

PARLIAMENT
OF THE
REPUBLIC OF SOUTH AFRICA

**ANNOUNCEMENTS,
TABLINGS AND
COMMITTEE REPORTS**

THURSDAY, 26 APRIL 2018

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ANNOUNCEMENTS

National Assembly and National Council of Provinces

The Speaker and the Chairperson

1. Calling of Joint Sitting

CALLING OF JOINT SITTING OF PARLIAMENT

The Speaker of the National Assembly, Ms B Mbete, and the Chairperson of the National Council of Provinces, Ms T R Modise, in terms of Joint Rule 7(2), have called a joint sitting of the Houses of Parliament for Thursday, 3 May 2018 at 14:00 to conduct a debate in order to pay tributes to Ms Winnie Madikizela-Mandela, MP and Dr Zola Skweyiya, former Minister of Social Development.

B MBETE, MP
SPEAKER OF THE NATIONAL
ASSEMBLY

T R MODISE, MP
CHAIRPERSON OF THE
NATIONAL COUNCIL OF
PROVINCES

TABLINGS

National Assembly and National Council of Provinces

1. The Minister of Finance

- (a) Integrated Report and Financial Statements of the South African Airways SOC Limited (SAA) and its subsidiaries for 2016-17, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2016-17.
 - (b) List of Shareholders Index Report of the South African Reserve Bank for 2018, in terms of section 32(3) of the South African Reserve Bank Act, 1989 (Act No 90 of 1989).
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COMMITTEE REPORTS

National Assembly

1. REPORT OF THE PORTFOLIO COMMITTEE ON ENVIRONMENTAL AFFAIRS ON THE DONATIONS OF HIGH-VALUE WILDLIFE SPECIES TO PRIVATE INDIVIDUALS BY THE NORTH WEST PROVINCIAL GOVERNMENT DEPARTMENT OF RURAL, ENVIRONMENTAL AND AGRICULTURAL DEVELOPMENT, DATED 24 APRIL 2018.

The Portfolio Committee on Environmental Affairs having interacted with the North West Provincial Government Department of Rural, Environmental and Agricultural Department (READ) on the donations of high-value wildlife species to private individuals, reports as follows:

1. Background

On 30th August 2016, the South African National Parks (SANParks) briefed the Portfolio Committee on the sharing of the national biodiversity asset of the country by local communities as well as on its land claims model. During the briefing, it emerged that the North West Provincial Government Department of READ had presented a report to the Portfolio Committee on Tourism and Rural Environment and Agricultural Department at the North West Provincial Legislature in 2016, on the donations of high-value game species to certain private individuals in the North West Province. The Provincial Legislature became involved due to the public outcry about these donations and the associated media interest, alleging that those animals were donated to certain politically connected individuals. For example, the Provincial Committee requested to meet with the MEC, Ms Manketse Tlhape after reports spiralled in the media that rare breeds of wildlife were donated to private farms, persons or friends alleged to be politically connected. The media statement issued by the North West Provincial Legislature on 25th October 2015 on the matter of the said wildlife donations vividly illustrates this fact.¹

¹ South African Government (2015) North West Legislature seeks more clarity on donations of wild life [Internet]. Available from <<http://www.gov.za/speeches/north-west-legislature%E2%80%99s-committee-agriculture-seek-more-clarity-donations-wild-life-25-oct>> (Accessed on 19th July 2017).

Accordingly, the North West Provincial Legislature's Portfolio Committee on Rural Environment and Agricultural Development resolved to allow MEC Manketse Tlhape and her senior management *three* working days to compile a detailed report to further clarify the responses that were provided to question regarding donations of wildlife purportedly awarded to private entities for a 10-year breeding programme. It was, therefore, in response to the public concerns raised and the value of those donations that the Portfolio Committee on Environmental Affairs (hereinafter the Portfolio Committee) in the South African Parliament resolved to request the aforementioned report from the North West Department of READ (hereinafter the Department). Consequently, the Portfolio Committee requested, in writing the Department to submit the report on the donations of high-value wildlife species to certain individuals and to appear before it in Parliament on 1st November 2016, to present the report. This is because the Portfolio Committee needed to accurately and fully understand the circumstances under which the donations occurred to ensure accountability and transparency in dealing with the public funds involved in the matter.

On 1st November 2016, the North West MEC, Ms Manketsi Tlhape and her Department failed to appear before the Portfolio Committee, despite having been given sufficient notice and notwithstanding the fact that an official in the MEC's office confirmed receipt of the notice. It was in this regard that the Portfolio Committee unanimously resolved to utilise the necessary parliamentary processes to summon the MEC to appear before the Portfolio Committee to account for the manner in which they (she & her delegated officials) had disposed of those wildlife species, raised on public funds, which were appropriated by an Act of Parliament. This led the Portfolio Committee invoking section 56 of the Constitution, which empowers a Committee of the National Assembly to require any person or institution to report to it. This decision prompted the MEC to agree to appear before the Portfolio Committee on 29th November 2016, without any further action from the Portfolio Committee. However, as the capture and translocation of certain wildlife species (buffaloes, *inter alia*) involved in this project required the intervention of the national Department of Agriculture, Forestry and Fisheries (DAFF), it became necessary for the Portfolio Committee on Agriculture, Forestry and Fisheries to come on board in order to holistically assess the soundness of the project. Consequently, members of the Portfolio Committee on Agriculture, Forestry and Fisheries, attended some of the meetings of the Portfolio Committee on Environmental Affairs scheduled to further interrogate wildlife donations to SARGBH by the North West Department of READ.

2. Briefing by the North West Provincial Government Department of Rural, Environmental and Agricultural Development (the Department)

On 29th November 2016 and on 24th January 2017, the MEC appeared before the Portfolio Committee to account for the donations of wildlife worth over R100 million from provincial parks and nature reserves to the South African Rare Game Breeders Association (SARGBA) and the black transformation partners in the second half of 2015. The Committee requested to be briefed on the following issues by the MEC and her Department in the presence of members of the Portfolio Committee on Agriculture, Forestry and Fisheries:

- The circumstances under which the donations were made;
- Entity/person(s) that formulated the Game Donation Policy used and the date the Policy was adopted;
- Whether the Department had donated similar high-value species in the past and who were the recipients;
- The details of the species available in the various parks prior and after the donations, including their sex ratios;
- Whether there was any impact on the viability and the breeding potential of the remaining species;
- The capacity, human resources and land suitability of the individuals and/or company that received the animals;
- Details of the individuals who constituted South African Rare Game Breeders Holdings (SARGBH), the company that received the donations;
- Whether there was any impact on the viability of the breeding potential of the remaining population;
- Details of the births per species since the first donations (births of donated game);
- The old and new game donation policies, including the signed resolutions of the relevant authorities which adopted the respective policies;
- Correspondence (all letters and memos) between the Department and Provincial Treasury exchanged regarding compliance with the provisions of the Public Finance Management Act (PFMA);
- Any sale of animals, that is, post-donation transaction;
- All information pertaining to other organisations or persons who approached the Department expressing interest or requests for game donations and the responses of the Department; and

- All veterinary reports pertaining to this SARGBH Project.

The North West MEC, Ms Tlhaphe apologised to the members of the Portfolio Committee for her Department's non-appearance before the Committee on 18th October 2016, stating that the invitation reached her office late. She provided the outline of the presentation and handed it over to Dr Mokaila, Head of Department (HOD) to present the Department's response to the Committee under the following italicised thematic areas:

2.1 Circumstances Under Which the Donations were made

The MEC and her team stated that the then North West Provincial Government Department and the North West Parks and Tourism Board received a request for wildlife donations from SARGBH on 6th November 2014. Upon receiving the request, the North West Provincial Executive Council (EXCO) requested the Department to conduct due diligence, which was done in March 2015. As a result, the EXCO granted approval for the donations of the requested game to SARGBH on 25th March 2015, thereby obliging the Department to implement the EXCO's resolution, with the consequence that on the same day (25th March 2015) a Steering Committee was established with clear Terms of Reference. An announcement of the new vision for the North West Parks Board to ensure transformation of the Game Industry with the development of Wildlife Management Transformation was made during the 2015/16 Departmental Budget Vote Speech. The project was identified through SARGBH in the Kgetleng Local Municipality.

2.1.1 Dynamics in Deciding the Numbers of Wildlife in the Donations

A later engagement with the staff of the Ecological Services of the North West Parks Board (NWPB) in May 2017, indeed confirmed that SARGBH approached the North West Provincial Department in November 2014 with the concept of a game breeding project to promote game transformation in the North West Province. Consequently, the Management of the Ecological Services was invited at the beginning of May 2015 to a presentation of the project concept at the SARGBH farms in Swartruggens, where members of the Department accompanied them. SARGBH made the initial request for 210 buffaloes, 210 sabres, 210 roan antelopes and 630 nyalas. However, Mr Wilfred Seithlamo, the then Acting Manager for Ecological Services was instructed by Mr Mack Magodiello, Chief Conservation Officer at the end of April 2015, to develop proposals for a donation package to the SARGBH

Project, suggesting the following: 50 buffaloes, 20 sable antelopes and 10 nyalas. Unfortunately, these quotas fell short of meeting the sustainability requirements of the breeding project, and hence it was agreed that additional species and animals be made available. This led to the addition of 50 elands, 250 impalas, 100 blue wildebeest and 20 white rhinos on the 12th June 2015.

The Manager of Ecological Services conducted a habitat suitability assessment for the *five* game-receiving farms in June 2015, including Eiland (360.6 ha), Inyati (299.8 ha), Mooivallei (597.6 ha), Midfort (262.7 ha) and Ebisu (455.6 ha), constituting a cumulative area of 1977.3 ha. It is noteworthy that the Manager of Ecological Services wrote and submitted a habitat suitability report to this effect. Thereafter, the MEC called for a meeting with the senior management of the North West Parks Board in her office where the Head of Department, Dr Mokaila, Mr Mack Magodiello, Mr Eric Madamalala, and Mr Peter Leitner, the Regional Manager for the Madikwe Cluster were present. The MEC indicated that the quotas suggested were not sufficient for the project, and requested for 130 buffalos, 50 sable antelopes, 50 white rhinos and 15 nyalas. It was in this regard that the Manager of Ecological Services wrote a memorandum to his supervisor Mr Mack Magodiello and proposed that the removals be focused on populations with marginal performance and populations where there were poaching issues.

They then proposed the following removals for *white rhinos*: 20 from the Pilanesberg National Park, 10 from Mafikeng Game Reserve and 20 from Botsalano Game Reserve, whereas for the *sable antelopes* it was stated that all the 48 animals should be removed from Borakalalo National Park due to poaching threat and all the *four* from the Pilanesberg National Park due to the unviability of the population. Similarly, the population inviability was considered as the basis for removing all the three *roan antelopes* from the Kgaswane Mountain Reserve. Conversely, 30 buffaloes were to be removed from the Pilanesberg National Park, all the 35 from the Borakalalo National Park, 20 from the Mafikeng Game Reserve, all 10 from the Botsalano Game Reserve, and all 26 from the Molemane Eye Nature Reserve due to nutritional deficiencies, especially during the dry season when the need for supplementary feed arises. Finally, all the 32 nyalas in the Borakalalo National Park were recommended for removal, as the park falls outside the natural range of the species.

The packages identified by the senior conservation managers were highly skewed towards females, specifically reproductive ones. Similarly, only specific male animals were selected from the available stock, leaving the NWPB short of the new quotas required by the MEC. Therefore, the populations in the respective parks and reserves remaining after capture consisted mostly of male animals, thereby rendering their populations inviable; the only use of these animals could be for their tourist value, such as visible game drives or they could be used for hunting purposes. It further suffices to mention that the capturing of wildlife for the SARGBH Project started at the beginning of July 2015, where it became immediately clear from the onset that the NWPB would not be able to deliver on the new breeding stock request. This means that the approval of the donation of available breeding stock to SARGBH on 23rd June 2016, by the Chairperson of the NWPB occurred when the animals were already in SARGBH facilities for nearly a year.

The Department indicated that SARGBA signed Partnership and Shareholders Agreement with BEEE Partners and Shareholders and Employees Trust to form the SARGBH on 3rd July 2015. This comprised of 50 per cent SARGBA and 50 per cent BEEE Partners. In March 2016, through Project Steering Committee, a Monitoring and Evaluation Plan was approved to look at the issues of Transformation and Empowerment; Financial Sustainability; Breeding Success; Regulatory and Compliance; and Institutional Governance. During the 2015/16 audit by the Auditor-General, there were no findings for both the North West Parks Board and the Department to which the entity accounts.

2.2 Game Donation Policy used and the date the policy was adopted

The Department stated that the old Game Donation Policy was used for the purposes of the donations. However, it was pointed out that the Policy was subjected to a review process for subsequent cases approved in 2015. However, the author of the said Policy maintained in both a verbal response and written submission that the old Game Donation Policy, which was developed in 2010, and was presented to the Conservation Subcommittee of the then North West Parks and Tourism Board was never officially approved. Therefore, the Department's response that the SARGBH transaction was conducted under the old Policy was at best misleading, worst false.

2.3 Whether the Department had donated similar high-value species in the past and who were the recipients

It was indicated that the Department had been implementing game donations to empower farmers since 1994, for example, in Bakgatla Lebatlane, a community game reserve received zebras, impalas, blue wildebeest and waterbuck; and Mojamoja Game Farm received 32 buffaloes from the North West Parks and Tourism Board. A later engagement with the Manager of Ecological Services of the NWPB confirmed that an agreement between the North West Parks and Tourism Board, Moja-Moja Game Breeders and Barolong Boo Ratlou Boo Mariba Traditional Community was signed on 2nd December 2013, and in April 2014. As a result, the buffaloes were captured and placed in boma in the Borakalalo National Park. The buffaloes were subsequently transferred to MojaMoja Breeding site towards the end of May 2014. It was further indicated that the Ecological Services of the NWPB also conducted ecological assessments on a number of black owned/community farms in the Dr Ruth Segomotsi Mompati District, as well as in the Kgetleng District. These assessments proposed stocking plans and other management proposals, which would be submitted to the District Council as part of its empowerment programme.

2.4 Details of the species available in the various parks prior and after the donations

The Department made reference to a certain confidential wildlife census report that was compiled before and after the donation. The report detailed that 50 buffaloes, 20 sable antelopes and 10 nyalas were donated worth of **R183 190 830**. The Department employed a team of scientists to ensure the well-being of the animals and to record those animals that could be used for breeding purposes. However, the Manager of Ecological Services pointed out that annual game counts in protected areas in the North West Province were conducted on an annual basis, using methodologies based on scientifically accepted principles. The game counts were coordinated by his section (i.e., the Ecological Services Section of the Conservation Management Division of the NWPB). The Ecological Services Section compiled the final game count report, which reflects the population estimates for animals in the 15 parks/reserves in the North West Province.

2.5 Whether there was any impact on the viability and the breeding potential of the remaining species

The Department conducted an investigation to evaluate the habitat and veld conditions in *five* prospective properties for the breeding and management of sable antelopes, buffaloes and rhinos. The scientists involved gave assurance on animal viability to ensure that species were not exposed to dangerous conditions that could threaten their survival and hence sustainability in their new environment. The Ecological Services Manager concurred that he conducted the habitat assessment in June 2015. The assessment was done for the species identified for the *five* properties, concern was expressed on the veld condition for some properties for specialist species such as sable and buffalo, as well as white rhino. He further noted that veld conditions in some camps were addressed by SARGBH during the past season/months and significant progress was made on this in certain camps. This was mostly done through reseeded of certain areas with favourable grass seed mixtures. However, certain areas still needed attention.

2.6 Human resources capacity and security of receiving land/farms

The Department stated that SARGBH had presented to the Department an inspection report on their facilities. The report highlighted, amongst others, rights to ownership, skills development, conflict mediation, beneficiation and business model and eligible beneficiaries. The Department emphasised that the capacity for breeding high-value species was still in the hands of private farmers, and not in the hands of the government, indicating further that SARGBH breeders had a land capacity of 2 000 hectares, and this area was sufficient to allow wildlife to thrive. They also had ability to give the species supplementary feed and veterinary services. The supplementary feeding was in terms of having the financial resources to feed the stock during the drought period currently being experienced in South Africa. They also had trained veterinary staff and could additionally provide security for the donated animals.

