioritisation of projects and outputs, and the determination of resource requirements. This subprogramme had a staff complement of 3 in 2013/14.
- *Integrity and Ethics Management* is responsible for establishing and implementing strategies for fighting corruption and improving ethical conduct in the public service. In 2012/13, Cabinet approved the ethics and

integrity framework for the public service, which includes the financial disclosure system for all public servants; restrictions for public servants doing business with government; strict regulation on public servants performing other remunerative work and restrictions on acceptance of gifts by public servants. The outputs and activities for 2013/14 include the rollout of the electronic disclosure system across government for implementation in April 2014, monitoring and reporting on the implementation of the public sector integrity management framework and the implementation of the anticorruption communication awareness campaign. This subprogramme had a staff complement of 11 in 2013/14.

- *International Cooperation* establishes and maintains bilateral and multilateral relations on governance and public administration by coordinating and facilitating South Africa's engagement with and contribution to continental and international discourses on governance and public administration for improved service delivery. In 2012/13, Cabinet approved the African Charter on the Values and Principles of Public Service and Administration, the department participated in the South Africa-Democratic Republic of Congo Bi-National Commission and a memorandum of understanding was signed with China. The department also participated in several international conferences, including the 15th International Anti-Corruption Conference in Brazil. In 2013/14, South Africa was represented on the African Training and Research Centre in Administration for Development board, the South African Association for Public Administration and Management participated in the tenth forum of Commonwealth heads of African public service in Botswana and the department participated in the biannual Africa Public Service Day celebrations. This subprogramme had a staff complement of 13 in 2013/14.
- *Monitoring and Evaluation* manages a system for monitoring and evaluating public service regulations and related policies that enables transformation in the public sector. The main accomplishments for 2013/14 include the conducting of a citizen report card survey in sampled municipalities, a pilot for an employee satisfaction survey in the public service in Mpumalanga and Gauteng, and the quarterly production and circulation of the strategic human resources performance reports to facilitate improvement of the quality of PERSAL data. This subprogramme had a staff complement of 11 in 2013/14.
- *African Peer Review Mechanism* ensures the domestication and mainstreaming of policies, standards, and practices of the African Peer Review Mechanism programme, contributing towards political stability, high economic growth, sustainable development and accelerated subregional and continental economic integration. The operational budget for 2013/14 was mainly used on consultations in preparation for the tabling of the third national report on the implementation of the programme of action of the African Peer Review Mechanism and expenditure in relation to the open government partnership project. This subprogramme had a staff complement of 11 in 2013/14.
- *Integrated Public Administration Reforms* works towards greater public administration and service delivery alignment through facilitating the introduction of enabling legislative and policy frameworks, stakeholder liaison and programme coordination. In 2013/14, the needs assessment concept document for train service centres began and work on the Public Administration Management Bill progressed to its introduction to Cabinet after an extensive countrywide consultative process. In addition, the Thusong service centre in Soweto was managed and monitored. This subprogramme had a staff complement of 9 in 2013/14.
- *Public Service Commission* funds are transferred 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. This subprogramme's total budget is transferred monthly to the Public Service Commission.

Expenditure estimates

Table 12.15 Governance and International Relations

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Management: Governance and International Relations	2 476	3 379	3 308	4 022	17.6%	1.5%	3 662	3 559	3 568	-3.9%	1.3%
Integrity and Ethics Management	5 883	8 082	11 511	17 427	43.6%	4.9%	12 813	17 989	19 991	4.7%	5.8%
International Cooperation	10 236	9 201	10 031	11 268	3.3%	4.7%	10 545	11 027	11 416	0.4%	3.8%
Monitoring and Evaluation	7 782	8 097	8 368	12 917	18.4%	4.3%	22 966	24 264	30 947	33.8%	7.7%
African Peer Review Mechanism	12 377	4 496	9 170	11 040	-3.7%	4.3%	11 296	9 777	9 000	-6.6%	3.5%
Integrated Public Administration Reforms	18 379	8 701	10 865	12 558	-11.9%	5.8%	14 995	14 791	15 370	7.0%	4.9%
Public Service Commission	134 595	151 051	162 117	201 140	14.3%	74.5%	226 031	211 031	224 413	3.7%	73.1%
Total	191 728	193 007	215 370	270 372	12.1%	100.0%	302 308	292 438	314 705	5.2%	100.0%
Change to 2013 Budget estimate				(1 958)			13 930	8 477	-		
Economic classification											
Current payments	54 044	38 677	52 015	67 713	7.8%	24.4%	74 343	79 685	88 662	9.4%	26.3%
Compensation of employees	21 653	24 092	27 864	39 321	22.0%	13.0%	43 264	52 750	59 614	14.9%	16.5%
Goods and services	32 364	14 559	24 151	28 392	-4.3%	11.4%	31 079	26 935	29 048	0.8%	9.8%
of which:											
Administration fees	970	346	529	478	-21.0%	0.3%	805	635	613	8.6%	0.2%
Advertising	591	118	2 970	400	-12.2%	0.5%	340	350	380	-1.7%	0.1%
Assets less than the capitalisation threshold	624	172	102	15	-71.1%	0.1%	413	205	55	54.2%	0.1%
Bursaries: Employees	-	13	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	611	274	1 076	125	-41.1%	0.2%	318	186	307	34.9%	0.1%
Communication	620	707	614	805	9.1%	0.3%	1 321	2 149	1 677	27.7%	0.5%
Computer services	1 962	2 092	2 634	3 094	16.4%	1.1%	3 174	3 106	3 842	7.5%	1.1%
Consultants and professional services: Business and advisory services	3 902	232	235	4 867	7.6%	1.1%	3 927	1 471	3 531	-10.1%	1.2%
Contractors	521	367	50	190	-28.6%	0.1%	136	90	94	-20.9%	-
Agency and support / outsourced services	67	205	234	500	95.4%	0.1%	-	-	-	-100.0%	-
Entertainment	28	2	10	29	1.2%	-	25	25	25	-4.8%	-
Fleet services (including government motor transport)	11	4	-	36	48.5%	-	103	103	103	42.0%	-
Inventory: Food and food supplies	3	22	25	-	-100.0%	-	-	-	-	-	-
Inventory: Fuel, oil and gas	2	-	4	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	4	164	77	-	-100.0%	-	-	-	-	-	-
Inventory: Medical supplies	1	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Other supplies	4	51	2	-	-100.0%	-	-	-	-	-	-
Consumable supplies	-	-	18	50	-	-	176	176	176	52.1%	-
Consumable: Stationery, printing and office supplies	350	307	821	922	38.1%	0.3%	873	900	954	1.1%	0.3%
Operating leases	3 744	25	3 741	2 367	-14.2%	1.1%	4 500	4 860	5 250	30.4%	1.4%
Property payments	3 855	828	601	996	-36.3%	0.7%	312	372	432	-24.3%	0.2%
Transport provided: Departmental activity	2 755	-	-	300	-52.2%	0.4%	50	55	61	-41.2%	-
Travel and subsistence	6 890	6 530	7 460	7 662	3.6%	3.3%	10 068	7 929	7 675	0.1%	2.8%
Training and development	575	737	538	524	-3.0%	0.3%	685	625	652	7.6%	0.2%
Operating payments	1 988	765	764	684	-29.9%	0.5%	2 090	1 841	1 440	28.2%	0.5%
Venues and facilities	2 286	598	1 646	4 348	23.9%	1.0%	1 763	1 857	1 781	-25.7%	0.8%
Interest and rent on land	27	26	-	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies	135 082	151 892	162 915	202 052	14.4%	74.9%	226 858	211 859	225 257	3.7%	73.4%
Departmental agencies and accounts	134 595	151 051	162 117	201 142	14.3%	74.5%	226 031	211 032	224 414	3.7%	73.1%
Foreign governments and international organisations	477	670	770	908	23.9%	0.3%	827	827	843	-2.4%	0.3%
Households	10	171	28	2	-41.5%	-	-	-	-	-100.0%	-
Payments for capital assets	2 555	2 418	439	607	-38.1%	0.7%	1 107	894	786	9.0%	0.3%
Machinery and equipment	2 555	2 418	439	607	-38.1%	0.7%	757	509	362	-15.8%	0.2%
Software and other intangible assets	-	-	-	-	-	-	350	385	424	-	0.1%
Payments for financial assets	47	20	1	-	-100.0%	-	-	-	-	-	-
Total	191 728	193 007	215 370	270 372	12.1%	100.0%	302 308	292 438	314 705	5.2%	100.0%
Proportion of total programme expenditure to vote expenditure	30.5%	29.9%	30.6%	32.6%			34.5%	33.4%	33.9%		