2.7 Details of individuals that constituted the SARGBH Company, as per the shareholder agreement

The individuals who constituted the SARGBH comprised of Mr M de Kock, Mr H de Kock, Mr A Boshoff and Mr H du Toit as well as BEEE beneficiaries, namely, Mr N Manyathi, Mr B Manamela, Mr R Makwela,

Mr M Wolmarans and Mr M Manyeneng and 40 employees on the project. SARGBA and the BEEE partners both owned 50 per cent shares in the SARGBH.

2.8 Details regarding the available species per park as per male or female prior to and after the donation

The Department stated that it managed populations of high-value species such as buffalo, white rhino, sable antelope and nyala in several of its parks in Madikwe, Pilanesberg, Mafikeng, Botsalano, Borakalalo, Molemane Eye and Kgaswane Mountain nature reserves. Buffaloes were present in all nature reserves. White rhino populations were originally present in all nature reserves, but were removed from Borakalalo and Molemane Eye nature reserves due to poaching pressure. Sable antelopes were present in Pilanesberg, Borakalalo and Kgaswane Mountain nature reserves, while nyalas were only found in the Borakalalo Nature Reserve. After translocation, the buffaloes remaining in Molemane Eye and Borakalalo were 11 and 18 males, *three* male and *one* female sable antelopes in Borakalalo and *eight* sexless nyalas in the same game reserve. Presently, white rhinos had not been relocated and buffaloes had not been moved from Pilanesberg, Mafikeng or Botsalano, as planned in the project.

2.9 Whether there was any impact on the viability of the breeding potential of the remaining population

The Department mentioned that the nyalas did not do well in the North West, as their natural range is the northeastern lowveld. Therefore, the objective was to translocate the remaining *eight* sexless nyalas in Borakalalo to their naturally suitable habitat. Although the remaining sable antelopes in Borakalalo were a viable species, they were under threat from poachers. With regard to the remaining male buffaloes in Molemane Eye, the animals had to be given supplementary feed due to drought-induced low levels of nitrogen. The buffaloes in Borakalalo were viable, although they were under threat from poaching due to their high value, thereby raising the need for a relevant intervention. The Department further indicated that translocation of animals did not have a negative impact on the viability of the breeding potential of all remaining animals, which is not true (as indicated in the response of the Manager of Ecological Services).

2.10 Details of deaths and births experienced per species

The Department conceded that there were indeed deaths as a result of injuries that the animals suffered such as broken jaws during translocation or even during the capture of wild animals. The veterinary surgeon's report was presented, in this regard. In relation to the details of births per species since the donation, six sable antelopes, three buffaloes and five nyalas were born in the SARGBH facilities.

2.11 Game donation policy and the signed resolutions of the relevant authorities, which adopted the policies

The Department presented the purpose and provisions used for all donations, the guidelines for project implementation, screening of applicants, criteria used and limitations contained in *Annexure 3*, which was submitted to the Committee. The Department indicated that a new Game Donation Policy was developed and approved by the accounting authority in the absence of a Board. However, the old Policy was used for the SARGBH transaction because the decision had been made before the new Game Donation Policy was developed. Notwithstanding, the said Policy was never formally approved as the North West Provincial Government's official position on wildlife donations from its provincial game reserves.

2.12 First Quarter and Second Quarter Monitoring and Evaluation (M&E) Report

The Department indicated the presence of such a report, which detailed the strategic objectives, governance mechanism, regulatory compliance, breeding success, transformation and empowerment, and requisite financial statements. In addition, the Report highlighted key achievements and challenges for the two quarters under consideration.

2.13 Correspondence between the Department and the Provincial Treasury on PFMA compliance

The Department drew the attention of the members of the Committee to *Annexes 7* and *8* documents in its submission that contained the details of such interaction between the Department and the Provincial Treasury.

2.14 Animal sales after the game donation transaction

The Department stated that in addition to the application received from SARGBH, it received applications from the following applicants:

- Sunshine Game Breeding Programme for buffaloes, roan and sable antelopes;
- Eagle Quest Game Farm (EQGF) for sable antelopes and white rhinos; and
- Baphiring Traditional Community for sable antelopes, blue wildebeests, impalas, kudu, blesboks and waterbucks.

2.15 Normal protocol used in effecting donations

After the game counts, the Ecological Management Committee (EMC), which consists of a park manager and Ecological Services Regional manager, evaluates the results in terms of other factors, including stocking levels, income generation, hunting and donations, among others. The EMC recommends a quota for removals via introductions to other parks/reserves, hunting and/or donations. The recommendations of the EMC are consolidated and discussed at the Game Removals and Introductions Committee (GRIC) meeting, which brings together regional managers, Manager of Ecological Services and Chief Financial Officer. The meeting discusses the quotas in terms of possible transfers between parks, other objectives, such as provincial and national conservation projects, donation, community projects, income targets, breeding projects and so forth. A final recommendation with reference to possible community/transformation projects is then made to the Chief Conservation Officer.

The quotas are further presented to the Executive Management Committee, then to the Conservation Subcommittee and finally to the Board of Directors from where it is passed on to the MEC of the Department for sign off. A call for proposals is publicly advertised and project proposals are received and reviewed by GRIC, and where necessary additional information is obtained, such as ecological feasibility studies and business plans, *inter alia*.

3. Discussions by the Committee

The Committee raised the following questions and issues to the Department:

- Did the Department seek legal opinion before proceeding with the contract agreement, considering that the contract agreement was an unsolicited bid?
- The Department presented that donations were made to a community in previous years, however, this was contrary to *Annexure 14* of the report, which listed the donations made in past years to foreign countries such as Botswana, Denmark and Switzerland. For example, between 1997-2014, 121 animals had been donated locally and 99 animals had been donated overseas, whereas in 2015 a massive number of 262 animals was authorised for donation.
- Furthermore, an explanation was sought on why 130 buffaloes and 50 white rhinos had been donated to Mr Mike de Kock and other members of SARGBH;
- The Department should provide the details of the relevant experiences, qualifications and expertise of the BEEE partners involved as well as how the shareholding of SARGBH was done, the criteria for donation and the veterinary report used to make donations.
- The Department was asked about the identity of the Chairperson of SARGBH, as the relevant annexure carried the signature of an unidentified person.
- What other aspects of transformation were taking place, apart from the donation of animals? Did the donations take place on only one farm or were there other farms? The Committee also wanted to know whether training was provided to the BEEE partners and whether the donations were a profit-sharing initiative. The Department was also asked to point out the benefits that it would receive in the later years from the donations effected.
- The Department did not advertise for this contract, meaning that the project favoured a particular group and did not take transformation issues into account, for example, only males benefited; there were no indications that women and youth as well as the marginalised in our society (e.g., the disabled) benefited. Females, youth and the marginalised people should have benefited from the donated game species, considering that the animals in question were a public asset. It is in this regard that the Committee wanted to know the criteria used by the Department to determine game donation to the concerned beneficiaries.

- The Committee wanted to know the size of the farms that received the game donations, and the kind of animals that SARGBH had on its farm before receiving donations and whether the Department could account for each of the animals donated in order to ascertain whether the game donations were not used to enrich a few individuals.
- What was the status of the animals donated so far? The Committee was informed that some of the donated animals died during the translocation and whether the animals donated to private farms would ever be returned to the Department.
- Questions were raised about the capacity of the Department to stock the animals donated, in addition to whether the Game Donation Policy clarified the number and value of game species that could be donated in a single project.
- Did the Department have any framework for donations and was this framework followed in the game donation process?
- Did the Department have the capacity to check if the desired private farm had a suitable habitat to nurture the donated game? Had they received other requests for game donations at the time SARGBH made its request, and could they presently donate game to other parties who make such requests now?
- The Committee wondered whether SARGBH farms were predominantly white-owned private game farms or some of the BEEE/transformation partners also owned game farms.
- The Committee asked for the reasons that led the Department to change the date of the signed agreement from August to February 2016 and whether the agreement should be disregarded, as the Department's presentation and the signed agreement showed contradicting figures of game donations. There was also a serious concern about the Department's presentation, which stated that SARGBH had 2 000 hectares of land to stock the donated animals. This was likely to cause overstocking, particularly as *Annexure One* indicated that SARGBH had received double the number of animals that it originally had on its farm.
- An explanation was sought on the timelines for the signing of the donation agreement, as the Department received the proposal on 6th November 2014, and the EXCO shortly approved the SARGBA proposal on 25th March 2015. The Committee wondered whether the

process of approving the SARGBH proposal followed due diligence, as certain crucial determinations by the Department (and hence the North West Parks Board) needed to be concluded prior to the approval of the proposal, and also noting the long December break in-between.

4. Responses by the North West Provincial Government Department

- The Department responded that it had a regulatory monitoring plan that was used to monitor the project's strategic objectives, which ranged from institutional governance issues, regulatory compliance matters, breeding success and health of the animals, financial costs incurred and transformation empowerment. In addition, the Department had a tool that monitored the animals and the timeframes (six months or one year), had an indicator for genetic purity and strength, signs of disease, births recorded and signs of stress.
- The Department requested the Committee to allow it to submit a written response with the figures on mortality during the movement of animals.
- The project was a breeding programme, and all the animals selected for breeding in the project were marked and could be identified to provide population figures of animals on site (e.g., on the farm). It was stated further that the Department had facilities within the country to check habitat suitability, whereas it relied on checks made by the receiving country (in case of foreign destinations) and a team of South African scientists would often visit such foreign countries to authenticate the information submitted on habitat suitability.
- There was a follow-up question on the habitat suitability report and whether it covered the issue of overcrowding that was raised earlier?
- It was responded that a breeding facility did not rely on natural feeding, but a lot of artificial feeding would be used to supplement the feeding during the breeding programme.
- The Department noted that it had not responded adequately to the question, which dealt with the number of animals taken into each farm and the number of animals present on the farm initially (at the time of donations), and hence undertook to submit a written response.

- The Committee stressed that it was following the line of response from the Department on the question of overcrowding, taking into account the number of animals the receiving farms had initially and following the number of animals donated by the Department. Consequently, the Department indicated that the habitat was looked at on the basis of supplementary intensive feeding, not the size of the farm. Notwithstanding, the Department's response did not answer the core question on habitat suitability of the receiving farm. This prompted the Committee to ask for a further clarity.
- In clarifying the issue, the Department stated that *Annexure 16* addressed the matter of habitat suitability of the receiving farms, and not the provincial farms. It referred to a Table within the Annexure that described the size of different private farms used for breeding of different species. However, the Committee noted that the habitat suitability presented in *Annexure 16* was not for any of the receiving farms.
- The Department acknowledged that it had not followed ethical principles or considerations in moving game from the provincial nature reserves to zoos in the past, and had learnt a valuable lesson in the process. It was reported that the Department was committed to making improvements on ethical procedures, noting that game donation initiatives had not come with any monitoring requirements in the past, and hence game donations had not added value to the North West Parks Board (NWPB). The Department indicated that the quantum leap in game donations identified in the SARGBH Project was a partnership between NWPB and SARGBH, and this step had been undertaken to improve the population of game species owned by NWPB by making a significant investment. A particular reference was made to *section 4.6* of the contract agreement, which reads as follows: "*On expiration of this agreement half the initial breeding stock of each of species donated shall be returned to NWPB or be donated to other BEE beneficiaries at the discretion of NWPB, based on the game donation policy*".
- It was affirmed by the Department that no immediate game donation could be made to any applicant, taking into account the quantum leap in game donation by NWPB to SARGBH. However, for future donations, *section 4.6* of the contract agreement has empowered NWPB to donate game to other farms because the initial stock would be evaluated after *five* years and the 50-per cent stock returned could be donated to other farms.

- The Department asserted that NWPB was not interested in returning game that had been intensively bred back to the wild because this game would become vulnerable to predators. As a result, all intensively bred games would be used in future empowerment projects, and SARGBH would become an important partner in such projects. The Department further stated that no rhinos were removed from the wild in the recent SARGBH donation.
- Regarding the contradiction in the dates, the contract was signed retrospectively in 2015 because the new Board had been going through a process of adjustment, necessitated by the fact that the Department had gone through a major reformation that led to the repealing of the North West Parks and Tourism Board (NWPTB), resulting in the establishment of two new entities, namely, the North West Parks Board (NWPB) and the North West Tourism Board (NWTB). The discussion on the agreement had taken place under the NWPTB, but when the MEC had appointed the new Board, the successors had gone through a new process and had decided to continue with the contract based on the date that they had signed the contract with the parties concerned.
- The Committee were of the view that a successor did not need to sign any other agreement, except to nullify the former agreement, so there was no need to backdate the signing date from 2016 to 2015. In this regard, the Department held that the entity was undergoing transition, but recalled that on 25 March 2015, the Department already had an EXCO resolution that the project must be implemented based on the conditions stated, although the shareholders had some transitional issues. Because of the commitment to continue with the project, the project had commenced, while planning and implementation continued simultaneously.
- In relation to the legal opinion sought, the NWPB had obtained legal opinion from the internal legal officers, but had not sought external legal opinion. Furthermore, in terms of the Public Finance Management Act (PFMA), the Department was required to adhere to *section 54*, which concerns the disposal of significant assets. Accordingly, the accounting officer was required to inform the Provincial Treasury, which the accounting officer duly complied with in the matter of animal donations to SARGBH. In fact, the transaction had been interpreted as such by the internal legal team of NWPB.

- With regard to the relevant experience of SARGBH, the beneficiaries had relevant business experience, farming and technical expertise. The Department further noted that different applicants had made requests for game about the same time as SARGBH.
- On the participation of women, youth, disabled individuals and previously disadvantaged people, the Department admitted that NWPB had not fully complied with the BEE equity targets, stressing that white farmers still dominated the agricultural sector and wildlife or game farming industry.
- On whether the Department was satisfied that the transaction had followed government prescripts in terms of PFMA, the Department conceded that it had not fully complied with government prescripts, but they had learnt some useful lessons along the way, including from the engagements with the Portfolio Committee.

5. Observations and findings by the Committee

The Portfolio Committee noted the following:

- The Portfolio Committee accepted the apology of the MEC on behalf of the Department for not appearing before it on 1st November 2016, although the Committee did not entirely agree with the explanation provided that an official in her office did not notify her about the request for her to appear before the Committee to account for the SARGBH Project, particularly as the Committee Secretary had confirmed the receipt of the Committee's request with an official in the MEC's Office well ahead of the scheduled date for her appearance before the Committee.
- The Committee considered it irrational that the Department recommended emptying some of its parks/reserves of certain species due to poaching threats when they could not ensure the security of those same species in SARGBH facilities. It is unacceptable that the SARGBH Project was being seen as an avenue for the Department to absolve itself of the responsibilities for protecting those species, which was tantamount to '*not on my hands*' attitude.
- It did not make sense for the Department to argue that the SARGBH donation was done to facilitate transformation when the donation actually benefited the previously advantaged white game farmers, comprising Mr M de Kock, Mr H de Kock, Mr A Boshoff and Mr H du Toit.

- The Department did not comply with the prescripts of PFMA, particularly the Expression of Interest, as stated in the Preferential Procurement Policy Framework Management Act (Act No 5 of 2000). The Act explicitly states what should be done when deviations such as unsolicited bids arise.
- The Committee noted the explanation regarding the use of the old Game Donation Policy by the Department as an attempt to mislead the Committee as both the date for the approval of the policy and the authority that sanctioned the approval of the said Policy were indeterminate, or non-existent.
- The Department's response on overstocking was flawed because even when breeding animals on an area of 1700 hectares, only 106 animals could be sustainably catered for.
- The numbers of game donated in this transaction were very high and conservation principles were not followed; the retention of only male buffaloes at Molemane Eye Nature Reserve and Borakalalo was against conservation principles.
- There is a mismatch between the date on which the animals were captured for transfer into SARGBH facilities and the date on which the Chairperson of the NWPB approved the project. The Department appeared to be under some form of compulsion from the onset, considering the manner in which the quotas for the animals were determined.
- The MEC conceded that the project had not been carried out with due diligence, and the Department had made some errors. For instance, it had not initiated an 'expression of interest,' particularly when it had escalated the number of game donations to SARGBH. The Department further affirmed that it had learnt a useful lesson and was willing to do due diligence on the project, based on the Committee's advice.
- There does not seem to exist records that the Department advised the EXCO that the old Policy was inconsistent with the NWPB mandate. Notwithstanding, the EXCO's approval of the SARGBH game donation proposal did not make the transaction right; and the handling of the project did not comply with conservation principles.
- There was a signature supposedly of the Chairperson of SARGBA on an official document without the name of the individual, and neither the Department nor the North West Parks Board raised any concern.

- The massive quantum leap donation of high-value wildlife to SARGBH has effectively prevented the Department and hence the NWPB from donating animals to any new potential beneficiaries, how promising their proposals could be.
- The role played by the MEC is questionable and of great concern indeed as she pushed the numbers of the animals higher up (130 buffaloes, 50 sable antelopes, 50 white rhinos and 15 nyalas), more than the numbers of the wildlife species (50 buffaloes, 20 sable antelopes and 10 nyalas) determined by the then Acting Manager of Ecological Services, Mr Wilfred Seithlamo.
- That the Department misled the Portfolio Committee and Parliament that the SARGBH donation was sanctioned by a valid Game Donation Policy when the Department was aware that it had not formally adopted a policy in this regard.

6. Committee Resolutions

The Portfolio Committee on Environmental Affairs having deliberated on the donations of high-value wildlife species to private individuals by the North West Provincial Government Department of Rural, Environmental and Agricultural Development (i.e. the Department), resolves as follows:

- That there is prima facie evidence that North West Department of Rural, Environment and Agricultural Development (READ) did not handle the donations of the high-value wildlife animals in accordance with the requirements of the PFMA and thus the Committee directs the MEC and the Department of READ to reverse the SARGBH donation project with immediate effect and to ensure that no further donation to SARGBH take place;
- The relevant authorities need to be consulted on the vulnerability of the animals which have been removed from the natural, wild habitat for breeding and the need to find them suitable habitat within the provincial reserves;
- The prima facie anomalies are severe enough to warrant that the Auditor General and National Treasury must take necessary steps in terms of the PFMA to investigate the SARGBH game donation project for possible financial irregularities, which investigation could result in a finding –
 - That the costs of the reversal of the SARGBH project be recovered from the MEC, the Accounting Officer or any persons or entity that might have contributed in these transaction or that may inappropriately have benefited.

- That the Auditor General and the National Treasury should report back to the Committee on all actions taken with regard to recommended PFMA informed measures within the next three (3) months;
- That the National Department of Environmental Affairs should finalise its Game Donation Policy that is currently underway in the next three months in order to enable orderly transfer and/or donation of public wildlife species from statutorily (National and Provincial) protected areas to communities and private persons/entities throughout the Republic;
- That the Legal Services of Parliament present a legal opinion to the Committee within 30 days of the adoption of this report on the steps that can be taken against any persons who, in accounting to the Committee, appears to have misled the Committee with regard to claims that the SARGBH donations were executed using a valid Game Donation Policy well knowing that the Department had not formally adopted a policy, in this regard;
- That the Committee should seek further guidance on the referral of the wildlife donations in question to the relevant law enforcement agency for further investigation, considering the amount of public funds involved;
- That the Portfolio Committee on Environmental Affairs, in conjunction with the Select Committee on Land and Mineral Resources in the National Council of Provinces (NCOP) should conduct an oversight visit to the North West province to ensure the implementation of the above resolutions; and
- That the NCOP, through its Select Committee on Land and Mineral Resources, be requested to assist in the monitoring of the implementation of the above resolutions, including requesting regular reports and taking whatever appropriate actions, in conjunction with the Portfolio Committee on Environmental Affairs.

7. Conclusion

Overall, both the conception and implementation of the game donation project was not properly done despite the high value of the wildlife species involved in that transaction. These two processes appeared to have been hurried for some reasons unknown to the Committee. Of much concern was the inability of the North West Provincial Department of Rural, Environmental and Agricultural Development to halt the donations of wildlife at a time when the public media and even the North West

Provincial Legislature's Portfolio Committee on Tourism and Rural Environment and Agricultural Development became concerned about the execution of the project. Worse still, after having identified several anomalies with the relevant policy that was supposed to underpin the conception and implementation of the project; the lack of strict adherence to the PFMA requirements and associated legislation; and obvious disregard of good conservation principles during the two engagements with the MEC and her Department, there was no conclusive assurance that further transfer of wildlife would be stopped. It would therefore be appropriate for the Committee to determine the rationale that underpins this game donation project. It is important to note that although 50 per cent of the animals involved in the project would revert back to the NWPB seemingly after *five* years, those animals would never be wild as at the start of their transfer to the SARGBH. It is therefore logical for the Committee to seek legal advice, with the aim of referring this matter to law enforcement agencies for further investigation to establish criminal liability where necessary, based on the value of the wildlife species involved.

Report to be considered.

2. Portfolio Committee on Public Service and Administration as well as Planning Monitoring and Evaluation

REPORT ON BUDGET VOTE 10: DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION: DATE 25 APRIL 2018

1. BACKGROUND

The Portfolio Committee on Public Service and Administration as well as Planning, Monitoring and Evaluation (hereinafter referred to as the Portfolio Committee) having considered the directive of the National Assembly to consider and report on the Strategic Plans, Annual Performance Plans and Budget allocations of the Department of Public Service and Administration, National School of Government, Centre for Public Service Innovation and Public Service Commission tabled by the Minister in terms of the Public Finance Management Act (Act No 1 of 1999), reports as follows:

2. INTRODUCTION

The Public Finance Management Act, section 27 stipulates that the Minister must table the annual budget for a financial year in the National Assembly before the start of the financial year. Subsequent to that the Money Bills Amendment Procedures and Related Matters Act, No 9 of 2009, section 10 (1) (c) clearly stipulate that the relevant members of Cabinet must table updated strategic plan and annual performance plan for each department, public entity or institution, which must be referred to the relevant Committee for consideration and reporting.

In considering the annual performance plans, the Committee will ensure that a department and its entities budget allocation serve the needs and aspirations of the people. Budget allocation serve as a key instrument for government to promote socio-economic development efficiently. Budget allocation plays a critical role as an economic instrument of the government, as it reflects the country's socio-economic policy priorities by translating priorities and political commitments into expenditures. Budget serves as a vital tool to operationalise government activities towards the achievement of its intended priorities. Furthermore, the budget highlights the constraints and trade-offs in policy choices.

In view of the above, the Committee had on 19 April 2018 considered presentations on the Annual Performance Plans and budget allocations of the Department of Public Service and Administration (DPSA) for Budget Vote 10 which comprises of the following institutions: National School of Government (NSG), Public Service Commission (PSC), and Centre for Public Service Innovation (CPSI). The Department is a conduit of the budget for the National School Government, Centre for Public Service Innovation and Public Service Commission.

3. OVERVIEW OF THE DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION

The Department of Public Service and Administration is expected to implement and coordinate interventions aimed at achieving an efficient, effective and development-oriented public service which is an essential element of a capable and developmental state as envisioned in the National

Development Plan (NDP) 2030. The Constitution of the Republic of South Africa envisages a Public Service that is professional, accountable and development-oriented.

The NDP identifies specific steps that need to be taken to promote the values and principles of public administration as enshrined in the Constitution. Furthermore, the NDP highlights the need for a well-run and effectively coordinated state institutions with skilled public servants who are committed to the public good and capable of delivery consistently high-quality services, while prioritising the nation's development objectives.

Unevenness in capacity that leads to uneven performance in the Public Service is also acknowledged in the NDP. This is caused by a complex set of factors, including tensions in the political-administrative interface, instability of administrative leadership, skills deficits, insufficient attention to the role of the State in reproducing the skills it needs, the erosion of accountability and authority, poor organisational design and low staff morale. Steps are needed to strengthen skills, enhance morale, clarify lines of accountability and build an ethos of public service. These steps are guided by the need for long-term policy stability as well as awareness of potentially adverse effects of over-regulation.

The main objective of the Department is to put in place the mechanisms and structures that can support departments in developing their capacity and professional ethos. The Public Administration Management Act (PAMA) has been signed into law and as a result the objective of establishing a uniform system of public administration to ensure that common norms and standards are achieved at all government levels. This effectively places DPSA at the epicentre of ensuring that all operating platforms and units to drive a compliant ethical public service which are guided by norms and standards.

4. LEGISLATIVE MANDATE

The Department is mandated by 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 (PSA) of 1994, as amended. In terms of the PSA,

the Minister for the Public Service and Administration is responsible for establishing norms and standards relating to:

- ✓ The functions of the public service;
- ✓ Organisational structures and establishment of departments and other organisational and governance arrangements in the public service;
- ✓ Labour relations, conditions of service and other employment practices for employees;
- ✓ The Health and wellness of employees;
- ✓ Information management;
- ✓ Electronic government in the public service;
- ✓ Integrity, ethics, conduct and anti-corruption; and
- ✓ Transformation, reform, innovation and any other matter to improve the effectiveness and efficiency of the public service and its service delivery to the public.

5. STRATEGIC GOALS OF THE DEPARTMENT

The key strategic priorities of the Department are explained below:

5.1 Building an efficient and effective Public Service

The Department continued to eliminate areas of duplication, weaknesses and wastage within the public service and administration by identifying appropriate interventions to address these challenges. In so doing so, it ensured the following that the organisational structures of departments are rationalised and aligned to their mandates, improving the effective management of discipline and improving the implementation of resolutions signed with labour through the Public Service Coordinating Bargaining Chamber (PSCBC) collective agreements. Interventions that promote and support the health, wellness and positive morale of public servants are implemented and meaningful platforms are created and institutionalised to enable citizens to partake in and influence government's policies with regard to how public services are delivered to them.

5.2 Building a capable, equitable and professional Public Service

This strategy is in line with the National Development Plan (NDP) in that a capable state, which is well run and effectively coordinated among different government institutions, will operate with the integrity and effectiveness this strategy envisages. The Department planned to introduce measures to professionalise the public service, which will include, amongst others, compulsory training programmes and the review and enhancement of appointment procedures for senior managers. The issue that the Department needs to revisit is the affirmation of people with disabilities. This is a huge challenge for public service since the employment is still around 2% in the public service. The public service has made tremendous strides with regard to the affirmation of women in senior management. However, the public service has not reached 50% gender representivity.

5.3 Introducing appropriate legislative frameworks for the Public Service and Administration

The Department had planned to set up an enabling environment for effective public administration to be strengthened by reviewing existing legislation and introducing new legislative frameworks for public service and administration. To this effect, the Public Administration Management Bill was introduced to Parliament for processing, which had been finally assented to by the President in the form of the Public Administration Management Act 11 of 2014. By the beginning of 2015, already, the legislation was in full force and it, among other things, introduced the transformation of PALAMA into a National School of Government. At present, the Public Service Commission Amendment Bill [B21 – 2015] was tabled to Parliament and is still in process.

5.4 Inculcating an ethical ethos and achieving a clean Public Service and Administration

The Department is committed to promoting a corruption-free public administration through the implementation of practical interventions to prevent, detect and combat corruption. The Department also promotes and reinforces the ethical behaviour of public servants through improving

compliance to public administration prescripts and regulations. To this effect, the Public Administration Management Act (Act 11 of 2014) was passed by Parliament and finally assented to by the President. Among other things, the Act has introduced measures to prevent public servants from doing business with the State, for which any civil servant found to be in breach will face a charge of misconduct with either a fine imposed or termination of service being instituted.

5.5 Improved public administration in Africa and internationally

The Department planned to contribute towards improved public service and administration in Africa and internationally through entering into mutually beneficial partnerships, dialogue and domestication of best practices. To this effect, the Ministry signed and ratified the Africa Public Service Charter on behalf of State and Government early in 2014. Values guiding the Service Charter are transparency and accountability, and good human resources management.

6. STRATEGIC PRIORITIES 2015/2020

The priorities for the Department of Public Service and Administration over the medium term period are informed by the National Development Plan objectives which are therefore translated into the Medium Term Strategic Framework (MTSF) 2015-2020. The Department highlighted the following priorities to the Portfolio Committee:

- **A stable political-administrative interface**

Promoting stability of leadership in the top levels of bureaucracy which is central to building a capable and developmental state by introducing clear delegations, effectively managing the political-administrative interface, improving public confidence in the process and quality of appointments.

- **A public service that is career of choice**

Promoting the public service as a career of choice by adopting a more long term approach to developing the skills and professional ethos that underpin a development oriented public service, recruiting young professional into the public service, ensuring that the work environment is conducive for learning to take place on the job and by adhering to the Constitutional principles that guide personnel practices.

- **Efficient and effective management and operations systems**

Improving management and operations systems to challenges frontline staff face in delivering quality services to citizens by clarifying responsibilities, introducing efficient and effective work processes, including IT systems that are tailored to specific areas of service delivery and by delegating greater authority to resolve day to day problems.

- **Increased responsiveness of public servants and accountability to citizens**

Improving accountability as set out in the Batho Pele Principles and the Public Service Charter by strengthening accountability to citizens, particularly at the point of delivery, increasing the responsiveness of public servants to the views and concern raised by citizens and other service user and by developing the capacity to monitor the quality of service provision and effecting the required improvements.

- **Improved mechanisms to promote ethical behaviour in the public**

Improving confidence in the integrity of the public service through strengthening the fight against corruption by effecting amendments to the relevant codes of legislation in order to limit the scope for conflicts of interest, preventing public servants from doing business with the state and by building the capacity of departments to investigate issues relating to ethics, integrity and implement disciplinary actions on cases where there is a possible or actual conflict of interest.

7. RESPONSES TO THE BUDGET REVIEW AND RECOMMENDATION REPORT

On 03 March 2018, the National Treasury responded to the Portfolio Committee's recommendation that "the Department of Public Service and Administration should engage with the National Treasury and the Department of Planning, Monitoring and Evaluation (DPME) on the budget shortfall impacting the effectiveness, efficiency and independence of the Public Service Commission in executing its mandate. A lasting funding solution must be found to enable the PSC to expand its investigation, monitoring and evaluation of the basic values and principles governing the public service. Progress pertaining to this matter should be reported quarterly to the Committee".

The National Treasury promised it will convene a meeting with the Department of Public Service and Administration to discuss the relationship between the budget of the PSC and its effectiveness, efficiency and independence. The National Treasury further said: *“In order to improve the effectiveness and independence of the PSC in executing its mandate, meetings have been held between the National Treasury and Parliament on the proposed migration of Chapter 9 and 10 institutions to the vote of Parliament. A plan for migrating these institutions to the vote of Parliament should be developed and implemented as part of measures for supporting the independence of Chapter 9 and 10 institutions. Accordingly, a report will be submitted to the Committee on a quarterly basis covering the outcome of interactions among the three departments as well as Parliament’s progress in relation to planning for and implementing the migration of the institutions to the vote of Parliament”.*

8. BUDGET ANALYSIS

The overall budget allocation for the Department of Public Service and Administration’s is R956.7 million for 2018/19 as compared to R877.1 million for 2017/18 financial year, which is an increase by 15.03 per cent in nominal terms. However, in real terms the total budget allocation for the Department increased by 8.21 per cent between 2016/17 and 2018/19.

An average of 48.2 per cent of the department’s total budget over the medium term is allocated to transfer and subsidies for the operations of the National School of Government, the Public Service Commission and the Centre for Public Service Innovation. These departments provide public servants access to knowledge and skills, promote the principles of public administration and foster innovation in the public service, respectively. The Department’s second-largest area of spending is on the compensation of employees, which accounts for 31.5 per cent of the total budget over the medium term. The Department has a staff complement of approximately 444 who work with personnel across government to strengthen the public service’s contribution to national development. The budget vote of the Department of Public Service and Administration is divided into six programmes that seek to achieve its mandate.

Table 1: Programmes and budget allocation

Programme R'000	Revised Estimates 2017/18	Medium Term Expenditure Estimates		
		2018/19	2019/20	2020/21
1. Administration	236.7	248.9	265.3	260.3
2. Policy Development, Research and Analysis	33.4	34.1	36.9	39.3
3. Labour Relations and Human Resource Management	67.0	82.4	78.7	85.8
4. Government Chief Information Officer	17.1	21.7	23.1	24.7
5. Service Delivery Support	235.7	257.6	273.9	291.2
6. Governance of Public Administration	287.2	311.9	329.1	352.2
Total	877.1	956.7	1 007.0	1 076.2

Source: Estimates of National Expenditure (2018)

9. PROGRAMME PERFORMANCE

9.1 Programme 1: Administration

The main purpose of the programme is to provide strategic leadership, management and support services to the Department, and coordinate the Department's international relations. The purpose of the programme is to provide policy, coordinated strategic and overall administrative support services to enable the Ministry and the Department to deliver on mandates. The budget for Programme 1 increased from R236.7 million in 2017/18 to R248.9 million in 2018/19. This represents a -0.8 per cent decrease in real terms in the budget allocation between 2017/18 and 2018/19. The programme consumes 26,01 per cent of the overall budget.