Table 12.15 Governance and International Relations

Details of transfers and subsidies			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
Audited outcome						2010/11 - 2013/14					
R thousand	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2013/14 - 2016/17		
Foreign governments and international organisations											
Current	477	670	770	908	23.9%	0.3%	827	827	843	-2.4%	0.3%
Organisation for Economic Cooperation and Development	141	151	172	300	28.6%	0.1%	300	300	316	1.7%	0.1%
African Association for Public Administration and Management	-	163	187	207	-	0.1%	160	160	160	-8.2%	0.1%
Centre for Training and Research in Administration for Development	313	-	385	335	2.3%	0.1%	342	342	342	0.7%	0.1%
International Institute of Administration Services	23	24	26	66	42.1%	-	25	25	25	-27.6%	-
African Training and Research Centre in Administration for Development	-	332	-	-	-	-	-	-	-	-	-
Households											
Other transfers to households											
Current	10	171	28	2	-41.5%	-	-	-	-	-100.0%	-
Employee social benefits	10	171	28	2	-41.5%	-	-	-	-	-100.0%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	134 595	151 051	162 117	201 142	14.3%	74.5%	226 031	211 032	224 414	3.7%	73.1%
Communication	-	-	-	2	-	-	-	1	1	-20.6%	-
Public Service Commission	134 595	151 051	162 117	201 140	14.3%	74.5%	226 031	211 031	224 413	3.7%	73.1%

Personnel information

Table 12.16 Details of approved establishment and personnel numbers according to salary level¹

Number of funded posts	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2012/13		2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17							
Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost		
64	10	64	27.9	0.4	73	39.3	0.5	74	43.3	0.6	86	52.8	0.6	89	59.6	0.7	6.8%	100.0%	
1-6	10	10	2.0	0.2	14	2.5	0.2	14	2.6	0.2	15	2.9	0.2	15	3.1	0.2	2.3%	18.0%	
7-10	19	6	18	4.1	0.2	18	5.7	0.3	19	5.7	0.3	23	7.7	0.3	23	10.7	0.5	8.5%	25.8%
11-12	15	1	16	5.7	0.4	19	8.9	0.5	17	9.6	0.6	19	8.4	0.4	19	12.5	0.7	-	23.0%
13-16	20	2	20	16.1	0.8	22	22.1	1.0	24	25.4	1.1	29	33.7	1.2	32	33.3	1.0	13.3%	33.2%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on strengthening the Public Service Commission's capacity to monitor and evaluate government departments' compliance with the nine constitutional values. The department will achieve this objective by facilitating the transfer payment to the commission. The commission receives Cabinet approved additional funds of R26.2 million over the medium term. This is reflected in the transfer to departmental agencies.

The department also aims to establish the office of standards and compliance in the *Monitoring and Evaluation* subprogramme over the medium term. The office will provide technical assistance, advisory services and strategic interventions in the public service to ensure that national and provincial departments comply with the regulatory frameworks and norms and standards determined by the minister. The establishment of this entity is expected to result in an increase in the number of funded posts in this programme from 64 to 89 over the medium term. As a result, expenditure on compensation of employees is expected to increase at an average annual rate of 14.9 per cent over the same period.

To give effect to Cabinet approved budget reductions of R1.7 million over the medium term; the department is to reduce spending mainly on non essential goods and services, such as catering, administrative fees, and travel and subsistence.

Other departments within the vote

Public Service Commission

Table 12.17 Budget summary

R million	2014/15				2015/16	2016/17
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	107.4	106.3	0.1	1.0	95.1	101.8
Leadership and Management Practices	37.1	37.0	–	0.0	36.9	39.0
Monitoring and Evaluation	35.4	35.3	–	0.0	35.1	37.1
Integrity and Anti-Corruption	46.2	46.2	–	0.0	44.0	46.6
Total expenditure estimates	226.0	224.9	0.1	1.1	211.0	224.4

Executive authority

Accounting officer

Director General

Website address

www.psc.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.

Aim

Promote constitutional values and principles of public administration in the public service.

Mandate

The Public Service Commission derives its mandate from section 196 of the Constitution and is tasked and empowered to, either of its own accord or if it receives any complaint, investigate, monitor and evaluate the organisation and administration of the public service. The mandate also entails the evaluation of the performance of government programmes. The commission is also required to promote measures throughout the public service and to Parliament and the provincial legislatures that ensure effective and efficient performance within the public service, and to promote the values and principles of public administration as set out in the Constitution.

Strategic goals

The commission's strategic goals over the medium term are to:

- enhance accountability and ethics in public administration
- improve service delivery by government and ensure that standards of equity, effectiveness, efficiency and economy are met
- contribute to a successful developmental public administration.

Selected performance indicators

Table 12.18 Public Service Commission

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Percentage of grievances received, investigated and concluded per year	Leadership and Management Practices	Outcome 12: An efficient, effective and development oriented public service and an empowered and fair, inclusive citizenship	62% (572)	84% (673)	52% (377)	100%	100%	100%	100%
Number of reports on the management of grievances in the public service per year	Leadership and Management Practices		3	1	1	1	1	1	1
Percentage of performance documents received from heads of departments and evaluated per year	Leadership and Management Practices		20% (29)	97% (142)	51% (74)	80%	85%	88%	90%
Percentage of performance agreements received from heads of departments, quality assured and filled per year	Leadership and Management Practices		70% (102)	89% (130)	85% (124)	100%	100%	100%	100%
Number of reports on strategic human resource matters per year	Leadership and Management Practices		2	2	1	2	2	2	2

Table 12.18 Public Service Commission

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of reports on monitoring and evaluation per year	Monitoring and Evaluation	Outcome 12: An efficient, effective and development oriented public service and an empowered and fair, inclusive citizenship	26	22	16	18	13	13	13
Number of reports on service delivery per year	Monitoring and Evaluation		12	10	14	4	4	4	4
Number of public administration investigations successfully concluded per year:	Integrity and Anti-Corruption								
- Full-scale:			4	6	10	20	40	45	50
- Desktop finalised:			61	28	23	25	45	50	55
- Desktop closed:			409	222	182	150	160	170	180
Number of cases reported on the national anti-corruption hotline referred to relevant departments and investigated per year	Integrity and Anti-Corruption		1 117	1 582	1 963	2 600	2 800	2 700	2 800
Percentage of financial disclosure forms received and scrutinised	Integrity and Anti-Corruption		88% (7 587)	62% (5 786)	100% (8 342)	100%	100%	100%	100%
Number of ethics and anti-corruption research reports per year	Integrity and Anti-Corruption	1	8	7	9	4	4	4	

1. The number of public administration investigations has been split to show full scale and desktop investigations conducted. Full scale investigations involve field research on information collected when departments are visited, whereas desktop investigations are based on information provided by the department.

Objectives

- Enhance the ability of departments to investigate grievances of employees in the public service through the monitoring of the resolution of grievances by investigating and finalising all grievances lodged with the Public Service Commission each year.
- Monitor and evaluate compliance with the principles governing public administration by evaluating the management practices and service delivery performance and undertaking at least 1 programme evaluation per year.
- Investigate and improve public administration practices by concluding 20 audits and investigations into public administration practices per year by 2015/16, and making recommendations to departments on how to promote good governance on an ongoing basis.
- 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 2015/16.
- Contribute to the fight against corruption through ongoing management of the national anti-corruption hotline for the public service.

Programmes

- *Administration* manages the office of the commission and provides centralised support services. In 2013/14, key activities included the virtualisation of the server and the upgrading of the email system to ensure active synchronisation and easy access for all Public Service Commission employees. This programme had a staff complement of 114 in 2013/14.
- *Leadership and Management Practices* promotes sound public service leadership, human resource management, labour relations and labour practices. This programme is divided into the *Labour Relations Improvement* and *Leadership and Human Resource Reviews* subprogrammes. In 2012/13, the commission concluded 104 cases and closed 138 of the 619 grievance cases lodged. This programme had a staff complement of 58 in 2013/14.
- *Monitoring and Evaluation* enables the department to establish a high standard of service delivery, monitoring and good governance in the public service. This programme comprises 2 subprogrammes: *Governance Monitoring*, which promotes good governance and improves governance practices in the public service; and *Service Delivery and Compliance Evaluations*, which strives to promote improved service delivery through public participation and the monitoring of quality audits. In 2013/14, public service barometer reports, which provide a coherent and sustained analysis of the state of compliance with

constitutional values and principles, were produced. In addition, deeper assessments of 15 departments against these values and principles were approved. This programme had a staff complement of 58 in 2013/14.