Budget allocated in this programme will be spent on monitoring the compliance with internal and external Human Resource and Labour Relations Policy Prescripts and Procedures. In 2018/19 financial year, the department intends to submit report on the implementation of the department's bi-lateral and multi-lateral agreements and programmes to the Ministry of Public Service and Administration.

9.2 Programme 2: Policy Development, Research and Analysis

The main purpose of this programme is to manage and oversee the formulation, development and review of policies, policy reform and transformation programmes. It also manages research on and analysis of public service capacity, performance and reform by conducting productivity, accessibility and continuity studies tracking trends in best practice in public administration discourse in order to enhance access to public services through feasibility and continuity studies.

In 2017/18 the budget allocation to Programme 2 was R33.4 million and in 2018/19 the allocation is R34.1 million. This represents a real decrease of 1.1 per cent. This programme receives one of the three smallest allocations under the Vote, i.e. 3.56 per cent. The bulk of the Programme's budget (R12.5 million) is allocated to the Public Service Performance, Monitoring and Evaluation sub-programme, which measures organisational performance, functionality and productivity through the monitoring and evaluation of public service norms and standards, which are derived from the performance information of public service regulatory instruments.

The President highlighted in his State of the Nation Address the importance of the structure and size of the state to be reviewed in order to function optimally in a more coherent and efficient way to ameliorate service delivery and grow the economy. Government will initiate a process to reconfigure a number of government departments with the main intention of harmonising state machinery to deliver on its mandate. In light of the above, the Department intends to draft a proposed model for the configuration of the centre of government functioning as the national administration in support of the vision of the NDP to ensure efficient and effective coordination of public administration norms and standards.

The President emphasised that government wants public servants to adhere to the principles of Batho Pele by putting people first. Furthermore, government wants to instil a new discipline, to do things correctly, to do them completely and to do them timeously. The Department intends to consult on the Draft White Paper for Transformation and Modernisation of public administration linked to the social vision of the NDP and provisions

of Public Administration Management Act of 2014. Moreover, the Department will submit a final Public Service Productivity Management Tool to the Ministry of the Public Service and Administration. The Public Service Productivity Management Tool has been consulted on in two selected departments and thereafter to be refined for approval by the Minister.

In addition, the department will refine the Organisational Functionality Assessment (OFA) Tool in terms of the Public Service Regulations of 2016. The Department will on a quarterly basis develop data collection tools that support the measure of OFA to assess the current status quo in implementing the selected Public Administration Norms and Standards. Furthermore, the Department will monitor compliance by departments on the Public Service Norms and Standards.

9.3 Programme 3: Labour Relations and Human Resource Management

The purpose of this programme is to develop, implement and monitor human resources policies and functions by managing labour relations negotiations, employee relations, discipline and work environment management. The programme is aimed at designing remuneration and job grading policy frameworks as well as support the implementation of human resource development and planning strategies, systems and practices.

Programme three accounts for 8.61 per cent share (R82.4 million) of the total budget vote in 2018/19. Between 2017/18 and 2018/19, the budget allocation for this programme increased by R11.1 per cent and 16.57% in real terms. The programme is also responsible for monitoring the vacancy rate in the entire public service. The programme's budget is relatively bigger (fourth largest allocation) because it deals also with Negotiations and Discipline Management; Human Resource Development; Remuneration and Job Grading; Employee Benefits; Human Resource Planning and Performance Management for the entire Public Service.

The Department intends to submit a report on the average per cent of funded vacant posts on PERSAL against the targeted 10% or less to the Ministry of DPSA. Funds allocated to this programme over the medium term will also be spent on establishing a formal graduate recruitment scheme to attract graduates into the public service. The Department will develop and submit an annual report on the appointment of persons into developmental programmes within the public service to the Director-General. The target is in line with the objective of National Development Plan. The NDP clearly stipulates that South Africa needs a strategy for recruiting dedicated young people, developing their skills and building an ethos of public service.

The Department monitors and reports on the average number of days taken to resolve disciplinary cases in national and provincial departments. Over the medium term, the department will introduce the Government Employee Housing Scheme in compliance with the 2015 public sector wage agreement. The scheme will assist employees in the public service to secure appropriate, affordable finance towards purchasing or upgrading their own property. The department will submit quarterly monitoring reports to the Minister in this regard.

9.4 Programme 4: Government's Chief Information Officer

The purpose of the programme is to promote and manage the use of Information Communication Technology (ICT) as a strategic tool in the design and delivery of citizen-centred services within government by coordinating and consolidating Public Service Information Communication Technology policies, strategies, costs, risk assessments, as well as ICT Governance matters. The programme was introduced in order to develop, implement and monitor information communication technology (ICT) policies and norms and standards.

The budget allocation for Programme 4 accounts for 2.26 per cent share or R21.7 million of the total budget vote in 2018/19. The budget allocation to Programme 4 increased by 26.90 per cent in nominal terms, but in real terms, it increased by 20.28 per cent between 2017/18 and 2018/19. Although this programme receives the smallest allocation of the vote, it experiences the most significant increase in nominal and real terms. This is because it has to bring about the transformation of the PERSAL system into the Integrated Financial Management System (IFMS).

The Department will report on improvements made by all national and provincial departments in managing the cost related to IT procurement within the public service. Moreover, the Department will, under this programme, develop the Public Service ICT standard. The Department will revise Corporate Governance of Information Communication Technology Policy Framework using MPAT assessment standard.

9.5 Programme 5: Service Delivery Support

The purpose of the programme is to manage and facilitate the improvement of service delivery in government by supporting and monitoring Operations Management and Service Delivery Planning. The programme has five sub-programme which are Operations Management, Service Delivery Support Programmes and Service Centres (Thusong), Complaints and Change Management (Batho Pele), Public Participation and Social Dialogue; and Community Development and Citizen Relations.

The budget allocation for Programme 5 increased from R235.7 million in 2017/18 to R257.6 million in 2018/19, representing a nominal increase of R21.9 million or 9.29 per cent. In real terms, the budget allocation to Programme 5 increased by 3.59 per cent between 2017/18 and 2018/19. This programme has as one of its objectives to perform the 2nd African Peer Review Mechanism (APRM) country review in 2018/19. It remains to be seen whether the allocation will also cater for this mammoth task.

At 26.92 per cent share, this programme represents the second largest share allocation of the total budget vote in 2018/19. It is commendable for Government to allocate this much to service delivery support in order for the Department to give technical support and advice to national, provincial and local government institutions who had had service delivery challenges. This will serve as both a preventative and remedial measure to service delivery challenges and protests. This is in line with the tone set for public service delivery in the 2018 State of the Nation Address (SONA) when the President of the Republic remarked in the following manner regarding the relationship between the state and the public service concerning service delivery.

The National Development Plan focuses extensively on improving service delivery across government. The Department will report on the quality and progress with the implementation of the Service Delivery Improvement Plans for all national and provincial departments. In addition, the Department will in 2018/19 financial year report on the assessment of national and provincial departments implementing the Batho Pele standards.

The Department will support prioritised departments to map Business Process and develop Standard Operating Procedures for their selected services as part of improving efficiency and effectiveness in the operations in the public service. The Department will submit a report on improvements in the turnaround times of departments with mapped business process to the Ministry of DPSA.

One of the department's intervention over the medium term will be to assess the delivery improvement plans in national and provincial departments and make recommendations on improving them, including face to face meetings. To improve the efficiency and effectiveness of frontline service delivery, the Department will report on the implementation of the Operations Management Framework with the aim of addressing service delivery challenges. The Department will report on the improved access to government services through the Thusong Service Centre Programme. A workshop will be conducted with national departments and provinces on the Public Service Charter.

9.6 Programme 6: Governance of Public Administration

The purpose of this programme is to manage and oversee the implementation of policies, strategies and programmes on Public Service ethics, integrity and leadership. Furthermore, the programme envisages to ensure intergovernmental relations and macro organization of the State which include organizational design, strategic planning framework as well as monitor government intervention programmes and Human Resource Information System. The programme has five sub-programmes which are: Human Resource Management Information Systems, Public Service Leadership Management, Organisational Design and Macro Organisation, Ethics and Integrity Management and International Relations and Government Intervention.

The budget allocation for Programme 6 increased from R291.8 million in 2017/18 to R311.9 million in 2018/19. In real terms the budget allocation increased in 2018/19. Programme 6 accounts for the first largest allocation share, which is 33.5 per cent of the total budget vote in 2018/19. Of the budget allocated, the Department will transfer R264.3 million to the Public Service Commission established in terms of Chapter 10 of the Constitution.

Over the medium term, the department intends to submit a report on the improved adherence by national and provincial departments to the Directive on Public Administration and Management Delegations. Moreover, the department will monitor the improved adherence by national and provincial departments to the Directive on Public Administration and Management Delegations as measured by Management Performance Assessment Tool. The Department will conduct workshops to support selected departments with the implementation of the Guidelines on mentoring and peer support mechanisms.

Over the medium term, the departments will be supported on the implementation of the Guideline on Mentoring and peer support mechanisms for senior managers. The Department will submit a statistical fact sheet on the average time spent by HODs in a post to the Ministry of DPSA. This is in line with the NDP vision of managing the career progression of heads of department. The NDP highlights that many of government's best performing institutions are characterised by their stability of leadership and policy approach.

Strengthening human resource capacity is one of the objectives of the NDP, the department will implement the intervention strategy to support three departments to enhance their internal Human Resource Capacity. The Department has been supporting the national and provincial departments on the implementation of the 2013 public service integrity management framework, which aims to strengthen standards and measures for managing integrity and promoting ethical conduct in the public service.

At the end of 2018/19 financial year, the Department will report on the implementation of the financial disclosure for designated employees. Furthermore, report on the implementation of the financial interest on the Directive on other Remunerative Work to the Director-General in the public service. Over the medium term, the department will analyse measures aimed at strengthening protection of the whistle blowers. In this financial year, the department will conduct two implementation support workshops on the Framework for the management of Protected Disclosures (whistle blowing) by the Public Service employees.

10. BUDGET TRANSFER TO DEPARTMENTAL ENTITIES AND PUBLIC SERVICE COMMISSION

10.1 NATIONAL SCHOOL OF GOVERNMENT

10.1.1 POLICY PRIORITIES 2018/19

The National School Government (NSG) derives its mandate from the Public Service Act. In terms of the Act the institution is mandated to provide training or effect the provision of training. The NSG's aims to enhance capacity of all public servants at all levels to perform effectively and efficiently, develop and use assessment mechanisms to build confidence in the recruitment processes of the public service. Subsequently, the department develops training programmes that are specific to the needs of the public service with a view to addressing the skills shortages.

The NDP highlights the importance of adopting a more long-term approach to develop the skills and professional ethos that underpin a developmental oriented Public Service. Of critical importance, the State has to be proactive about producing and reproducing, the skills that it needs. This includes ensuring that the work environment is conducive for learning to take place on the job. The core responsibility for recruitment and skills development will remain with individual departments, but they need to be able to draw on effective support mechanisms from the relevant governance and administration departments. Furthermore, the 2015-2020 MTSF requires that identified departments should be supported in the development of targets assessments mechanisms. The work regarding the assessment mechanisms will be undertaken by the National School of Government.

The School is gearing itself to meet the education, training and development needs of the public service as set out in the national development plan and the ministerial service delivery agreement, and contributing to outcome 12 of the 2015-2020 Medium Term Strategic Framework.

10.1.2 BUDGET ANALYSIS

The National School of Government receives a transfer from budget vote 10 of the Department of Public Service and Administration. The National School of Government carries out its core mandate utilising the training trading account, which is funded from transfers the School receives from the DPSA as well as through revenue it generates from training programmes. Accordingly, transfer to the school's training trading account represent a projected 39 per cent (R209.9 million) of its total budget over the medium term.

The school aims to continue revising its funding model to ensure it generates more revenue through its training projects. The revised funding model will propose that a portion of national departments' training budgets be redirected to the school to fund the mandatory training it provides. The school plans to conclude its consultation with key stakeholders on the revised funding model in 2018/19, and implementation is projected to begin in 2019/20. The school's executive management is responsible for revising the funding model.

The NSG received budget of R102.6 in 2018/19 financial year as compared to R153.9 million in 2018/18 financial year. The budget has significantly increased in this financial year. Budget allocation increased in 2018/19 due to allocation of R66.4 million in programme 2.

Table 2: National School of Government budget

Programme R'000	Revised Estimates 2017/19	Medium Term Expenditure Estimates		
		2018/19	2019/20	2020/21
1 Administration	94.8	102.6	109.4	116.6
2. Public Sector Organisational and Staff Development	59.1	66.4	69.8	73.7
Total	153.9	169.0	179.3	190.3

Estimates of National Expenditure (2018)

10.1.3 PROGRAMMES

(a) Programme 1: Administration

The purpose of the Administration Programme (Programme 1) is to facilitate overall management of the School and provides for responsibilities of the Principal, Branch Heads and other members of management. These responsibilities include providing centralised administrative, legal and office support service, human resource and financial management, communication, special projects, international relations, and internal controls and oversight.

Programme 1 receives the biggest allocation of the transfer to the NSG, which is R102.6 million (61 per cent). Of this amount, more than half (R54.9 million) is allocated towards compensation of employees, R44.5 million (43 per cent) towards goods and services and R3.1 million is allocated towards payments for capital assets. The School intends to reduce number of days for debt collection to 60 days in this financial year. All suppliers of the services will be paid within prescribed period of 30 days in receipt of a valid invoice. The School intends to maintain vacancy rate to be below 10% as per the requirement of the Public Service Regulations. In an effort to maintain the 10% vacancy rate, the School will ensure implementation of the infrastructure development and human resource plan.

The School projected to collect cumulative revenue of R117 million generated through Training Trading Account as part of cost recovery by March 2018. All disciplinary cases will be dealt with within 60 days from the date of receiving the case. The School plan to reposition itself by developing three agreements supporting international exchanges and

capacity building initiatives. Part of the international exchanges including facilitating the Chinese, the AU AMDIN, French learning and development programme.

(b) Programme 2: Public Sector Organisational and Staff

Development

The Public Sector Organisational and Staff Development Programme (Programme 2) is responsible for facilitating transfer payments to the Training Trading Account for management development and training of public sector employees. Programme 2 has an allocation of R66.4 million, compared to R59.1 million in 2017/18. The allocation of R66.4 million, and every annual allocation to this programme, is always supplemented by training fees which are now pre-paid by departments that solicit training courses from the School.

The National Development Plan emphasises the importance of professionalising the public service. The NDP highlighted that building a skilled and professional public service requires a vision on how public servants experience and expertise will develop during their careers. The NSG plays a fundamental role in ensuring that public service is professionalized by providing compulsory induction to all public servants. The School will undertake six research projects to inform training needs and opportunities completed. Among targets in this programme, the School will undertake nine training needs analyses in the public sector institutions.

The School will convene four leadership platforms and publish four articles papers to promote thought leadership. Moreover, host six research colloquia workshop. In addition to the targets in this programme, the School will undertake 60 evaluations and four application of learning studies annually for identified training programs.

In responding to the goals and objectives of the NDP, the School has over the years developed and designed curriculum programmes/courses aimed at building capacity in the public service. In this financial year, the School will develop or review and quality assure six programmes in line with a curriculum framework and relevant accredited bodies annually. The

Department will develop and institutionalise an Executive Coaching Programme throughout the entire public sector. Furthermore, the School will develop programmes annually including two in-service training programmes supporting outcomes 12 by the end of financial year. The School will further maintain the status of the School as an accredited training provider by the relevant accrediting bodies.

The School will rollout compulsory and demand-led training to 48 518 current and potential public servants annually. Further train 45 764 new and current public servants on compulsory and demand-led programmes through face to face and online learning annually. The School will orientate 2 750 unemployed youth graduates and interns through the Breaking Barrier to Entry (BB2E). The School will award formal certificates of competence after completion of training as a way of encouraging and promoting a culture of learning in the public sector.