- *Integrity and Anti-Corruption* undertakes public administration investigations, analyses and refers cases of alleged corruption to the respective departments for investigation, and scrutinises the financial disclosure forms of senior managers to ensure integrity-driven public service and administration. The programme comprises 2 subprogrammes: *Public Administration Investigations* and *Professional Ethics*. The compliance rate with regard to the submission of the disclosure forms for 2012/2013 was 84 per cent, or 7 930 submissions, by the end of May 2013, while 5 095 cases of alleged corruption reported to the national anti-corruption hotline were closed in 2013/14. This programme had a staff complement of 70 in 2013/14.

Expenditure estimates

Table 12.19 Public Service Commission

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2014/15	2015/16		
R million												
Administration	70.9	76.1	85.2	97.0	97.0	11.0%	51.3%	107.4	95.1	101.8	1.6%	46.5%
Leadership and Management Practices	20.2	23.0	24.8	32.1	32.1	16.7%	15.6%	37.1	36.9	39.0	6.7%	16.8%
Monitoring and Evaluation	20.6	20.8	22.2	31.1	31.1	14.8%	14.8%	35.4	35.1	37.1	6.0%	16.1%
Integrity and Anti-Corruption	22.4	24.6	29.9	40.9	40.9	22.3%	18.3%	46.2	44.0	46.6	4.5%	20.6%
Total	134.0	144.4	162.1	201.1	201.1	14.5%	100.0%	226.0	211.0	224.4	3.7%	100.0%
Change to 2013 Budget estimate				-	-			13.6	6.1	6.5		
Economic classification												
Current payments	130.5	139.5	159.1	198.9	198.9	15.1%	97.9%	224.9	210.6	223.9	4.0%	99.5%
Compensation of employees	92.3	97.3	111.9	142.9	142.9	15.7%	69.3%	171.6	180.9	190.4	10.0%	79.5%
Goods and services	38.2	42.2	47.2	55.9	55.9	13.6%	28.6%	53.2	29.7	33.5	-15.7%	20.0%
of which:												
Administration fees	0.0	0.1	0.2	0.9	0.9	204.4%	0.2%	0.0	0.0	0.0	-73.4%	0.1%
Advertising	0.5	0.7	1.3	1.1	1.1	30.7%	0.6%	0.0	0.0	0.0	-83.6%	0.1%
Assets less than the capitalisation threshold	0.4	0.5	0.7	3.0	3.0	101.3%	0.7%	7.0	2.7	3.1	0.9%	1.8%
Audit cost: External	3.5	2.0	3.0	2.4	2.4	-12.1%	1.7%	3.8	1.5	1.6	-12.2%	1.1%
Bursaries: Employees	0.3	0.4	0.4	0.7	0.7	36.7%	0.3%	0.4	0.2	0.2	-35.9%	0.2%
Catering: Departmental activities	0.2	0.4	0.5	0.6	0.6	36.1%	0.3%	0.4	0.2	0.2	-33.8%	0.2%
Communication	2.0	2.0	2.3	2.9	2.9	13.0%	1.4%	3.8	1.4	1.6	-17.0%	1.1%
Computer services	4.1	3.5	3.5	2.6	2.6	-14.4%	2.1%	3.6	1.4	1.5	-15.4%	1.0%
Consultants and professional services: Business and advisory services	4.2	4.3	4.6	7.2	7.2	20.0%	3.2%	4.5	1.7	1.9	-35.5%	1.8%
Consultants and professional services: Legal costs	0.4	-	0.4	0.2	0.2	-28.4%	0.2%	0.1	0.0	0.0	-38.6%	0.0%
Contractors	0.7	0.6	0.2	0.3	0.3	-26.5%	0.3%	0.2	0.1	0.1	-32.7%	0.1%
Agency and support / outsourced services	0.1	0.0	0.0	0.0	0.0	-32.5%	0.0%	-	-	-	-100.0%	0.0%
Inventory: Materials and supplies	0.0	-	-	0.1	0.1	291.5%	0.0%	-	-	-	-100.0%	0.0%
Inventory: Other supplies	0.0	0.1	0.1	0.3	0.3	175.3%	0.1%	0.1	0.0	0.0	-56.8%	0.1%
Consumable: Stationery, printing and office supplies	2.8	3.1	3.4	1.4	1.4	-20.8%	1.7%	1.2	0.4	0.5	-29.0%	0.4%
Operating leases	18.5	21.9	20.3	21.6	21.6	5.3%	12.8%	26.4	26.5	30.0	11.5%	12.1%
Property payments	4.3	4.3	4.6	4.0	4.0	-2.1%	2.7%	3.4	1.3	1.4	-28.7%	1.2%
Transport provided: Departmental activity	0.8	-	-	-	-	-100.0%	0.1%	-	-	-	-	-
Travel and subsistence	4.7	7.2	10.7	10.6	10.6	30.9%	5.2%	8.2	3.4	3.9	-28.6%	3.0%
Training and development	0.0	1.2	0.9	1.8	1.8	747.3%	0.6%	1.7	1.6	1.6	-4.3%	0.8%
Operating payments	0.6	0.8	0.9	2.8	2.8	71.5%	0.8%	2.4	0.9	1.0	-28.0%	0.8%
Venues and facilities	1.1	1.8	1.3	4.0	4.0	51.6%	1.3%	0.9	0.3	0.4	-54.8%	0.6%

Table 12.19 Public Service Commission

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2010/11	2011/12	2012/13					2013/14	2010/11 - 2013/14	2014/15			2015/16
R million													
Transfers and subsidies	0.7	0.3	1.4	0.8	0.8	3.4%	0.5%	0.1	0.0	0.0	-17.6%	0.1%	
Foreign governments and international organisations	0.0	0.0	0.0	0.1	0.1	6.8%	0.0%	0.1	0.0	0.0	-17.6%	0.0%	
Households	0.6	0.3	1.4	0.7	0.7	3.1%	0.5%	-	-	-	-100.0%	0.1%	
Payments for capital assets	2.8	4.5	1.5	1.5	1.5	-18.0%	1.6%	1.1	0.4	0.5	-33.0%	0.4%	
Machinery and equipment	2.4	3.3	1.5	1.5	1.5	-14.4%	1.4%	1.1	0.4	0.4	-33.5%	0.4%	
Software and other intangible assets	0.3	1.1	-	-	-	-100.0%	0.2%	-	-	-	-	-	
Payments for financial assets	0.1	0.1	0.1	-	-	-100.0%	0.0%	-	-	-	-	-	
Total	134.0	144.4	162.1	201.1	201.1	14.5%	100.0%	226.0	211.0	224.4	3.7%	100.0%	

Personnel information**Table 12.20 Details of approved establishment and personnel numbers according to salary level¹**

Number of posts estimated for 31 March 2014	Number and cost ² of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Public Service Commission			255	111.9	0.4	247	142.9	0.6	317	171.6	0.5	317	180.9	0.6	317	190.4	0.6	8.7%	100.0%
Salary level	311	12																	
1 – 6	69	-	70	11.5	0.2	62	12.5	0.2	69	14.4	0.2	69	15.2	0.2	69	16.0	0.2	3.6%	22.5%
7 – 10	97	-	82	24.2	0.3	84	34.1	0.4	99	39.3	0.4	99	41.7	0.4	99	43.9	0.4	5.6%	31.8%
11 – 12	83	11	56	26.9	0.5	48	36.7	0.8	87	54.0	0.6	87	56.8	0.7	87	59.8	0.7	21.9%	25.8%
13 – 16	62	1	47	49.3	1.0	53	59.7	1.1	62	63.9	1.0	62	67.2	1.1	62	70.7	1.1	5.4%	19.9%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will continue to be on conducting anti-corruption work, strengthening investigative capacity, and promoting the judicious management of resources. To achieve these objectives, the commission will continue to monitor and evaluate government departments' compliance with the nine constitutional values in order to maintain and improve the standard of professional ethics in the public service and the efficient use of public service resources by public servants. The department also expects the number of cases reported on the national anti-corruption hotline referred to respective departments and investigated per year to increase from 1 963 in 2012/13 to 2 800 in 2016/17. These activities are supported by the budget allocated to the Integrity and Anti-Corruption programme, particularly on compensation of employees.

Cabinet approved additional funding of R13.6 million in 2014/15, R6.1 million in 2015/16 and R6.5 million in 2016/17, to mitigate capacity constraints in the commission, particularly in the monitoring and evaluation and internal administrative functions. Consequently, personnel numbers are expected to increase from 255 in 2012/13 to 317 in 2016/17 and expenditure on compensation of employees is projected to increase accordingly.

National School of Government

Table 12.21 Budget summary

R million	2014/15				2015/16	2016/17
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	82.9	80.6	–	2.4	85.5	91.0
Public Sector Organisational and Staff Development	55.6	–	55.6	–	58.2	60.8
Total expenditure estimates	138.5	80.6	55.6	2.4	143.7	151.9

Executive authority Minister of Public Service and Administration
 Accounting officer Director General of Public Service and Administration
 Website address www.palama.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.

Aim

Provide or coordinate the provision of training and management development interventions that lead to improved performance and service delivery in the public sector.

Mandate

The National School of Government derives its mandate from the Public Service Amendment Act (2007). In terms of the act, the school is required to ensure that public servants are capacitated in the leadership, management and administrative competencies that are central to creating a developmental state. The operational activities of the school are located within the National School of Government training trading account, a separate public entity. The National School of Government was proclaimed under a presidential proclamation in 2013 to replace PALAMA.

The school's strategic goals over the medium term are to:

- rapidly respond to changes in the public sector capacity development arena through proactive monitoring and research
- progressively increase and expand the academy's client base by 10 per cent annually within the three spheres of government and other organs of state
- determine appropriate funding mechanisms to support the academy's training and operations and to ensure the correct level of funding and utilisation of the funds in line with delivery targets
- enhance the marketing and visibility of the academy's products and services within the three spheres of government and other organs of state
- deliver training to officials within the three spheres of government and other organs of state through structured collaborative partnerships and within a coherent cooperative governance framework
- develop common norms and standards for public sector training and development within the confines of a coherent policy framework
- develop the academy into a high performance organisation by improving organisational and administrative efficiencies.

Selected performance indicators

The National School of Government's selected performance indicators are discussed under the National School of Government training trading account.

Objectives

- Improve the capacity of the state to deliver services by raising the skills levels of civil servants through the competency based training of 38 000 civil servants per year over the medium term.
- Improve the quality of training by accrediting 6 courses per year on a rolling schedule over the medium term.

Programmes

- *Administration* facilitates the overall management of the school and provides support services for its organisational functions. In 2013/14, administrative support was provided to enable the achievement of objectives such as providing sound financial management, human resources management and communication services. Over the medium term, the focus will continue to be on these outputs. This programme had a staff complement of 89 in 2013/14.
- *Public Sector Organisational and Staff Development* facilitates transfer payments to the training trading account for management development and training public sector employees. This programme's total budget is transferred in full to the training trading account.

Expenditure estimates

Table 12.22 National School of Government

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate		Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13			2013/14	2010/11 - 2013/14		2013/14	2014/15	2015/16		
R million													
Administration	54.3	62.5	68.6	77.3	77.3	12.4%	54.8%	82.9	85.5	91.0	5.6%	59.5%	
Public Sector Organisational and Staff Development	61.1	49.0	52.1	54.7	54.7	-3.7%	45.2%	55.6	58.2	60.8	3.6%	40.5%	
Total	115.5	111.6	120.7	131.9	131.9	4.5%	100.0%	138.5	143.7	151.9	4.8%	100.0%	
Change to 2013 Budget estimate				-	-			-	-	-			
Economic classification													
Current payments	52.2	61.2	66.8	75.0	75.0	12.9%	53.2%	80.6	83.0	88.4	5.6%	57.8%	
Compensation of employees	21.1	28.9	31.4	41.1	41.1	24.9%	25.6%	45.7	47.8	50.0	6.7%	32.6%	
Goods and services	31.0	32.3	35.3	33.9	33.9	3.0%	27.6%	34.9	35.2	38.4	4.3%	25.2%	
of which:													
Administration fees	0.0	0.3	0.7	0.1	0.1	16.1%	0.2%	0.1	0.1	0.1	6.8%	0.0%	
Advertising	0.9	0.5	0.1	0.6	0.6	-13.8%	0.5%	0.6	0.7	0.7	4.9%	0.5%	
Assets less than the capitalisation threshold	0.1	0.0	0.3	0.4	0.4	45.9%	0.2%	0.4	0.4	0.5	5.1%	0.3%	
Audit costs: External	1.2	2.6	4.1	3.4	3.4	41.5%	2.4%	3.3	3.8	4.0	5.0%	2.6%	
Bursaries: Employees	0.0	0.3	0.2	0.4	0.4	495.0%	0.2%	0.4	0.5	0.5	4.9%	0.3%	
Catering: Departmental activities	0.4	0.4	0.4	0.2	0.2	-16.3%	0.3%	0.2	0.2	0.3	4.6%	0.2%	
Communication	1.1	0.9	0.9	1.4	1.4	8.5%	0.9%	1.4	1.5	1.6	5.0%	1.0%	
Computer services	1.7	3.3	3.4	2.3	2.3	9.4%	2.2%	1.9	1.5	1.6	-10.7%	1.3%	
Consultants and professional services: Business and advisory services	1.2	0.3	0.4	1.0	1.0	-4.3%	0.6%	1.1	1.1	1.2	4.9%	0.8%	
Consultants and professional services: Legal costs	-	0.1	0.3	0.5	0.5	-	0.2%	0.6	0.6	0.6	5.0%	0.4%	
Contractors	0.3	0.1	0.5	0.7	0.7	37.7%	0.3%	0.7	0.7	0.8	4.9%	0.5%	
Agency and support / outsourced services	13.4	12.9	11.2	9.3	9.3	-11.3%	9.8%	10.2	10.4	12.1	9.0%	7.4%	
Entertainment	0.0	-	-	0.1	0.1	124.5%	0.0%	0.1	0.1	0.1	4.7%	0.1%	
Fleet services (including government motor transport)	-	-	-	0.5	0.5	-	0.1%	0.5	0.5	0.6	5.0%	0.4%	
Inventory: Learner and teacher support material	0.0	-	-	0.3	0.3	580.3%	0.1%	0.3	0.3	0.4	4.9%	0.2%	
Inventory: Other supplies	0.3	0.0	0.0	0.1	0.1	-35.1%	0.1%	0.1	0.1	0.1	6.0%	0.1%	
Consumable: Stationery, printing and office supplies	1.1	1.5	1.3	1.6	1.6	14.4%	1.1%	1.5	1.3	1.4	-5.5%	1.0%	
Operating leases	0.7	3.2	4.0	4.7	4.7	91.7%	2.6%	4.9	4.6	4.9	1.6%	3.4%	
Property payments	5.4	1.7	3.4	0.6	0.6	-52.6%	2.3%	0.6	0.6	0.6	3.2%	0.4%	
Travel and subsistence	2.3	2.8	2.5	2.7	2.7	5.2%	2.2%	2.9	3.0	3.2	4.9%	2.1%	
Training and development	0.3	0.6	1.2	1.1	1.1	52.5%	0.7%	1.1	1.2	1.3	4.9%	0.8%	
Operating payments	0.1	0.3	0.0	0.4	0.4	57.0%	0.2%	0.4	0.5	0.5	4.9%	0.3%	
Venues and facilities	0.5	0.4	0.4	1.4	1.4	45.6%	0.6%	1.5	1.6	1.7	4.7%	1.1%	
Rental and hiring	-	-	0.0	-	-	0.0%	-	-	-	-	-	-	
Interest and rent on land	0.0	0.0	0.0	-	-	-100.0%	0.0%	-	-	-	-	-	
Transfers and subsidies	61.2	49.0	52.1	54.7	54.7	-3.7%	45.2%	55.6	58.2	60.8	3.6%	40.5%	
Departmental agencies and accounts	61.1	49.0	52.1	54.7	54.7	-3.7%	45.2%	55.6	58.2	60.8	3.6%	40.5%	
Households	0.0	-	-	-	-	-100.0%	0.0%	-	-	-	-	-	

Table 12.22 National School of Government

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2014/15	2015/16		
R million												
Payments for capital assets	2.1	1.3	1.8	2.2	2.2	1.9%	1.6%	2.4	2.5	2.6	5.0%	1.7%
Machinery and equipment	1.9	1.3	1.8	2.2	2.2	6.3%	1.5%	2.4	2.5	2.6	5.0%	1.7%
Software and other intangible assets	0.3	-	0.0	-	-	-100.0%	0.1%	-	-	-	-	-
Total	115.5	111.6	120.7	131.9	131.9	4.5%	100.0%	138.5	143.7	151.9	4.8%	100.0%

Personnel information

Table 12.23 Details of approved establishment and personnel numbers according to salary level¹

National School of Government	Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
Salary level	89	89	89	31.4	0.4	89	41.1	0.5	89	45.7	0.5	89	47.8	0.5	89	50.0	0.6	-	100.0%
1 - 6	26	26	26	2.4	0.1	26	2.7	0.1	26	3.6	0.1	26	3.7	0.1	26	4.2	0.2	-	29.2%
7 - 10	30	30	30	8.1	0.3	30	10.9	0.4	30	12.3	0.4	30	13.4	0.4	30	13.8	0.5	-	33.7%
11 - 12	15	15	15	10.4	0.7	15	12.0	0.8	15	13.1	0.9	15	13.4	0.9	15	14.3	1.0	-	16.9%
13 - 16	18	18	18	10.6	0.6	18	15.5	0.9	18	16.7	0.9	18	17.3	1.0	18	17.7	1.0	-	20.2%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on continuing to transform the National School of Government, which was launched and renamed in October 2013, into a new organisation geared to meet the objectives of the public service as set out in the national development plan and the ministerial service delivery agreement. The school aims to provide education, training and development programmes in the public service to improve the performance of public servants and service delivery. The school's new business philosophy and practices are expected to increase the coverage of government's education, training and development programmes from a current 2 per cent to the entire public service over the medium term. This ambitious goal will require the school management to plan for and recruit appropriate personnel and other resources for developing, implementing, and managing the school's training programmes and objectives.