10.2 CENTRE FOR PUBLIC SERVICE INNOVATION

10.2.1 POLICY PRIORITIES

The responsibility for the public sector innovation is vested in the Minister of Public Service and Administration, in terms of section 3(1)(i) of the Public Service Act (1994). The CPSI is established in terms of Section 7(a) listed in Schedule 3A of the Public Service Act, 1994, as amended and is an organ of state. The Act mandate the Centre for Public Service Innovation (CPSI) to unlock, entrench and nurture the culture of innovation within the public sector for improved performance and productivity. Therefore, the Act position the CPSI to guide the process of unearthing and exploiting innovative, more efficient and effective solutions needed to ensure successful delivery on government priorities. The CPSI was in its formation established as a Section 21 Company.

The functions of the CPSI are to:

- Provide the Minister with independent, diverse and forward-looking research findings and advice on innovative service delivery with a specific focus of government priorities

- Enhance public service transformation and reform through innovation partnership and projects
- Support the creation of an enabling environment for innovation within the structures and agencies of the South African government (encouraging, learning and rewarding)

10.2.2 BUDGET ALLOCATION

The budget allocation for the CPSI is R36.0 million for 2018/19 financial year as compared to the previous year with R34.0 million. The budget will increase with 2 per cent over medium term period. In 2015, the National Treasury had granted an approval in terms of section 43 of the PFMA and Treasury Regulations section 6.3.1 (b), for the Department of Public Service and Administration to create a new transfer payment to the CPSI. As a result, the CPSI has become an independent accountable entity receiving a transfer payment through the DPSA budget vote.

10.2.3 PROGRAMMES

(a) Programme 1: Administration

The programme provides strategic leadership, overall management of and support to the organisation. There are three sub-programmes under programme 1 which are Strategic Management, Corporate Resource Management and Office of the Chief Financial Officer. The budget allocated for programme 1 is R19.3 million in 2018/19 as compared to R18.6 million in 2017/18 financial year. The spending focus on the programme is primarily intending to build capacity in promoting innovation in the public service. Over the medium term, the department will focus on promoting and unearthing innovation projects in the public service.

The Centre intends to review and submit the strategic plan and develop Annual Performance Plan for the approval by the Executive Authority. The Centre intends to assess its performance and report to the Executive Authority, DPSA, DPME and the National Treasury. Review two Corporate Resource Management policies, procedures and strategies. Further, the Centre will ensure 100% payment of all invoices paid within 30 days on receipt of valid invoice. The Centre has undertaken to submit the Annual Organisational Procurement Plan to the Chief Procurement Officer.

(b) Programme 2: Public Sector Innovation

The programme drives service delivery innovation in public sector in line with government priorities. There are three sub-programmes under programme 2, which are Research and Development, Solution Support and Incubation, and Enabling Environment. The budget allocated for the programme is R16.3 million in the 2018/19 financial year as compared to R13.4 million of 2017/18 financial year. There was a slight increase in the budget in the current financial year. More funding of R8.8 million has been allocated under sub-programme Enabling Environment.

The focus on this programme is on Research and Development in understanding the root causes of service delivery challenges and develop new solutions in partnership with stakeholders in the National System of Innovation. Service delivery solutions are developed in partnerships with other government departments, non-government organisations, the private sector, academia and international entities. The new solutions are tested and piloted with the service owners.

Over the medium term, the Centre intends to investigate two service delivery challenges to identify possible innovative solutions. In 2018/19 financial year, the Centre undertakes to revise Public Sector Innovation Strategy and submit to the Minister of Public Service and Administration. In addition, the Centre will facilitate and support replications for two CPSI award winning and/or other innovation projects. As part of imparting innovative knowledge, the Centre intends to capacitate 330 public sector officials and other partners.

10.3 PUBLIC SERVICE COMMISSION**10.3.1 POLICY PRIORITIES FOR 2015/2020**

The PSC's mandate is to:

- Enhance labour relations in the public service through the timeous investigation of all properly referred grievances as and when cases are reported.

- Promote best practice in public service leadership and human resource management through quality research reports on an ongoing basis.
- Investigate and improve public administration practices by conducting audits and investigations into public administration practices and by making recommendations to departments on how to promote good governance and to issue directions regarding compliance with the Public Service Act (1994) annually.

The key strategic priorities of the PSC are explored below

(i) Building an efficient, economic, effective and development-oriented public service

The PSC's strategy is to build a people-centred, capable and ethical public service to ensure the optimal use of resources in order to deliver a service to the people of South Africa. This is possible only through the adherence to the Batho Pele principles.

(ii) Ensuring an efficient, economic, effective and development-oriented public service

The PSC ensures that the public service employs capable and professional employees that can improve the quality of service given to public service clients.

(iii) Ensuring a strengthened institutional capacity

The PSC envisages to inculcate an independent, impartial and knowledge-based institution that would promote a development-oriented public service.

(iv) Implementing labour relations and public administration practices that cultivate effectiveness and efficiency

The PSC envisages to build an institution that is impartial and responsive to grievances and complaints lodged in respect of the public service.

10.3.2 BUDGET ANALYSIS

The PSC received a budget allocation of R264.4 million in 2018/19 financial year as compared to R242.8 million in 2017/18 financial year. Budget allocated will focus on fighting corruption, strengthening human resource practices and management and monitoring and evaluating service delivery performance in the public service. Monitor service delivery and the implementation of the financial disclosure framework and strengthening the financial disclosure system to combat corruption. The focus areas will contribute immensely towards the attainment of outcome 12 of government's 2015-2020 medium-term strategic framework which emphasise building a capable and developmental state and rooting out corruption in government. Compensation of employees accounts for 77.3 per cent (R653.7 million) of the total budget for its staff of approximately 281 over the medium term. Reason for spending such percentage on compensation of employees was as a results of the PSC being a knowledge based institution, which conducts research internally instead of outsourcing its work.

Table 3: PSC budget

Programme R'000	Revised Estimates 2017/18	Medium Term Expenditure Estimates		
		2018/19	2019/20	2020/21
1 Administration	120.9	125.9	123.0	137.1
2. Leadership and Management Practices	41.2	44.7	47.8	51.4
3. Monitoring and Evaluation	32.6	39.3	42.6	45.8
4. Integrity and Anti-Corruption	48.1	54.5	58.9	63.3
Total	242.8	264.4	278.2	292.6

Source: National Treasury (2018)

10.3.3 Programmes

(a) Programme 1: Administration

The purpose of the Administration Programme (Programme 1) is to provide overall management of the Commission and centralised support services. Programme 1 received budget allocation of R125.9 million in 2018/19 financial year. The biggest portion of the programme's R125.9 million budget, i.e. R55.8 million (44 per cent), is allocated to the Corporate Services sub-programme. The second largest allocation is to Property Management at R34.5 million, 20.4 million is reserved for the Public Service Commission and R15.1 million is for Management.

(b) Programme 2: Leadership and Management Practices

The Leadership and Management Practices Programme (Programme 2) is responsible for promoting sound public service leadership, human resource management, labour relations and labour practices. Programme 2 received budget allocation of R44.7 million in 2018/19 financial year. In real terms the budget allocation of Programme 2 will increase over the medium term period with R44.7 million in 2018/19 and R51.4 million in 2020/21 financial years. The key cost driver is compensation of employees which accounts for 94.2 per cent of the total medium term budget.

The programme has three sub-programmes, namely: Labour Relations Improvement (R13.2 million), Leadership and Human Resource Reviews (R11.8 million), and Programme Management: Leadership and Management Practices (R19.7 million). The Commission will under this programme promote labour relations and practices through the timeous investigation of all properly referred grievances and provision of best practices. The Commission intends to finalise grievances of the employees on salary 2 -12 within 30 days from date of receipt of all relevant information. Whilst for the SMS members, the grievances will be finalised within 45 working days of receipt of all relevant information. The Commission will produce three reports on the management of grievances in the public service. Furthermore, the Commission intends to produce research reports on labour relations by March 2019.

(c) Programme 3: Monitoring and Evaluation

Programme 3: Monitoring and Evaluation establishes a high standard of service delivery, monitoring and good governance in the public service. Programme 3 received budget allocation of R39.3 million in 2018/19 financial year. In real terms the budget allocation of Programme 2 will increase over the medium term period with R39.3 million in 2018/19 and R45.8 million in 2020/21 financial year. The programme is allocated R39.3 million, divided into 3 sub-programmes as follows: Governance Monitoring (R9.4 million); Service Delivery and Compliance Evaluations (R7.5 million) and Programme Management: Monitoring and Evaluation (R22.4 million).

The Commission has identified the project on evaluation of compliance with Constitutional Values and Principles (CVP's) governing public administration as a key project to report on annual basis. The PSC will develop solutions to systematic public administration problems. The spending focus under this programme is more on providing institutional assessments and programme evaluations that support policy and management decisions. Furthermore, the Commission is to provide participative evaluations and evaluation on service delivery models. The Commission will produce eleven reports on inspections of service delivery sites.

(d) Programme 4: Integrity and Anti-Corruption

The Integrity and Anti-Corruption Programme (Programme 4) undertakes public administration investigations, promotes high standard of professional ethical conduct among public servants and contributes towards prevention and combating of corruption. The budget allocation for Programme 4 accounts for R54.5 million of the total budget vote in 2018/19 financial year. In 2018/19 financial year, the allocation for Programme 4 increased as compared to R48.1 million in 2017/18. The budget is expected to increase over the medium term with R54.5 million in 2018/19 and R63.3 in 2020/21 financial year.

The programme's budget is R54.5 million, divided into three sub-programmes, namely: Public Administration Investigations (R13.4 million); Professional Ethics (R23.0 million) and Programme Management: Integrity and Anti-Corruption (R18.1 million). In this programme, the Commission intends to prevent conflicts of interest by requiring members of the Senior Management Services to disclose their financial interests. The Commission will investigate and improves public administration practices, makes recommendations to departments on the promotion of good governance.

The Commission intends to produce research reports on public administration on matters such as procurement of office accommodation by the Department of Public Works and appointment of CEOs in the Department of Health. Cabinet approved a single National Anti-Corruption Hotline (NACH) and assigned it to the PSC to investigate and manage the cases. The purpose of the NACH is to establish a centralised hotline system that will serve the public service as a whole as opposed to a decentralised system. The NACH caters for government departments, agencies and public bodies. The Commission refers the cases to the relevant departments within seven days of receipt cases reported. Moreover, the Commission proposes to host only one workshop on professional ethics in the public service.

11. OBSERVATIONS AND KEY FINDINGS

The Portfolio Committee identified the following matters in relation to the Budget Vote 10:

11.1 DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION

11.1.1 The Committee considered and welcomed the Annual Performance Plans of the Public Service Commission, Department of Public Service and Administration; and its entities for 2018/19 financial year. The APP reaffirms the Department's mandate to implement and coordinate interventions aimed to achieve professional, accountable and developmental oriented public service capable to deliver on the objectives of the National Development Plan (NDP) 2030.

11.1.2 The Committee noted with discontent regression on the employment equity in the public service. The Department is charged with the responsibility of monitoring the performance targets on employment equity to ensure representativeness in the workplace on women in senior positions and people with disabilities. The Department needs to double its efforts in ensuring compliance and monitoring departments in achieving intended targets set out by government. The Committee stressed the importance of employment equity which contributes to a strong and sustainable public service.

11.1.3 The Committee noted that filling of vacancies in the public service takes longer than stipulated time frames enshrined in Section 62 (9) of the Public Service Regulations (PSR) of 2016. The PSR state that a funded vacant position should be filled within six months from the day advertised. Government departments in the public service takes eight months to fill funded vacant posts.

11.1.4 The Committee further noted that the National Treasury abolished some of the funded posts if government departments were unable to fill them within stipulated time frames. Abolished funded posts will assist government departments in reducing the Wage Bill. However, the Committee stressed the importance of ensuring service delivery even if departments are experiencing severe budget cuts and demolishing of posts. Departments have to adopt and institutionalise a principle of achieving more with less.

11.1.5 The Committee was concerned about government departments which spend more than 35% of the budget allocated on the compensation of employees. The Committee condemns this practice and encouraged government departments to work within Public Finance Management Regulations.

11.1.6 The Committee noted with discontent the implementation of the second phase of the Integrated Financial Management System in the public service whilst the matter concerning the first phase is currently with Parliament Committees for investigations. The Committee was of the view that the Department of Public Service and Administration as well as National Treasury need to brief relevant Parliament Committees on the pilot of the first phase of the IFMS which was undertaken in some national departments and Free State Province.

11.1.7 The Committee was concerned about the number of unresolved disciplinary cases in the public service without effective monitoring mechanisms. The Committee urged the Department of Public Service and Administration to utilise the pool of public servants who are well experienced in labour relations matters to accelerate backlog of the disciplinary cases in the public service.

11.1.8 Taking into consideration that government is currently negotiating public servants' annual salaries, the Committee wished a team of Ministers well with salary negotiations and anticipate a fair multiyear deal with the Public Service Coordinating Bargaining Council.

11.1.9 The Committee had consistently raised discontent with the slow pace of the implementation of the Government Employees Housing Scheme since the Bargaining Council resolution of 2015. The quantum of the housing allowance was R1 200 per month, paid to eligible employees (salary level 1-10) adjusted by inflation annual. For employees who do not own homes, the housing allowance is diverted and accumulated in the Individual Linked Savings Facility (ILSF) to be accessed when employees acquire homeownership.

11.1.10 An efficient, effective and developmental public service is characterised by stable leadership in the public service. The Committee was concerned about high turnover rate or shifting of the Directors-General or Heads of Departments from one department to another which causes administrative instability in the public service. The Committee welcomed reports from the Public Service Commission and the Department of Planning, Monitoring and Evaluation about an increase of average time spent by the Accounting Officers to 3.8 years in some departments both nationally and provincially. However, the high turnover rate is still prevalent and needs to be minimised for ensuring administrative stability and service delivery.

11.1.11 The Committee welcomed the pronouncement on the policy framework of prohibiting public servants from doing business with government. The Committee was cognizant that the Minister gave public servants who are still Directors of Companies till January 2017 to resign from their companies, and that there are still media reports about employees doing business with the State. A total of 28,427 state employees were registered as owners, directors or non-executive directors of business on the database.

11.1.12 The Committee was of the view that Financial Disclosure Framework is not a panacea to manage conflict of interest and corruption by the public servants. More strategies need to be developed. In order to fight corruption in the public service, the State has to ensure that all mechanisms aimed at curbing corruption have to be integrated and be well-coordinated with the security and justice system. Such strategy is crucial to ensure that government is committed to eliminate corruption and promote good governance.

National School of Government

11.1.13 The Committee applauded the National School of Government for its effective revenue collection strategy, which seems to be yielding intended results. The School has entered into Memorandum of Understanding with government departments for prepayment to avoid defaulting on the training fees. The School was urged to divulge information of the departments defaulting on the payment of the training courses.

11.1.14 The National School of Government was urged to rigorously implement the funding and training model in order to increase its revenue in light of diminishing allocations from the National Treasury.

11.1.15 The Committee requested the National School of Government to develop tracking mechanisms on officials who have received training courses to determine the impact thereof and determine whether training offered adds value to the public service.

11.1.16 The Committee welcomed the announcement of the School to begin converting most of the training and development to cater for special needs of people living with disabilities. Furthermore, the School will offer trainings to Frontline Officers on the South African Sign Language in an effort to improve communication with the people living with disabilities.

11.1.17 In an effort to retrain and reorient public servants about inculcating the Batho Pele principles, the National School of Government together with Department of Home Affairs will offer training on the principles in 2018/19 financial year.

Centre for Public Service Innovation

11.1.18 The Centre for Public Service Innovation was urged to consistently assist the Department of Home Affairs with managing queue management through designing innovative systems that ensure efficient, effective and rapid service delivery. Queue management in various Home Affairs centres are a major concern hindering efficiency and impact on average time spent by clientele before receiving services.

Public Service Commission

11.1.19 The Committee is persistently concerned about the anomaly of the budget shortfall of the Public Service Commission. The National Treasury together with the Department of Public Service and Administration need to speed up the finalisation of funding model for the Public Service Commission as a Chapter 10 institution. The PSC is a knowledge and research driven institution responsible for investigation, monitoring and evaluating in the entire public service, therefore adequate budget allocation is crucial in this regard.

11.1.20 The Committee welcomed response from the National Treasury on the recommendation of the budget shortfall of the PSC. The Committee will engage the National Treasury and the DPSA on the development of funding model for the PSC in line with the processes of Parliament.

11.1.21 The Committee welcomes the development of strengthening the independence of the PSC by proposing migration of Chapter 9 and 10 institutions budget allocations to the vote of Parliament. A plan for migrating these institutions to the vote of Parliament should be developed and implemented as part of measures for supporting the independence of Chapter 9 and 10 institutions.

12. RECOMMENDATIONS

The Portfolio Committee recommends that the Department Public Service and Administration ensures the following:

- 12.1 The National Treasury and the Department of Public Service and Administration should finalise a lasting solution for a funding model for the Public Service Commission. Both departments should look into the relationship between the budget of the PSC and its effectiveness, efficiency and independence. The DPSA and the National Treasury should update the Committee on the developments for migrating Chapter 9 and 10 institutions to the vote of Parliament.
- 12.2 The Department of Public Service and Administration should redouble its efforts to monitor performance targets on employment equity to ensure representivity in the public service of women in senior positions and people with disabilities. The Department should ensure compliance and monitor departments in achieving intended targets set out by government.
- 12.3 The Department of Public Service and Administration and the National Treasury should provide relevant Parliament Committees with a comprehensive report emanating from a pilot phase of the Integrated Financial Management System prior to the implementation of the second phase of the system in the public service.
- 12.4 The Department should ensure that government departments resolve a huge backlog on the disciplinary cases as per Section 16B of the Public Service Act 1994. The Department should utilise a pool of public servants who are well experienced in labour relations matters to accelerate backlog on the disciplinary cases in the public service. Offenders have to be updated on the PERSAL system.

- 12.5 The Department working jointly with Department of Planning, Monitoring and Evaluation should ensure the implementation and monitoring of the newly approved Policy on Performance Management for Heads of Department in the public service. The policy should be used as a mechanism to ensure stability of the Heads of Department and measure them based on performance before government can terminate or renew their contracts.
- 12.6 The Department should intensify developing mechanisms to uproot corruption in the public service. The Department should develop a communication platform to raise awareness of the Public Service Regulations clauses that prohibits public servants doing business with government. A new timeframe for public servants doing business with State should be afforded as a last solution. Failure by public servants to resign as Directors in their respective companies particularly those still doing business with the State should be followed by consequence as enshrined in the Public Administration Management Act of 2014 and Public Service Regulations of 2016.
- 12.7 The Batho Pele principles and the Public Service Charter should be reinvigorated, implemented and entrenched in all government departments especially those providing direct services to the citizen. The Department should monitor the implementation of the Batho Pele principles and the Public Service Charter in the public service to ensure government departments are responsive, accountable and caring to their clientele, so that queues and turning away service clients are eliminated.
- 12.8 The Department should expedite the timely implementation of the Government Employee Housing Scheme (GEHS) in the public service for employee from salary level 1 to 10 and report on a quarterly basis. The Department should account to the Committee on the milestones of the GEHS since its inception and strategy on increasing rollout of the scheme. The Committee also acknowledges that any movement in this regard is dependent on successful wage negotiations with organised labour and agreements at the Public Sector Coordinating Bargaining Council (PSCBC).

National School of Government

12.9 The National School of Government should intensify its revenue collection strategy to ensure it remains financially viable and sustainable. The School should divulge information on the defaulting departments to the Committee on a regular basis. The School should stick to a 30-day payment arrangement with all its debtors. The School should speed up the review and resultant implementation of the funding model with the Ministry for Public Service and Administration and the National Treasury.

12.10 The School should put necessary training mechanisms in place to position the School as a training institution of choice for all public servants, with a focus on training needs and a tailor-made curriculum. The School should speed up its accreditation process with the South African Qualifications Authority (SAQA) and relevant accreditation authorities.

12.11 The School should find a mechanism with the Ministry to institutionalise its training programmes in such a way that most strategic and policy training programmes are made compulsory for the entire public service and at all levels. Also, the School should be able to establish its niche among all training providers, so that all state officials, after enrolling with the School should be able to commit themselves to a public service that is development-oriented.

Centre for Public Service Innovation

12.12 The Department of Public Service and Administration and the Centre should have a marketing strategy that would promote solicitation by government departments to help them with innovation projects where they need to improve on their service provision. Also, the Centre should on its own accord devise innovation projects that would make its impact to be felt in the entire public service.

13. CONCLUSION

The Department of Public Service and Administration with its entities play crucial role in building a state that is capable of realising developmental and transformative role. Professionalising the public service remains an integral part of the Department through reskilling and retraining of public servants. The NDP highlighted key areas that the Department must focus on, such as stabilising the political-administrative interface and making the public service career of choice. The DPSA and entities' Strategic Plans and Annual Performance Plans are aligned towards achieving the goals and aspirations of the NDP. The Portfolio Committee noted the progress made in implementing and coordinating interventions aimed at achieving an efficient, effective and development oriented public service. The work of the Public Service Commission assists Parliamentary Committees to conduct effective oversight. The National School of Government is gradually progressing towards transforming the public service in terms of skills and is very innovative in finding new solutions to challenges. The CPSI has assisted a lot in improving the way of doing things in the public service and this is highly appreciated.

The Portfolio Committee recommends as follows:

That the House adopts and approve the Budget Vote 10 of the Department of Public Service and Administration

Report considered

3. Portfolio Committee on Public Service and Administration as well as Planning Monitoring and Evaluation

REPORT ON BUDGET VOTE 10: DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION: DATE 25 APRIL 2018

1. BACKGROUND

The Portfolio Committee on Public Service and Administration as well as Planning Monitoring and Evaluation (hereinafter referred to as the Portfolio Committee) having considered the directive of the National Assembly to consider and report on the Strategic Plans, Annual Performance Plans and Budget allocations of the Department of Planning, Monitoring and Evaluation (DPME) and the National Youth Development Agency (NYDA) tabled by the Minister of Planning Monitoring and Evaluation in terms of the Public Finance Management Act (Act No 32 of 2003), reports as follows:

2. INTRODUCTION

The Public Finance Management Act, section 27 clearly stipulates that the Minister must table the annual budget for a financial year in the National Assembly before the start of the financial year. In terms of section 10 (1) (c) of the Money Bills Amendment Procedures and Related Matters Act, No 9 of 2009, the relevant members of Cabinet must table updated strategic plan and annual performance plan for each department, public entity or institution, which must be referred to the relevant Committee for consideration and reporting.

In considering the annual performance plans, the Committee will ensure that a department and its entity budget allocation serve the needs and aspirations of the people. Budget allocation serve as a key instrument for government to promote socio-economic development efficiently. Budget allocation plays a critical role as an economic instrument of the government, as it reflects the country's socio-economic policy priorities by translating priorities and political commitments into expenditures. Budget serves as a vital tool to operationalise government activities towards the achievement of its intended priorities. Furthermore, the budget highlights the constraints and trade-offs in policy choices.

In view of the above, the Committee had on 18 April 2018 received presentations made by the Director-General of the Department of Planning Monitoring and Evaluation and the Chief Executive Officer of the NYDA on the Annual Performance Plans for 2018/19 financial year. The Department of Planning Monitoring and Evaluation was involved in a process of reconfiguration and revised the mandate which has resulted in the restructuring of the organisational structure, its programmes and budget. This review resulted into significant changes to the organisational structure of the department and a subsequent reconfiguration of the budget programme structure, which has increased the department programmes from five to seven. The new organogram of the DPME was approved by the Minister of the Department of Public Service and Administration in 2018 for implementation.

The main priorities of the Department over the next five years will be to ensure departments align their plans and budget with the MTSF and NDP as well as to coordinate, monitor and evaluate the implementation of government departments in achieving the delivery outcomes. More emphasis will be placed on monitoring performance of local government.

3. OVERVIEW OF THE DEPARTMENT OF PLANNING MONITORING AND EVALUATION

The Department of Planning, Monitoring and Evaluation plays a direct, guiding role in government's long term planning, strategic planning and annual performance planning. This role requires providing evidence-based input on cross-cutting issues that have long term implications for development. The revised Green Paper on the National Planning Commission identifies 13 thematic areas requiring a concerted government effort, including employment, food security, energy security and water security. The national income dynamics survey, a longitudinal study implemented in 2008 to monitor human development and poverty transitions in South Africa, is another example of how research is used to inform policy.

The Department contributes to the objective of responsiveness of public servants and accountability to citizens through making announced and unannounced visits to service delivery facilities. Furthermore, the Department evaluates service delivery including response to calls logged with the Presidential Hotline.

4. LEGISLATIVE MANDATE

The mandate of the Department is derived from Section 85(2) of the Constitution of the Republic of South Africa which stipulate that “the President exercises the executive authority, together with the other members of the Cabinet, by (b) developing and implementing national policy and (c) coordinating the functions of state departments and administration. Based on the Constitutional mandate embedded in section 85(2), the following are the key mandates of the DPME:

- Facilitating the development of long-term and medium-term plans or delivery agreements for the cross cutting priorities or outcomes of government.
- Monitoring the implementation of the strategic and operational plan as well as delivery agreements.
- Assessing departmental Strategic Plans and Annual Performance Plans to ensure alignment with long term and short term plans of government.
- Monitoring the performance of individual national and provincial departments and municipalities.
- Monitoring frontline service delivery mechanisms.
- Managing the Presidential Hotline, assessing the logs and making referrals to relevant departments.
- Carrying out evaluations of key government programmes.
- Promoting good planning and Monitoring and Evaluation (M&E) practices in government.

4.1 Strategic goals of the Department of Planning, Monitoring and Evaluation

The strategic priorities of the Department as identified for the 2015/2020 financial year are as follows:

- ❖ To ensure an efficient and effective administration that complies with legislation and good corporate governance principles.
- ❖ To strengthen the linkages between the planning and monitoring and evaluation functions.
- ❖ Policies, plans and budgets of government departments and entities are evidence-based integrated and aligned to the NDP
- ❖ Effective Monitoring and Evaluation and Supervision of implementation of government policies and plans
- ❖ Broader society is mobilised and engaged in the development and advancement of NDP/MTSF
- ❖ To ensure stronger focus on outcomes of government programmes and impacts on citizens.
- ❖ To enhance the implementation of the National Development Plan (NDP 2030).
- ❖ To support M&E practices as a means to improve performance of government.
- ❖ To ensure synergy and improved use of resources for effectiveness and efficiency.
- ❖ To ensure effective and efficient approaches to interacting with departments.
- ❖ To improve responsiveness to the needs of the public and enhanced ability of government to deliver its electoral mandate.
- ❖ Youth development mainstreamed across government

5. OVERVIEW OF THE 2018/2019 FINANCIAL YEAR

The Department has the following activities planned for 2018/19:

5.1 Improving and strengthening government planning and coordination

The key focus for the Department over the medium term is to strengthen its planning functions by transforming it into government-wide system that is evidence based. In addition, the Department will continue conducting assessments on the Strategic and Annual Performance Plans of national departments to ensure it alignment with the priorities of the NDP. The Department will also, in consultation with the National Treasury delivery priorities. These activities are budgeted for in the Planning Coordination Sub-programme of the National Planning Coordination Programme. Expenditure in the Sub-programme is expected to increase from R208.8 million in 2017/18 to R50.6 million in 2020/21.

5.2 Enhancing and planning coherence sector monitoring of short-term and medium to long term goals

The Department will continue to review, monitor and support the implementation of 2014-2019 Medium-term Strategic Framework by government departments and other government institutions. It will design and implement strategic interventions to support and unblock implementation. These activities are budgeted for in in the Sector Planning, Monitoring and Intervention Support-programme of the Sector Planning and Monitoring Programme Expenditure in the sub-programme is expected to increase from R45.2 million in 2017/18 to R57.8 million.

5.3 Improving the capacity of State Institutions

Pursuant to the objectives articulated for outcomes 9 and 12 of the Medium-term Strategic Framework, the Department aims to provide support where weak institutional capacity results in service delivery failures. The Department will support government departments and the executive in institutional performance management., payment of suppliers within 30 days and clean audit drive. These activities are budgeted for in the Public

Service and Local Government Monitoring and Support Sub-programme of the Public Sector Monitoring and Capacity Development Programme. Expenditure in the Sub-programme is expected to increase from R27.1 million in 2017/18 to R37 million in 2020/21.

5.4 Developing intervention programmes to support service delivery

The Department will over the Medium Term, monitor the impact of policy priorities at the coalface of service delivery through various frontline monitoring programmes. Frontline monitoring programmes include designing and implementing appropriate intervention strategies when plans, budgets and programmes fail to achieve policy intent. This will drive continuous improvement in government performance as the evidence and the insight is used to inform policy reviews. These activities are budgeted for in the Frontline and Citizen-Based Service Delivery Monitoring and Complaints Resolution Sub-programme in the Frontline and Citizen-Based Service Delivery Monitoring programme. Expenditure in the Sub-programme is expected to increase from R50.6 million in 2017/18 to R64.6 million in 2020/21.

5.5 Evaluations

The Department will continue to focus on maximising the use of evaluation and research to generate rapid and relevant evidence to inform planning and monitoring as well as interventions required to bring change and improvements. In addition, the Department will also work towards improving centralised research and knowledge management support in order to develop and maintain evidence based policy development, planning, implementation, monitoring and review. These activities are budgeted for in the Evaluation, Research, Knowledge, and Data Systems sub-programme in the Evidence and Knowledge Systems Programme. Expenditure in the Sub-programme is expected to increase from R50.6 million to R64.6 million in 2020/21.

6. BUDGET ALLOCATION

The Department of Planning, Monitoring and Evaluation overall budget allocated in 2018/19 financial year is R927.4 million, which increased significantly as compared to the previous financial years. An additional amount of R140 million was allocated to the department as a result of reconfiguration and restructuring its organisational structure in order to adapt and respond effectively to the new mandate.

During the strategic review exercise in 2016/17, the organisational arrangement has been found to be inadequate to respond to the service delivery challenges that the Department has to respond to. The organisational configuration and capacity requirements of the Department were found to be inadequate. Limitation validation done through Frontline Monitoring, Presidential Hotline and Siyahlola programmes is insufficient. In order to address the organisational weakness, the Department has a revised organisational structure, which has been approved to respond to achieve to its strategic outcomes. The operating model and organisational structure of the Department will be implemented in the financial year 2018/19. More emphasis in 2018/19 financial year will be on refining the operating model and creating requisite capacity by recruiting critical skills to implement, monitor and evaluate government programmes.

The overall budget allocation is projected to increase from R927.3 million in 2018/19 to R1 032 billion by 2020/21. The budget allocation in 2018/19 financial year has increased slightly as compared to the allocation of 2017/18 financial year. A significant increase of the budget allocation has been realised in Programme 2: National Planning Coordination for the purpose of the finalisation of the development of the legislation, whilst a decrease was on Programme 6: Evidence and Knowledge Systems as compared to the previous allocation in 2017/18 financial year.

The number of funded posts in the department is set to increase from 350 in 2018/19 to 468 in 2020/21. Budget on compensation of employees is expected to increase from R312.8 million in 2018/19 to R356.5 million in 2020/21 at an average annual rate of 17.7 per cent.

Programme	Revised Estimates	Medium-Term Expenditure Estimate		
		2017/18	2018/19	2019/20
Administration	173.4	186.6	196.9	208.2
National Planning Coordination	44.7	77.3	83.6	89.4
Sector Planning and Monitoring	47.4	55.8	59.9	64.2
Public Sector Monitoring and Capacity Development	32.4	35.1	37.6	40.3
Frontline and Citizen-based Service Delivery Monitoring	53.3	59.2	63.4	67.9
Evidence and Knowledge System	106.9	57.2	56.9	62.2
National Youth Development	440.2	455.9	473.9	499.9
Total	898.4	927.4	972.2	1 032.3

Table 1: Budget per programme

Source: Estimates of National Expenditure 2018

7. PROGRAMME PERFORMANCE

There are seven programmes which are as follows:

7.1. Programme 1: Administration

The main objective of the programme is to provide strategic leadership, management, administrative, financial and human resource services to enable the Department to achieve its strategic and operational goals. The programme's key focus is to implement revised organisational structure and recruitment of key personnel, improve the quality of performance information, maintain good financial management practices to sustain clean audit outcomes and strengthen communication around the National Development Plan.