The activities required to transform the school are provided for in the budget allocated to the *Administration* programme, which is expected to grow at an average annual rate of 5.6 per cent over the medium term, with personnel numbers expected to remain at 89 over the same period. The school's management faces a critical challenge in planning and managing the change agenda of the school within the available resource capacity over the medium term.

Public entities and other agencies

State Information Technology Agency

Mandate and goals

The State Information Technology Agency is governed by the State Information Technology Agency Act (1998). The act separates the agency's services into mandatory services and non-mandatory services. The mandatory services include the provision and maintenance of transversal information systems, and data processing or associated services for transversal systems. The act mandates the agency to consolidate and coordinate the South African government's IT resources to achieve cost savings through economies of scale, increased delivery capabilities and enhanced interoperability of systems. The agency is committed to leveraging

IT as a strategic resource for government, managing the IT procurement and delivery process to ensure that government receives value for money and using IT support delivery of e-government services to all citizens.

The agency's strategic goals over the medium term are to:

- significantly improve service delivery to its clients
- prioritise citizen focused projects
- attain best practice in people management and leadership
- overhaul internal and external communications to improve transparency, visibility and image
- build an appropriate organisational structure and team to achieve its strategic objectives
- maintain financial sustainability.

Selected performance indicators

Table 12.24 State Information Technology Agency

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Revenue growth	Business operations	Outcome 6: An efficient, competitive and responsive economic infrastructure network	8.8%	10.0%	9.4%	15.0%	8.0%	10.0%	10.0%
Net surplus percentage	Business operations	Outcome 12: An efficient, effective and development oriented public service and an empowered, fair, and inclusive citizenship	4%	7.8%	0.8%	2.6%	3.9%	3.9%	3.9%
Liquidity ratio	Business operations	Outcome 6: An efficient, competitive and responsive economic infrastructure network	1.5:1	2.52:1	4.12:1	0.87:1	1.2:1	1.2:1	1.2:1
Value of debtors balances per year	Administration	Outcome 6: An efficient, competitive and responsive economic infrastructure network	R770m	R1 258m	R671m	R618m	R874m	R1 008m	R1 098m

Programmes/activities/objectives

Table 12.25 State Information Technology Agency

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Administration	749 482	1 041 912	816 243	992 131	9.8%	19.7%	919 811	1 007 641	1 104 067	3.6%	18.1%
Business Operations	3 527 333	3 483 787	3 255 927	4 508 000	8.5%	80.3%	4 145 798	4 560 576	5 016 633	3.6%	81.9%
Total expense	4 276 814	4 525 699	4 072 170	5 500 131	8.7%	100.0%	5 065 609	5 568 217	6 120 701	3.6%	100.0%

Expenditure estimates

Table 12.26 State Information Technology Agency

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Revenue											
Non-tax revenue	4 462 493	4 892 262	4 471 285	5 716 619	8.6%	100.0%	5 267 764	5 789 850	6 363 933	3.6%	100.0%
Sale of goods and services other than capital assets	4 302 403	4 729 096	4 283 035	5 635 000	9.4%	96.9%	5 182 473	5 700 720	6 270 792	3.6%	98.5%
of which:											
Sales by market establishment	4 302 403	4 729 096	4 283 035	5 635 000	9.4%	96.9%	5 182 473	5 700 720	6 270 792	3.6%	98.5%
Other non-tax revenue	160 090	163 166	188 250	81 619	-20.1%	3.1%	85 292	89 130	93 141	4.5%	1.5%
Total revenue	4 462 493	4 892 262	4 471 285	5 716 619	8.6%	100.0%	5 267 764	5 789 850	6 363 933	3.6%	100.0%
Expenses											
Current expenses	4 199 000	4 378 044	3 892 741	5 415 941	8.9%	97.2%	4 987 099	5 483 133	6 028 443	3.6%	98.5%
Compensation of employees	1 695 475	1 710 144	1 413 723	1 595 370	-2.0%	35.3%	1 463 125	1 600 872	1 751 655	3.2%	28.8%
Goods and services	2 329 489	2 539 997	2 365 077	3 530 968	14.9%	58.2%	3 262 452	3 589 876	3 961 048	3.9%	64.4%
Depreciation	135 498	93 674	80 501	289 603	28.8%	3.1%	261 523	292 386	315 741	2.9%	5.2%
Interest, dividends and rent on land	38 537	34 229	33 441	-	-100.0%	0.6%	-	-	-	-	-
Total expenses	4 276 815	4 525 699	4 072 170	5 500 131	8.7%	100.0%	5 065 609	5 568 217	6 120 701	3.6%	100.0%
Surplus/(Deficit)	185 678	366 563	399 116	216 488	5.3%		202 155	221 633	243 232	4.0%	

Table 12.26 State Information Technology Agency

Statement of financial position	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Carrying value of assets	408 590	391 430	605 500	2 198 173	75.2%	26.5%	2 954 023	3 320 199	2 025 591	-2.7%	63.5%
of which:											
Acquisition of assets	28 222	46 760	216 093	1 793 000	299.0%	14.9%	1 538 000	1 151 000	600 000	-30.6%	32.0%
Inventory	58 404	14 805	-	-	-100.0%	0.6%	-	-	-	-	-
Receivables and prepayments	890 175	1 273 147	1 109 027	851 466	-1.5%	31.3%	873 821	1 008 358	1 098 194	8.9%	23.1%
Cash and cash equivalents	1 561 674	1 549 020	1 508 853	428 364	-35.0%	39.0%	165 636	70 264	1 409 245	48.7%	12.1%
Taxation	99 444	112 592	83 913	50 000	-20.5%	2.7%	50 000	50 000	50 000	-	1.2%
Total assets	3 018 286	3 340 996	3 307 293	3 528 003	5.3%	100.0%	4 043 480	4 448 821	4 583 030	9.1%	100.0%
Accumulated surplus/(deficit)	1 068 553	1 456 955	1 913 871	1 786 317	18.7%	46.9%	2 030 907	2 307 718	2 608 680	13.5%	52.4%
Capital and reserves	627 335	627 335	627 335	627 335	-	19.1%	627 335	627 335	627 335	-	15.3%
Borrowings	5 200	-	-	-	-100.0%	0.0%	-	-	-	-	-
Trade and other payables	1 175 095	996 246	641 100	876 010	-9.3%	28.2%	1 045 321	1 238 730	1 055 465	6.4%	25.4%
Taxation	-	58 116	-	84 190	-	1.0%	179 308	107 649	117 041	11.6%	2.9%
Provisions	142 103	202 345	124 988	154 152	2.7%	4.7%	160 609	167 390	174 509	4.2%	4.0%
Total equity and liabilities	3 018 286	3 340 996	3 307 293	3 528 003	5.3%	100.0%	4 043 480	4 448 821	4 583 030	9.1%	100.0%

Personnel information

Table 27.27 State Information Technology Agency

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
	3 355	3 355	2 979	1 413.7	0.5	2 980	1 595.4	0.5	2 980	1 463.1	0.5	2 980	1 600.9	0.5	2 980	1 751.7	0.6	3.2%	100.0%	
1 - 6	303	303	303	34.4	0.1	303	37.0	0.1	303	35.6	0.1	303	39.0	0.1	303	42.7	0.1	4.9%	10.2%	
7 - 10	1 928	1 928	1 627	732.0	0.4	1 628	827.4	0.5	1 628	757.5	0.5	1 628	828.9	0.5	1 628	906.9	0.6	3.1%	54.6%	
11 - 12	873	873	798	437.7	0.5	798	494.5	0.6	798	453.0	0.6	798	495.7	0.6	798	542.4	0.7	3.1%	26.8%	
13 - 16	250	250	250	206.3	0.8	250	232.8	0.9	250	213.5	0.9	250	233.6	0.9	250	255.6	1.0	3.2%	8.4%	
17 - 22	1	1	1	3.3	3.3	1	3.7	3.7	1	3.4	3.4	1	3.7	3.7	1	4.1	4.1	3.1%	0.0%	

1. Rand million.

Expenditure trends

Following Cabinet approval of a turnaround framework in March 2010, the State Information Technology Agency was repositioned as the government's prime systems integrator mandated to provide an integrated and collaborative IT service. This resulted in the restructuring of the organisation, which included the retrenchment of senior officials and impacted on the agency's operations. Agency revenue in respect of the sale of goods and services is expected to decrease in 2014/15 as a result of these turnaround activities.