The budget allocated for the programme is R186.6 million in 2018/19 financial year as compared to R173.4 million in 2017/18 financial year. The programme received a significant budget increase of R13.2 million in the current financial year. The budget will increase significantly over the MTEF period under this programme.

Budget allocated will be spread into three sub-programmes which are Ministry, Departmental Management, Corporate Services and Financial Management. A large portion of the budget (R133.4 million) in this programme is allocated in sub-programme: Corporate Services and Financial Administration. The Ministry budget continues to be reduced over the past financial years. The spending focus over the medium term is to strengthen capacity in administrative and corporate support services and the acquisition of additional office accommodation to cater for the expanded functions of the department.

The Department had under programme 1, priorities to review first draft of the Strategic Plan and Annual Performance Plan to be submitted to the National Treasury and relevant unit in the Department. The Department intends to produce quarterly implementation reports against the Annual Performance Plan for 2018/19. Implementation reports will be tabled in the National Treasury, relevant section in the DPME and in Parliament. Moreover, the Department aims to keep the average percentage of funded posts in PERSAL within acceptable 10% level over the financial year.

The Department is committed to ensuring compliance of 100% of valid invoices paid within 30 days. Failure to pay invoices within 30 days constitutes a disciplinary action. Absorbing 5% of interns in the department has been highlighted as a priority over the medium term. Youth as well as people with disability with requisite skills should be given preference in the department when absorbing interns. The department aims to achieve 100% compliance with the Financial Disclosure Framework by all designated employees within the prescribed time frames.

7.2. Programme 2: National Planning Commission

The purpose of the programme is to facilitate and coordinate macro and transversal planning across government and coordinate planning functions in the department. The key objective of the programme is to institutionalise planning across government by providing guidance on short, medium and long term planning to support the implementation of the National Development Plan Vision 2030. In addition, the programme support the work of the National Planning Commission (NPC).

The key focus of the department on the programme is to finalise a framework on the institutionalisation of long term planning. Furthermore, finalise the revision of planning frameworks and ensure alignment of strategic plans, annual performance plans and Medium Term Expenditure Framework (MTEF) budget allocations to be aligned with the Medium Term Strategic Framework (MTSF) priorities. In addition, the Department will continue with its effort to work with the Department of Rural Development and Land Reform (DRDLR) to finalise the transfer of the spatial planning. The Department to develop the National Spatial Development Framework (NSDF) with support from the National Planning Commission and guide the development of sub-frameworks. The Department plans to build the capability to develop sector specific plans aligned to the NDP in partnership with relevant sector. Moreover, develop guidelines for the integrated policy formulation, planning and implementation.

The Department undertakes to work in conjunction with National Treasury to ensure that the national budget is directed towards the NDP/MTSF priorities. The department is also tasked to develop and implement planning frameworks to align strategic plans and annual performance plans to the frameworks and ensure the prioritisation of resources. The department also conducts socio-economic impact assessments on new and existing legislation and regulations to ensure alignment with the NDP and mitigation of unintended new policies.

The budget allocated for the programme is R77.3 million in 2018/19 as compared to R44.7 million in 2017/18 financial year. The budget has significantly increased in this programme. Budget increase noted on the sub-programmes; Management: National Planning Coordination from R18.6 million to R27.9 million and Planning Coordination from R20.7 million to R43.1 million in 2018/19 financial year. Significant increases in these two sub-programmes as results of the Department, collaborating with the Department of Rural Development and Land Reform to finalise the transfer of the spatial planning function and development of a National Spatial Development Framework.

An annual mandate paper for 2018/19 is planned to be developed by 30 April 2018. The Department will produce three research projects in support of the National Planning Commission. During this financial year, the Department will convene an Integrated Planning Forums to develop a way forward in ensuring alignment of government departments plans. A total of 40 assessment reports on the second draft Annual Performance Plans to be provided by the national and provincial departments in January 2019. The Department will issue a number of Quarterly Performance Reporting Guideline to all national and Provincial departments.

7.3. Programme 3: Sector Monitoring

The purpose of the programme is to ensure government policy coherence and to develop, facilitate, support and monitor the implementation of sector plans and intervention strategies. The programme consists of the following two sub-programmes, which are Management Sector Planning and Monitoring and Sector Planning, Monitoring and Intervention Support. The purpose of Sub-programme Sector Planning, Monitoring and Intervention Support is to provide support to sector planning functions and ensure government policy alignment in its goals. Also to facilitate, support and monitor the implementation of the MTSF, sector plans and of intervention strategies in priority areas.

The budget allocation in this programme is R55.9 million for 2018/19 financial year. The budget will over the MTEF increase substantially as compared to the previous years. Sub-programme on Sector Planning,

Monitoring and Intervention Support has been allocated 95% of the budget in this programme. The programme has 64 posts in 2017/18 and expected to increase to 68 positions in 2020/21. Spending focus in this programme is expected to increase from R55.9 million in 2018/19 to R64.2 million in 2020/21.

The spending focus of the department in 2018/19 financial year is to accelerate progress towards the national priorities embodied in the NDP 2030, implemented through MTSF 2015-2020, through designing, disseminating and enforcing robust and effective monitoring frameworks. The Department will finalise and implement the Planning, Monitoring and Evaluation (PME) Bill to reconstruct the chain of accountability. In addition, the Department will review and strengthen the functioning of Implementation Forums. Furthermore, the department will review institutional structures spheres of government and propose alignment for 2019-2024.

The budget allocated for this programme will be utilised to develop guidelines for the Programme of Action for monitoring system of the quarterly MTSF progress reports to the Implementation Forums. The Department intends to review and update the guidelines for the Outcomes Coordination to be used to guide the implementation of the Implementation Forums. The Department will submit quarterly performance reports to Cabinet on 12 Outcomes. In addition, the Department will develop framework to monitor performance of the Small Medium and Micro Enterprises, State Owned Enterprises and Development Finance Institutions.

Operation Phakisa was launched in 2014/15 aimed to fast-track implementation of government programmes. Operation Phakisa is a presidential initiative seeking to change the manner in which government pursues a new and faster ways of delivering services to the citizens. The Department will produce on a quarterly basis, Comprehensive Operation Phakisa progress report encompassing performance of all seven delivery labs. Among priorities in this programme is to produce a progress report showing 80% of feedback provided on SEIAS.

The Department will produce three comprehensive progress reports on the Special Presidential Package on Mining towns and labour sending areas. The President established the Special Presidential Package in October 2012 to improve living conditions in and around mining communities. Moreover, the Department will produce comprehensive progress reports on the implementation of outcomes of the Inter-Ministerial Committees.

7.4. Programme 4: Public Sector Monitoring and Capacity Development

The purpose of the programme is to support the implementation of the NDP/Medium Term Strategic Framework (MTSF) by monitoring and improving the capacity of state institutions to develop and implement plans and provide services. The programme has three sub-programme which are Public Service Monitoring and Support, Local Government Monitoring and Support, and Capacity Development.

The key focus of the Department on this programme is to implement support initiatives to improve across the public service, state owned-companies and public entities. Furthermore, the Department to review, monitor and support the implementation of the Medium Term Strategic Framework in the public sector and implement strategic interventions to build a capable and developmental state through Outcomes 9 and 12. Develop and implement intervention strategies and support packages to address problems in key public sector programmes. The Department will manage the implementation of the new Heads of Department Management and Development system. Furthermore, assess management practices in all departments and weak municipalities. The department will implement capacity development programmes and innovations to enhance skills and competencies in institutional leadership and technical levels.

The budget allocated for the Public Sector Monitoring and Capacity Development programme is R35.1 million for the 2018/19 financial year which has increased slightly as compared to budget (R32.4 million) in 2017/18 financial year. Over the medium term, the budget will increase to provide financial support in fulfilling the objectives of the programme. There is a budget increase of R31.6 million as compared to R28.2 million of

2017/18 financial year on compensation of employees. The spending focus in this programme is as a result of department continuously striving to improve quality of management practices in government through management performance assessments.

The spending focus will be on the Sub-Programme: Local Government Monitoring and Support in monitoring the quality of management practices in the local government. The Sub-Programme has been allocated R29.5 million to fulfil its objectives. The Department will conduct 30 self-assessments of the Local Government Management Information Model in this financial year. The Department intends to produce quarterly, annually and mid-term review of government performance against the MTSF/NDP. The Department will further facilitate assessment and provide support to build technical and work-place capabilities to deliver on government priorities.

In responding to the 2018 State of the Nation Address regarding the monitoring of the State Owned Enterprises (SOE), the Department will develop and implement SOE Performance analysis framework to be implemented in six state owned enterprises. The function of the monitoring of the Performance Agreements and Assessments of the Heads of Department was transferred from Public Service Commission to the Department of Planning, Monitoring and Evaluation. The Department will in this financial year, produce and distribute checklist of the quality assessment of received performance agreements of the Directors General/Heads of Department.

The Treasury Regulations Section 8.1.1 stipulates that the accounting officer of an institution must ensure that internal procedures and internal control measures are in place for payment approval and processing. Moreover, the Treasury Regulation 8.2.3 states that “unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, the date of settlement or court judgement. In this regard, the Department will monitor and produce analytical reports on 30 day payments on a quarterly basis to ensure service providers are paid as per the Treasury Regulation.

7.5. Programme 5: Frontline and Citizen Based Service Delivery Monitoring

The purpose of the programme is to facilitate service delivery improvements through frontline and citizen-based monitoring and effective resolution systems. The programme is made of the following Sub-Programme which are Citizen Based Monitoring, Executive Support Monitoring and Presidential Hotline.

The key focus of the Department in this financial year is to build partnership platforms and strengthen stakeholder engagements. Furthermore, focuses on the performance and effectiveness of State Owned Enterprises and Area-Based Monitoring Approach. The Department priorities are to build a monitoring capacity for sustainability within communities and capitalising on technology innovations in data collection and feedback.

The budget allocated for the programme is R59.3 million in 2018/19 financial year. The bulk of the budget of R54.4 million is allocated in the sub-programme: Frontline and Citizen-based Service Delivery Monitoring and Complaints Resolution. There is a slight increase in the budget for the compensation of employees. A total of R39.1 million is allocated for compensation of employees. The programme has 55 funded posts and is expected to increase to 56 positions over the medium term. Spending focus is expected to increase from R59.3 million in 2018/19 to R67.9 million in 2020/21.

The Department anticipates to conduct monitoring visits in 400 facilities and further ensure quality assurance on the site monitored. The frontline service delivery monitoring programme assesses efficiency and quality of services delivered at the frontline facilities throughout the country. There is a huge increase in terms of number of facilities to be monitored in this current financial year as compared to the previous years. Three government institutions will be selected to be supported through Citizen Based Monitoring.

The Department is responsible for managing the Presidential Hotline on behalf of the Presidency and supporting citizen and community-based monitoring. The Department is committed to achieve 80% of the Annual Presidential Hotline Enhancement Plan. In addition to the priorities in this financial year, the Department will conduct 20 visits and produce area profiles and briefing notes on Siyahlola and Izimbizo on a quarterly basis.

7.6. Programme 6: Evidence and Knowledge Systems

The purpose of the programme is to coordinate and support the generation, collation, accessibility and timely use of quality evidence to support performance monitoring and evaluation across government coordinate and support the generation, collation, access and timely use of quality evidence to support PM&E across government.

The key focus of the Department is to generate and collate evaluations, research and data from across government; develop a DPME Knowledge Hub and knowledge management system, including systems and protocols within DPME for sharing data and systems for research and analysis. Moreover, the Department will develop an evidence agenda for elements of the NDP, including evaluations, research and data, so as to inform planning and budgeting. The Department will strengthen the capacity development role of the National Evaluation so that departments and SOEs are better able to implement evaluation and evaluative processes.

The budget allocated in programme 6 is R57.2 million in 2018/19 financial year as compared to R106.9 million in 2017/18 financial year. There is a significant decrease on the budget allocated in 2018/19 financial year. The bulk of the budget is allocated to Sub-programme: Evaluation, Research, Knowledge and Data System. The compensation of employees: sub-programme received budget increase from R25.6 million in 2017/18 financial year to R31.5 million in 2018/19 financial year. There are 44 funded posts and further increase is expected to 49 positions in 2019/20. Spending focus is to increase from R57.2 million in 2018/19 to R62.2 million in 2020/21.

The Department is responsible for establishing and supporting the national evaluation system through the use of evidence-based research in monitoring and evaluation. The Department intends submitting the National Evaluation Plan (NEP) for approval by the Cabinet. Evaluation steering committees will approve eight NEP evaluation reports and improvement plans. A total of eight evaluation reports will be approved by evaluation steering committees. The Department will launch National Income Dynamics Study on the fourth quarter.

7.7. Programme 7: National Youth Development Programme

The purpose of the programme is to oversee youth development policy and its implementation and transfer funds to the National Youth Development Agency. The programme consists of the following sub-programmes, which are National Youth Development, Youth Development Programmes and National Youth Development Agency. The sub-programme: NYDA is a conduit for the budget of the National Youth Development Agency.

The key focus of the programme is to develop supplementary documents to the National Youth Policy 2020. Monitor progress on implementation of the National Youth Policy and supplementary legislation, policies and strategies and frameworks. Furthermore, develop monitoring and evaluation framework of the National Youth Policy and provide support across government. The programme will provide oversight over the NYDA and institutions responsible for the implementation of youth development initiatives.

The National Youth Development Programme budget allocated is R455.9 million. The bulk of the budget of R446.5 million is transferred to the National Youth Development Agency. There is a significant increase in the compensation of employees of R6.4 million as compared to the previous year with R4.1 million. The Department will monitor the implementation of the National Youth Policy. In addition, the department will oversee the performance of the NYDA, quality assured the work and transfer payments on a quarterly basis.

8. NATIONAL YOUTH DEVELOPMENT AGENCY (NYDA)

The National Youth Development Agency (NYDA) is an agency established primarily to tackle challenges that the nation's youth are faced with. The Agency was established by an Act of Parliament, act no 54 of 2008. The NYDA Act (2008) mandates the Agency to develop an Integrated Youth Development Strategy for South Africa, and initiate, design, coordinate, evaluate and monitor all programmes that aim to integrate the youth into the economy and society in general. The Act mandates the Agency to promote a uniform approach to youth development by all organs of state, the private sector and non-government organisations (NGO's).

8.1. Budget allocation overview of 2018/19

The National Youth Development Agency's (NYDA) receives its budget through a transfer vote of the Department of Planning Monitoring and Evaluation, and again through interest and capital repayments from loans issued to its client's prior the introduction of grant funding. The NYDA allocated budget is R446.9 million in 2018/19 financial year. The Board had renewed the Strategic Plan and the Annual Performance Plan of the NYDA. Amendment of the strategy was mainly to reposition the Agency to be accessible and visible in all corners of the country. Amendment to the Strategic Plan aimed to expand the services of the Agency through the establishment of branches in all district municipalities and the deployment of mobile outreach vehicles in all nine provinces.

By 2020, the NYDA Board intends to establish offices in each district municipality and two mobile outreach vehicles. This would be done in collaboration with the municipalities with very limited human resource, approximately five staff members. The new offices will not provide full service level branches. The offices will be provided with products and services of the NYDA such as assisting young people with internet and processing of applications for various programmes. In an effort to expand offices in the local government, the NYDA budgeted R144 million in 2018/19 financial year and R489 million over the MTEF period.

The overall administration budget is R104 million in 2018/19 financial year and R302 million over the MTEF. The employee costs expected to rise from R153 million in 2018/19 to R170 million in 2020/21, in line with inflation expectations and the three-year strategy of funding vacancies. The budget will contribute 37.5% of the total transfer from the DPME and the 35% of the overall budget. The major adjustments include adding 80-100 positions to the structure to support 18 new offices to be opened in 2018/19 financial year. However, the strategy of funding vacancies takes into cognisance maintaining a stable salary bill and having a staggered approach to the filling of posts. The expected employee costs over the medium term is expected to be R558 million.

Second Chance Matric Rewrite Programme has been handed over to the Department of Basic Education while the Health and Wellbeing programme has been transferred to the Department of Health. The savings of approximately R12.5 million have reprioritised towards the Economic Participation and National Youth Service Programmes. The Agency has restructured its organisation in 2015/2016 financial year, reducing its salary bill by R44 million in real terms and reinvesting those funds into Youth Development programmes. Additional savings of R12 million per annum will be noted on the relocation of its Head Office.