The spending focus over the medium term will be on finalising the implementation of the agency's turnaround strategy, which is aimed at overhauling financial structures, customer service, internal processes and skills retention issues to counter challenges that the agency has been experiencing. The strategy has resulted in an overall restructuring of the agency's senior management positions. As a result, the agency projects a decrease in its spending between 2013/14 and 2014/15, mainly due to a decrease in the collection of revenue. The agency is in the process of filling the 375 vacancies in its funded establishment and expects to have a full staff complement by the end of 2013/14, with most of the new employees appointed in a lower salary band than their predecessors. A gradual growth in revenue is expected from 2015/16 onwards as all vacant posts will have been filled and the new appointments would have gained the required experience. The decrease in revenue collection will have an impact on the agency's spending, which is also expected to decrease over the same period. Consultants are mainly used for the specialised service of grading of positions in line with industry best practice.

Overall expenditure is expected to increase from 2014/15 onwards, in line with revenue growth and the increase in the net surplus percentage. The agency plans to use its increased revenue to upgrade its ICT infrastructure to ensure sustained service delivery for its clients.

The National School of Government training trading account

Mandate and goals

The training trading account functions within the National School of Government as a mechanism for the partial recovery of the costs of training programmes. The branches that are accounted for under the training account directly facilitate and monitor, in collaboration with provincial academies and local government training entities, the provision of leadership development and management training at all three levels of government. The strategic goals over the medium term are the same as the ones for the National School of Government.

Selected performance indicators

Table 12.28 National School of Government training trading account

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of research projects undertaken in order to inform public sector capacity building needs and interventions per year	Administration	Outcome 12: An efficient, effective and development oriented public service and an empowered, fair, and inclusive citizenship	- ¹	2	2	1	2	3	3
Number of stakeholders for whom training needs analysis was undertaken to determine training interventions per year	Administration		8	3	2	3	3	4	4
Number of training interventions assessed for application of learning per year	Administration		- ¹	- ¹	- ¹	2	3	4	4
Number of National School of Government programmes developed and reviewed per year	Administration		- ¹	26	2	4	6	6	6
Number of e-learning training interventions developed and implemented per year	Administration		10	10	10	10	15	20	20
Number of National School of Government programmes quality assured per year	Administration		17	20	14	6	8	10	10
Number of public sector officials trained in leadership programmes, including the executive development programme, per year	Administration		3 287	8 768	8 350	8 400	9 400	10 900	10 900
Number of public sector officials trained in management development programmes in accordance with approved training programmes per year	Administration		4 138	5 874	8 235	8 235	10 180	11 900	11 900
Number of public sector officials trained in administration programmes per year	Administration		- ¹	4 773	4 000	4 000	4 720	5 150	5 150
Number of new public servants undergoing training aligned to the compulsory induction programme per year	Administration		18 660	25 167	20 000	20 000	20 000	20 000	20 000
Number of political office bearers trained to enhance oversight responsibilities per year	Administration		301	300	150	200	200	200	200
Number of public sector officials trained in good governance per year	Administration		- ¹	1 100	1 000	1 000	1 200	1 300	1 300
Number of public sector officials trained in ethics and anti-corruption per year	Administration		- ¹	1 700	1 500	1 500	1 600	1 700	1 700

1. Indicators were introduced between 2011/12 and 2013/14.

Programmes/activities/objectives

Table 12.29 National School of Government training trading account

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Administration	154 988	136 482	160 083	177 059	4.5%	100.0%	186 419	194 995	203 965	4.8%	100.0%
Total expense	154 988	136 482	160 083	177 059	4.5%	100.0%	186 419	194 995	203 965	4.8%	100.0%

Expenditure estimates

Table 12.30 National School of Government training trading account

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Revenue											
Non-tax revenue	91 584	104 497	134 841	124 059	10.6%	67.6%	130 822	136 841	143 135	4.9%	70.1%
Sale of goods and services other than capital assets	86 140	98 362	128 541	121 953	12.3%	64.5%	128 613	134 531	140 719	4.9%	69.0%
<i>of which:</i>											
<i>Sales by market establishment</i>	86 140	98 362	128 541	121 953	12.3%	64.5%	128 613	134 531	140 719	4.9%	69.0%
Other non-tax revenue	5 444	6 135	6 300	2 106	-27.1%	3.0%	2 209	2 310	2 416	4.7%	1.2%
Transfers received	61 149	49 049	52 097	53 000	-4.7%	32.4%	55 597	58 154	60 829	4.7%	29.9%
Total revenue	152 733	153 546	186 938	177 059	5.0%	100.0%	186 419	194 995	203 964	4.8%	100.0%
Expenses											
Current expenses	154 988	136 482	160 083	177 059	4.5%	100.0%	186 419	194 995	203 965	4.8%	100.0%
Compensation of employees	54 498	53 118	55 639	68 490	7.9%	36.9%	72 531	75 867	79 357	5.0%	38.9%
Goods and services	99 264	83 364	104 444	108 569	3.0%	62.9%	113 888	119 128	124 608	4.7%	61.1%
Depreciation	1 226	-	-	-	-100.0%	0.2%	-	-	-	-	-
Total expenses	154 988	136 482	160 083	177 059	4.5%	100.0%	186 419	194 995	203 965	4.8%	100.0%
Surplus/(Deficit)	(2 255)	17 064	26 855	-	-100.0%		-	-	(1)	-	
Statement of financial position											
Carrying value of assets	6 108	10 589	13 654	10 924	21.4%	7.7%	11 514	12 136	12 779	5.4%	8.3%
<i>of which:</i>											
<i>Acquisition of assets</i>	3 147	2 667	3 050	-	-100.0%	1.7%	-	-	-	-	-
Receivables and prepayments	34 824	34 535	31 256	34 335	-0.5%	25.7%	36 189	38 143	40 165	5.4%	26.2%
Cash and cash equivalents	83 882	79 208	104 229	85 681	0.7%	66.6%	90 308	95 185	100 230	5.4%	65.4%
Total assets	124 814	124 332	149 139	130 940	1.6%	100.0%	138 011	145 464	153 174	5.4%	100.0%
Accumulated surplus/(deficit)	85 277	102 342	129 197	90 283	1.9%	79.3%	95 158	100 297	105 613	5.4%	68.9%
Deferred income	-	1 878	2 098	-	-	0.7%	-	-	-	-	-
Trade and other payables	36 076	15 646	10 942	18 954	-19.3%	16.4%	19 978	21 057	22 173	5.4%	14.5%
Provisions	3 461	4 466	6 901	3 644	1.7%	3.6%	3 841	4 048	4 263	5.4%	2.8%
Total equity and liabilities	124 814	124 332	149 138	112 881	-3.3%	100.0%	118 977	125 402	132 049	5.4%	86.2%

Personnel information

Table 12.31 National School of Government training trading account

	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	137	137	113	55.6	0.5	137	68.5	0.5	137	72.5	0.5	137	75.9	0.6	137	79.4	0.6	5.0%	100.0%	
1 - 6	13	13	4	1.5	0.4	13	3.5	0.3	13	3.7	0.3	13	3.8	0.3	13	4.0	0.3	3.9%	9.5%	
7 - 10	91	91	78	35.0	0.4	91	42.5	0.5	91	46.2	0.5	91	46.7	0.5	91	47.4	0.5	3.6%	66.4%	
11 - 12	30	30	28	15.7	0.6	30	18.7	0.6	30	19.7	0.7	30	21.7	0.7	30	23.8	0.8	8.5%	21.9%	
13 - 16	3	3	3	3.4	1.1	3	3.7	1.2	3	3.0	1.0	3	3.6	1.2	3	4.2	1.4	3.7%	2.2%	

1. Rand million.

Expenditure trends

The National School of Government training trading account operates on a cost recovery basis, and receives revenue from fees charged for the training programmes provided to government departments. This revenue is expected to increase from R128.6 million in 2013/14 to R140.7 million in 2016/17, at an average annual rate of 4.9 per cent. The National School of Government training trading account aims to use the revenue collected to fulfil its mandate of providing education, training and development in the public service. Some of the training and capacity development programmes that the school will be conducting over the medium term include leadership, administration, and management programmes.

The spending focus of the entity over the medium term will continue to be on training related activities and building capacity in the public service in order to contribute to a developmental and capable public service. The entity plans to increase the number of public sector officials trained in leadership development programmes from 8 400 in 2013/14 to 10 900 in 2016/17 and the number of public sector officials trained in management development and administration programmes from 8 235 and 4 000 in 2013/14 to 11 900 and 5 150 in 2016/17. These activities are supported by spending on compensation of employees and travel and subsistence. The school has a funded establishment of 137 positions, of which 20 were vacant at the end of November 2013 due to normal attrition. In addition, the school makes use of external training service providers.

Public Service Sector Education and Training Authority

Mandate and goals

The authority oversees the provision of quality education and training in the public service sector to meet the current and future needs of stakeholders. These include government departments, Parliament, provincial legislatures, organised labour, participating parastatals and public entities.

The agency's objectives are aligned with the Skills Development Act (1998) and the performance indicators of the national skills development strategy. The authority is primarily mandated to identify skills shortages, facilitate education and training and encourage investment in skills development to increase competence and capacity in the public service sector to improve service delivery.

The authority's strategic goals over the medium term are to:

- develop a skilled and competent workforce in the public service sector that will take pride in delivering service value and promote government as an employer of choice to new market entrants
- improve employment for the previously disadvantaged and assist work-seekers and retrenched workers to enter the labour market
- facilitate demand led skills development
- empower marginalised groups as directed by the national skills development strategy
- support further education and training colleges to increase their contributions to skills development and upgrade the existing skills of employees in the public service sector.

Selected performance indicators

Table 12.32 Public Service Sector Education and Training Authority

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of entries towards qualification linked interventions (learnerships) per year	Administration	Outcome 12: An efficient, effective and development oriented public service and an empowered, fair, and inclusive citizenship	-1	400	400	400	500	500	500
Number of memorandums of understanding signed with further education and training colleges and higher education institutions per year	Administration		-1	-1	5	5	5	6	6
Number of learning programmes registered per year	Administration		-1	20	2	4	5	4	4

Table 12.32 Public Service Sector Education and Training Authority

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of registered occupational qualifications within priority skills categories per year	Administration	Outcome 12: An efficient, effective and development oriented public service and an empowered, fair, and inclusive citizenship	-1	-1	8	4	4	5	5
Number of private and public service providers accredited per year	Administration		-1	4	10	15	15	15	15
Percentage of projects meeting delivery standards per year	Administration		-1	-1	90%	90%	92.5%	95%	98%

1. The training authority has developed new indicators in line with its new strategic plan as it begins to operate for the first time as an independent entity.

Programmes/activities/objectives

Table 12.33 Public Service Sector Education and Training Authority

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
R thousand											
Administration	1 068	25 426	42 564	24 659	184.8%	100.0%	29 384	28 144	25 655	1.3%	100.0%
Total expense	1 068	25 426	42 564	24 659	184.8%	100.0%	29 384	28 144	25 655	1.3%	100.0%

Expenditure estimates

Table 12.34 Public Service Sector Education and Training Authority

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
R thousand											
Revenue											
Non-tax revenue	12	199	599	1 156	357.9%	1.7%	6	6	6	-82.7%	1.0%
Other non-tax revenue	12	199	599	1 156	357.9%	1.7%	6	6	6	-82.7%	1.0%
Transfers received	2 134	26 401	39 354	28 226	136.5%	98.3%	37 618	37 084	42 294	14.4%	99.0%
Total revenue	2 146	26 600	39 953	29 382	139.2%	100.0%	37 624	37 090	42 300	12.9%	100.0%
Expenses											
Current expenses	1 068	25 426	42 564	24 659	184.8%	100.0%	28 206	26 914	24 368	-0.4%	96.7%
Compensation of employees	-	13 994	15 960	17 441	-	40.8%	19 099	18 835	18 947	2.8%	69.1%
Goods and services	1 068	11 375	26 346	7 087	87.9%	58.8%	8 982	7 919	5 242	-9.6%	27.0%
Depreciation	-	57	258	131	-	0.3%	125	160	179	11.0%	0.6%
Transfers and subsidies	-	-	-	-	-	-	1 177	1 231	1 287	-	3.3%
Total expenses	1 068	25 426	42 564	24 659	184.8%	100.0%	29 383	28 145	25 655	1.3%	100.0%
Surplus/(Deficit)	1 078	1 174	(2 611)	4 723	63.6%		8 241	8 945	16 645	52.2%	
Statement of financial position											
Carrying value of assets	-	153	706	169	-	1.3%	177	186	186	3.2%	1.0%
Accrued investment interest	-	-	-	1	-	0.0%	1	1	1	-	0.0%
Receivables and prepayments	1	615	466	680	779.4%	2.6%	712	745	778	4.6%	4.0%
Cash and cash equivalents	12 248	14 473	20 294	16 002	9.3%	96.1%	16 786	17 558	18 335	4.6%	95.0%
Total assets	12 249	15 241	21 466	16 852	11.2%	100.0%	17 676	18 490	19 300	4.6%	100.0%
Capital and reserves	2 196	3 370	760	3 728	19.3%	16.4%	3 907	4 090	4 273	4.7%	22.1%
Finance lease	-	485	607	-	-	1.5%	-	-	-	-	-
Deferred income	8 618	10 536	16 765	11 649	10.6%	71.7%	12 220	12 782	13 250	4.4%	69.0%
Trade and other payables	1 382	419	2 525	124	-55.2%	6.6%	130	136	145	5.4%	0.7%
Provisions	53	431	809	476	107.9%	2.5%	500	522	532	3.8%	2.8%
Managed funds (e.g. poverty alleviation fund)	-	-	-	339	-	0.5%	356	372	388	4.6%	2.0%
Derivatives financial instruments	-	-	-	536	-	0.8%	563	588	603	4.0%	3.2%
Total equity and liabilities	12 249	15 241	21 466	16 852	11.2%	100.0%	17 676	18 490	19 191	4.4%	99.9%

Personnel information

Table 12.35 Public Service Sector Education and Training Authority

Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
				Unit Cost			Unit Cost			Unit Cost			Unit Cost			Unit Cost			
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost			
Salary level	48	48	46	16.0	0.3	48	17.4	0.4	49	19.1	0.4	50	18.8	0.4	49	18.9	0.4	2.8%	100.0%
1 – 6	3	3	3	1.7	0.6	3	1.8	0.6	3	1.9	0.6	3	2.0	0.7	3	2.1	0.7	5.2%	6.1%
7 – 10	23	23	23	7.3	0.3	23	7.8	0.3	24	8.8	0.4	25	8.0	0.3	24	7.6	0.3	-1.0%	49.0%
11 – 12	12	12	11	3.5	0.3	12	4.1	0.3	12	4.3	0.4	12	4.6	0.4	12	4.8	0.4	5.8%	24.5%
13 – 16	10	10	9	3.5	0.4	10	3.8	0.4	10	4.1	0.4	10	4.3	0.4	10	4.5	0.4	5.7%	20.4%

1. Rand million.

Expenditure trends

The spending focus for the Public Service Sector Education and Training Authority over the medium term will continue to be on projects that are aligned to the national skills development strategy and that will support the authority in executing its mandate of identifying skills shortages, facilitating education and training, and increasing competence and capacity in the public service. This focus area is supported by spending on compensation of employees, which accounts for 69.1 per cent of the total budget allocation for the authority over the medium term. The authority plans to accredit 15 private and public education training and development service providers and register 5 occupational qualifications within priority categories in each year of the MTEF period.

The authority was previously a subprogramme in the Department of Public Service and Administration. In 2010/11, the authority began to operate independently and this required additional capacity, which included its own support staff, in order to fully execute its mandate. Spending on compensation of employees and goods and services therefore increased significantly between 2010/11 and 2011/12. These increases in expenditure have enabled the authority to operate independently and increase its coverage while introducing intervention programmes such as learnerships, apprenticeships, bursaries and skills development programmes. The significant increase in spending in 2012/13 was due to projects related to the National Skills Fund. Some of these activities had initially been planned for 2011/12 but funds from the National Skills Fund were received later than expected. Consultants are used primarily for IT and legal services, as well as for projects related to the National Skills Fund, as the required skills for these functions are not available internally.

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	Adjustments	Adjusted	
R thousand	2012/13		2012/13	2013/14			2013/14
Administration	181 076	187 229	181 322	198 502	(5 700)	192 802	192 802
Human Resource Management and Development	37 165	38 727	36 615	40 439	2 800	43 239	43 239
Labour Relations and Remuneration Management	22 528	28 139	26 936	29 674	23 360	53 034	53 034
Public Sector Information and Communication	43 916	29 387	22 217	39 360	(3 100)	36 260	36 260
Technology Management							
Service Delivery and Organisational Transformation	214 367	216 780	221 252	236 066	(2 042)	234 024	234 024
Governance and International Relations	232 435	226 590	215 370	272 330	(1 958)	270 372	270 372
Total	731 487	726 852	703 712	816 371	13 360	829 731	829 731
Economic classification							
Current payments	420 143	410 647	384 997	455 951	11 582	467 533	467 533
Compensation of employees	234 056	226 696	203 338	259 267	7 896	267 163	267 163
Goods and services	185 757	183 621	181 489	196 320	4 050	200 370	200 370
Interest and rent on land	330	330	170	364	(364)	–	–
Transfers and subsidies	304 642	309 503	313 559	357 383	564	357 947	357 947
Provinces and municipalities	–	–	1	–	1	1	1
Departmental agencies and accounts	304 044	308 216	311 796	356 475	1	356 476	356 476
Foreign governments and international organisations	598	598	773	908	–	908	908
Households	–	689	989	–	562	562	562
Payments for capital assets	6 702	6 702	5 092	3 037	1 214	4 251	4 251
Buildings and other fixed structures	–	–	–	397	(397)	–	–
Machinery and equipment	6 457	6 457	5 092	2 640	1 611	4 251	4 251
Software and other intangible assets	245	245	–	–	–	–	–
Payments for financial assets	–	–	64	–	–	–	–
Total	731 487	726 852	703 712	816 371	13 360	829 731	829 731

Table 12.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
Compensation of employees (R thousand)	175 370	181 897	203 338	267 163	265 846	296 521	316 559
Training expenditure (R thousand)	3 422	3 666	4 936	4 029	4 803	4 490	4 502
Training spend as percentage of compensation	2.0%	2.0%	2.4%	1.5%	1.8%	1.5%	1.4%
Total number trained (headcount)	217	237	189	250			
<i>of which:</i>							
Employees receiving bursaries (headcount)	37	19	26	21			
Internships (headcount)	–	28	17	41			
Households receiving bursaries (R thousand)	–	525	525	–	–	–	–
Households receiving bursaries (headcount)	–	19	26	–			

Table 12.C Summary of departmental public private partnership projects

Project description: National Fleet Contract (RTG718PPP) R thousand	Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
		2013/14	2014/15	2015/16	2016/17
Projects signed in terms of Treasury Regulation 16	1 013	1 717	1 739	–	–
Public private partnership unitary charge ¹	1 013	1 717	1 739	–	–
Total	1 013	1 717	1 739	–	–

1. Phavis fleet services public private partnership. Disclosure notes for this project can be viewed in the public private partnership table of the Department of Transport's chapter.

Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	National fleet contract
Brief description	Provision of fleet vehicles to the state (full maintenance lease contract)
Date public private partnership agreement was signed	11-Sep-06
Duration of public private partnership agreement	Five years (ending November 2011). Contract was subsequently extended for a period of two years
Escalation index for unitary fee	Consumer price index excluding interest rates on mortgage bonds (annually) factored in at 3.2 per cent for 2011/2012 and 4 per cent 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 and amendments to public private partnership agreement	Increase at consumer price index excluding interest rates on mortgage bonds effective annually in December
Cost implications of variations and amendments	R121 000 from 2012 to 2015
Significant contingent fiscal obligations including termination payments, guarantees, warranties and indemnities and maximum estimated value of such liabilities	N/a

Table 12.D Summary of donor funding

Donor	Project	Departmental programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
R thousand													
Foreign													
In cash													
Canadian International Development Agency	Anti-corruption capacity building programme	Governance and International Relations	2007-2014	21 287	Goods and services	Strengthened competencies in the public service to prevent, detect, investigate and monitor corruption and, where necessary, have law enforcement officials prosecute. Increased the public service's understanding of corruption. Developed training material and trained officials	3 827	2 507	1 811	2 049	–	–	–
Royal Danish Embassy	Business anti-corruption training programme	Governance and International Relations	2008-2013	15 560	Goods and services	Increased capacity to fight corruption in the public sector. Report on the business survey against corruption	–	6 000	3 397	–	–	–	–
Deutsche Gesellschaft für Internationale Zusammenarbeit	Awards sponsor	Service Delivery and Organisational Transformation	2008-2009	593	Goods and services	Hosted the annual innovation conference and innovation awards	255	–	–	–	–	–	–
Government of the Kingdom of Belgium	Tirelo Bosha	Service Delivery and Organisational Transformation	2014-2020	143 000	Goods and services	Improve front-line public service delivery	–	–	–	500	23 750	23 750	23 750
In kind													
European Union	Unlocking innovation in the public service	Service Delivery and Organisational Transformation	2013-2014	10 700	Goods and services	Facilitate the piloting and practical implementation of selective innovative solutions that will improve service delivery	–	–	–	6 000	4 700	–	–
Japanese International Cooperation Agency	Training of managers and monitoring and evaluation technocrats	Human Resource Management and Development	2011-2012	257	Compensation of employees	Trained managers on HIV and AIDS response	–	257	–	–	–	–	–
World Bank	Public expenditure tracking, survey and quantitative service delivery survey	Human Resource Management and Development	2011-2012	1 905	Goods and services	Effective survey on public expenditure tracking, survey and quantitative service delivery	–	1 905	15	–	–	–	–
Deutsche Gesellschaft für Internationale Zusammenarbeit	Recognition of prior learning pilot project and skills audit guideline	Human Resource Management and Development	2012-2013	10	Goods and services	Effective skills audit toolkit	–	–	10	–	–	–	–
Local													
In cash													
African Renaissance Fund	Democratic Republic of the Congo census project	Governance and International Relations	2008-2014	30 404	Goods and services	Provided regional support to the Democratic Republic of the Congo in the stabilisation of the country. Built confidence in the state and developed new governance framework through a census project. Completed the public service census in Kinshasa and Bas Con	6 176	212	1 489	8 000	–	–	–

Table 12.D Summary of donor funding

Donor	Project	Departmental programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
R thousand													
In kind													
Government Employment Medical Scheme	Operational costs for the African Association for Public Administration and Management project	Governance and International Relations	2010-2011	100	Goods and services	Contribution of funding towards the African Association for Public Administration and Management conference	100	-	-	-	-	-	-
ESKOM	Rewarding and replication of innovation	Service Delivery and Organisational Transformation	2012-2013	275	Goods and services	Financial contribution to the annual innovation conference	-	-	275	-	-	-	-
Capitec	Rewarding and replication of innovation	Service Delivery and Organisational Transformation	2012-2013	200	Goods and services	Financial contribution to the annual innovation conference	-	-	200	-	-	-	-
MTN	Rewarding and replication of innovation	Service Delivery and Organisational Transformation	2012-2013	275	Goods and services	Financial contribution to the annual innovation conference	-	-	275	-	-	-	-
Mail & Guardian	Creating awareness and branding of Centre for Public Service Innovation	Service Delivery and Organisational Transformation	2012-2013	245	Goods and services	Financial contribution to the annual innovation conference	-	-	245	-	-	-	-
Metropolitan	Creating awareness and branding of Centre for Public Service Innovation	Service Delivery and Organisational Transformation	2012-2013	15	Goods and services	Financial contribution to the annual innovation conference	-	-	15	-	-	-	-
Business Conexion	Creating awareness and branding of Centre for Public Service Innovation	Service Delivery and Organisational Transformation	2012-2013	45	Goods and services	Contribution in the form of computers and a printer to the annual innovation conference	-	-	45	-	-	-	-
Office of the Premier: Eastern Cape	Creating awareness and branding of Centre for Public Service Innovation	Service Delivery and Organisational Transformation	2012-2013	134	Goods and services	Financial contribution to the annual innovation conference	-	-	134	-	-	-	-
Government Employment Medical Scheme	Creating awareness and branding of Centre for Public Service Innovation	Service Delivery and Organisational Transformation	2012-2013	100	Goods and services	Financial contribution to the annual innovation conference	-	-	100	-	-	-	-
Total				225 105			10 358	10 881	8 011	16 549	28 450	23 750	23 750



BUDGET 2014
ESTIMATES OF NATIONAL EXPENDITURE

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REPUBLIC OF SOUTH AFRICA