Table 2: National Youth Development Plan.

Programme	Allocated	Medium-Term Expenditure Estimate		
		2017/18	2018/19	2019/20
R million				
National Youth Development Agency	432.8	446.9	463.8	489.3
Total	432.8	446.9	463.8	489.3

Estimates of National Expenditure 2018

9. PROGRAMME PERFORMANCE

There are four programmes which are as follows:

9.1 Programme 1: Economic Participation

The main goal of the Economic Participation programme is to enhance the participation of young people in the economy through targeted and integrated programmes. The programme aim to facilitate and provide employment opportunities for young people, to enhance the participation of young people in the economy, aimed at increasing job creation, entrepreneurship and skills development and to provide business support to young people.

Over the medium term, the programme will be allocated more funding to enhance participation of young people in the economy. The budget allocated is R211.3 million in 2018/19 financial year, which has decreased significantly as compared to R228.0 million in 2017/18 financial year.

The Agency intends in 2018/19 financial year to fund 840 entrepreneurs through development finance and creating more than 3 200 jobs in numerous sectors. A total of 18 900 beneficiaries will receive Business Development Support Services such as Vouchers, registration of new companies, Mentorship and Training at different levels to encourage the development and furtherance of the entrepreneurship agenda.

Establishment of the entrepreneurship is one of the Agency's programme to enhance the participation of young people in the economy through targeted and integrated programmes. The programme has attracted huge number of young people aspiring to become entrepreneurship in all facets of the country. Limited financial resources disadvantages many young people aspiring to realise such a dream of entrepreneurship. In order to tackle triple challenges of unemployment, poverty, inequality and other social ills confronted by young people, more funding in this programme is highly needed.

Over 18,900 beneficiaries with key fundamentals will be supported for their success offered by the Agency. Job creation provides young people with better foundation to thrive in life. Young people are confronted with high unemployment rate, however, creating jobs is not the sole responsibility of

the Agency as per the NYDA Act. It is therefore critically important for the agency to collaborate with the public, private and non-government organisation to develop integrated youth employment strategy to close the gap of unemployment significantly into an acceptable level.

Part of reviewing the strategic plan was to incorporate, among others, the NYDA Youth Fund and Skills Fund. The Agency had established both funds in 2017/18 financial year. In 2018/19 financial year, both funds will be developed and implemented as per the project plan. Furthermore, the Agency will provide young people with youth development information. Over 25 new Service Delivery channels will be established and operationalised for young people to access information. The Agency is to pursue over 18 public and private key stakeholders lobbied to implement youth development programmes.

9.2. Programme 2: Education and Skills Development

The main purpose of the programme is to promote, facilitate, and provide education and skills development opportunities to young people to enhance their socio-economic well-being, with the objective of facilitating education opportunities. The aim is to improve access to quality education and to facilitate and implement the Youth Build, job-preparedness training, and the provision of scholarships.

The budget allocated for the programme is R61.9 million for the 2018/19 financial year for education opportunities and Skills Development programmes. Over R12 million is budgeted to facilitate and implement skills programmes. In facilitating and implementing the education opportunities, the agency budgeted R46.9 million in order to improve the quality of education attained by the youth.

In 2017/18 financial year, the Agency had provided approximately 500 students with the Solomon Mahlangu Scholarship. The Scholarship was introduced to encourage youth from disadvantaged communities to access higher education and further their studies. The majority of young people are interested in the scholarship to further their studies. Targets for intake on the Solomon Mahlangu Scholarship had increased tremendously since inception. In 2018/19 financial year, the Agency will continuously provide support and monitor students who have acquired the scholarship over the medium term.

A certain portion on the budget will be spent to support young people through individual and group career guidance interventions, Youth Build, National Youth Service volunteer programmes and job preparedness and job placement. In addition, 67, 725 young people will be provided with Skills Development Training to enable them to pursue job opportunities. The planned expenditure over the medium term is R397 million.

9.3. Programme 3: Policy and Research

The main purpose is to create a body of knowledge and best practice in the youth development sector, and to inform and influence policy development, planning and implementation. The fundamental aim of this area is to ensure that policies and frameworks that drive youth development are developed, based on a body of knowledge and facts that are relevant to the developmental needs of the youth of South Africa.

Knowledge Management programme budget allocation is R28 million, which aims at creating a body of knowledge and best practice in the youth development. The spending focus on this programme will be more on conducting programme evaluations, research articles and knowledge publications. The Agency recognises the need for it to monitor its programmes to measure impact and respond to youth development matters on the ground as well conduct Stakeholder Satisfaction Surveys.

Among new indicators introduced as a results of the review of the Strategic Plan, the Agency will design a Corporate Strategy and Planning structure aligned to the Integrated Youth Development Strategy (IYDS). In addition, the Agency will review monitoring and evaluation framework to be aligned with the IYDS.

9.4. Programme 4: Social Cohesion and Nation building

The main goal is to promote and maximise initiatives for the active participation of young people through Social Cohesion, Sports & Recreation and Community participation activism for improved social conditions of young people in South Africa fostering patriotism, social cohesion and nation building.

The budget allocated on the programme is R37.1 million in 2018/19 financial year. Programme 4 on Social Cohesion and Nation Building is one of the new programmes introduced by the current NYDA Board. The programme intends to develop and implement protocol, procedure and coordination tool for the purpose of the national, provincial and local government in mainstreaming activities aimed for youth development. The Agency intends under this programme to facilitate the development of annual plans by government departments for 2019/2020. During this financial year, the Agency will increase registered (60) number of National Youth Service (NYS) Programme projects. A total of 5000 young people will be enrolled in the NYS category 1. Moreover 50.000 young people to be enrolled on category 2 and 3 Expanded Volunteer Programme.

9.5 Programme 5: Governance and Administration

The purpose of the programme is to achieve efficient and effective utilisation of resources through provision of judicious governance, technology and systems, business operations, human capital, financial management systems that adhere to relevant legislative requirements for public funded entities. Governance programme has received R124.9 million for the 2017/18 financial year.

The budget allocated under programme 4 on Governance and Administration is R131.2 million. The budget will increase over the medium term from R131.2 million in 2018/19 to R144.6 million 2020/21 financial year. Over the course of the financial year, the Agency will finalise year 1 and implement 75% year 2 of the Human Resource strategy. The Agency will finalise phase 1 and implement 50% of phase 2 of the integrated and marketing communication strategy. The Agency intends paying 100 percent of the legitimate service provider invoices within the prescribed 30-day period.

10. OBSERVATIONS AND KEY FINDINGS

The Committee observed the following matters in relation to the Budget Vote 8:

- 10.1 The Portfolio Committee takes note of the major strides made since the establishment of the Department of Planning, Monitoring and Evaluation in adding value towards building a capable, responsive and an accountable public service. The Committee acknowledges that the DPME is making inroads into local government's management improvements and in strengthening its monitoring role, which produces good results.
- 10.2 The Committee takes note of the DPME's role in developing high level planning framework to guide detailed planning in departments, local government and state owned enterprises.
- 10.3 The Committee noted the role of the DPME in assessing performance of the Directors-General and Heads of Department (HoDs)
- 10.4 The Committee welcomed and noted the DPME in working closely with the Statistics South Africa on the new programme on Evidence and Knowledge.
- 10.5 Young people are a major human resource for development, therefore the DPME was urged through its National Youth Development programme to facilitate the public and private sector in mainstreaming and prioritising youth development. The DPME has to play coordinating role and call upon all role players to take youth development seriously.
- 10.6 The Department should continuously monitor government departments in reviewing their Strategic and Annual Performance Plans to advance the strategic agenda of developmental State and to ensure that they are aligned with the delivery outcomes envisaged in the Government's Programme of Action, Medium Term Strategic

Framework (MTSF) and the National Development Plan (NDP). The NDP has to begin yielding tangible results for the South African population.

- 10.7 The Committee noted that the Department, as a planning entity, ensures that government priorities and budget decisions on allocations are informed by the findings of the National Planning Commission (NPC). Therefore, on a yearly basis, it would be appropriate for the Department, as the Secretariat of the NPC, to officially communicate these findings on priorities so that budget allocations by the National Treasury consider and are based on such priorities.
- 10.8 The Portfolio Committee supports the Department on its quest to have the promotional posts filled by internal staff. However, the posts left by promoted staff should not go beyond the required threshold of 10% or less as this practice stifles service delivery at some salary levels, directorates and branches.
- 10.9 The Portfolio Committee noted and welcomed the Department's desire to establish the Knowledge Hub in order to institutionalise an information repository where all useful information and data about society, priorities, service delivery gaps and deliverables could be found in one reliable and official place on behalf of Government and the State.
- 10.10 The Portfolio Committee noted and appreciated the fact that the groundwork and systems are being laid towards reconfiguring the departments in line with the Presidential directive of the State of the Nation Address.
- 10.11 The Committee welcomes the Comprehensive Plan towards the improvement of financial management systems and curbing of corrupt activities at the State-Owned Enterprises (SoEs) and Development Finance Institutions (DFIs).

National Youth Development Agency (NYDA)

- 10.12 The Committee commended the NYDA for a decision to have the training materials done in Braille in order to cater for people with disabilities. The NYDA should work with DEAFSA on the sign language interpreter training.
- 10.13 The Committee is still concerned with the lack of equitable spread of the Agency's offices within and across provinces.
- 10.14 The Committee welcomed and noted the signing of the Memoranda of Understanding between the NYDA and international partners and that the Agency will provide a full report on these memoranda and the achievements thereof.
- 10.15 The Committee appreciates the Agency's initiatives towards skilling, re-skilling and upskilling of the youth and the contribution it makes towards economic empowerment to establish development projects within communities.

11. RECOMMENDATIONS

The Portfolio Committee recommends the following to the Department of Planning, Monitoring and Evaluation:

- 11.1.** The Department should intensify monitoring activities on the Frontline Service Delivery Monitoring Tool and Citizen Based Monitoring as a way of improving efficiency of service delivery in government facilities, especially at Home Affairs.
- 11.2.** The Department should prioritise the filling of funded vacant post, so that vacancies do not go beyond the threshold of 10%, especially at a technical level.
- 11.3.** The Department must continually intervene at local government through the Local Government Management Improved Model and Assessment Tool (LGMIM) to ensure that service delivery takes place at that level of governance.

- 11.4. The Department should always ensure follow-ups on the LGMIM outcomes and also ensure that remedial actions suggested are implemented. A template on all outcomes and suggested remedial actions and their implementation must be designed and reported on in order to determine successes and challenges of the intervention, so that the programme self-evaluates as well.
- 11.5. The Department should collaborate with Statistics South Africa more particularly on activities undertaken in the National Planning Programme to ensure their work complements in advancing planning and policy decision making in the country. The Knowledge Hub envisaged by the Department must be designed and developed with the requisite input from Statistics South Africa as they are the custodians and generators of official information and data regarding Government and the State.
- 11.6. The Department is complemented for initiating and playing a collaborative role in the coordination of the strategy and policy on Performance Management Development System (PMDS) with the Department of Public Service and Administration, so that this policy is fully implemented; without which there can be no proper monitoring and evaluation of Heads of Department on their service delivery key performance areas.

National Youth Development Agency

- 11.7. The NYDA partnerships with institutions promoting and funding young people's innovations is encouraged. To this end, the Committee asks the NYDA to engage in more Memoranda of Understanding with the international community, with a view to soliciting sponsorship of youth-initiated projects.
- 11.8. The NYDA should expand its services in place where young people are concentrated in order to attract and provide services to youth of this country. The NYDA should utilise youth statistics released by

the Stats SA on where young people are concentrated and ensure resources are channelled appropriately. It is crucial that the NYDA should now concentrate on areas and communities where their impact has not been felt or have not received any attention at all.

- 11.9.** The NYDA should speed up the amendment to the legislation on the National Youth Development Agency Act of 2008.

12. CONCLUSION

Improving and strengthening government planning and coordination remains an integral part of the Department of Planning, Monitoring and Evaluation. The Committee acknowledged commitment of the Department in continuously conducting assessments on the Strategic and Annual Performance Plans of national departments to ensure alignment with the priorities of the NDP. The progress being made towards the development of the Mandate Paper is acknowledged and appreciated in order to align the allocation of financial resources to government service delivery priorities. Among priorities encapsulated in the Mandate Paper is the advancement of the implementation of the NDP and a positive impact on jobs, youth, women, children and people with disabilities.

The Committee noted the significant role the Department of Planning, Monitoring and Evaluation in institutionalising and strengthening planning in government to enhance delivery outcomes contributing to the National Development Plan. The Department of Planning, Monitoring and Evaluation as a custodian of monitoring the implementation of the service delivery agreements should intensify its efforts to foster coordination and collaboration of plans regarding the finalisation of the Performance Management Development System (PMDS) so that Heads of Department are held accountable on delivering on mandates of their departments.

The Portfolio Committee recommends as follows:

That the House adopts and approves the Budget Vote 8 of the Department of Planning, Monitoring and Evaluation.

Report considered

4. Portfolio Committee on Public Service and Administration as well as Planning Monitoring and Evaluation

REPORT ON BUDGET VOTE 10: DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION: DATE 25 APRIL 2018

1. BACKGROUND

The Portfolio Committee on Public Service and Administration as well as Planning Monitoring and Evaluation (hereinafter referred to as the Portfolio Committee) having considered the directive of the National Assembly to consider and report on the Strategic Plans, Annual Performance Plans and Budget allocations of the Statistics South Africa tabled by the Minister of Planning Monitoring and Evaluation in terms of the Public Finance Management Act (Act No 32 of 2003), reports as follows:

2. INTRODUCTION

The Public Finance Management Act, section 27 clearly stipulates that the Minister must table the annual budget for a financial year in the National Assembly before the start of the financial year. In terms of section 10 (1) (c) of the Money Bills Amendment Procedures and Related Matters Act, No 9 of 2009, the relevant members of Cabinet must table updated strategic plan and annual performance plan for each department, public entity or institution, which must be referred to the relevant Committee for consideration and report.

In considering the annual performance plan, the Committee will ensure that a department budget allocation provide the country with accurate, quality and reliable statistics for all stakeholders. The allocation of the budget serve as a key instrument for government to promote socio-economic development efficiently. Budget allocation plays a critical role as an economic instrument of the government, as it reflects the country's socio-economic policy priorities by translating priorities and political commitments into expenditures. Budget serves as a vital tool to operationalise government activities towards the achievement of its intended priorities. Budget highlights the constraints and trade-offs in policy choices.

In view of the above, on April 18, 2018, the Committee received presentation made by the Statistician-General of the Statistics South Africa on the Annual Performance Plan for 2018/19 financial year.

3. OVERVIEW OF THE STATISTICS SOUTH AFRICA

The main responsibility of Stats SA is to provide relevant and accurate statistics by corresponding with internationally approved practice to inform users of the dynamics of the economy and society. Stats SA is mandated through the Statistics Act [No.6 of 1999] to coordinate statistical production among organs of the state, the private sector and any other institutions to facilitate proper planning, decision making and monitoring and evaluation of policies and projects. Stats SA is guided by the 10 fundamental principles of official statistics of the United Nations, as well as the 6 principles adopted by the African Union in carrying out its duties.

The work programme of Stats SA focuses on the envisaged changes to legislation aimed at improving coordination of official statistics; implementing and strengthening the Community Survey, which will provide official statistical information at the municipal level; and bringing the production of Gross Domestic Product (GDP) under one roof.

4. NATIONAL DEVELOPMENT PLAN VISION 2030

The National Development Plan highlights the need for South Africa to build a state that is capable of playing a developmental and transformative role. This requires the state to formulate and implement policies that support that role. The NDP and the Medium Term Strategic Framework are informed by statistical information provided by Statistics South Africa, which publishes more than 200 statistical releases per year. The publications present statistical research that measures the development and transformation of the economy and society in a range of contexts.

Changing economic and societal realities have expanded the demand for statistical information: more detailed statistics are needed and more frequently if policies are to be responsive and effective. Statistics in the public domain must be of high quality. Responding to the increased demand for high quality statistics will require a national effort, and collaboration and partnerships between the producers and the users of statistics.

5. LEGISLATIVE MANDATE

Statistics South Africa is a national government department accountable to the Minister of Planning, Monitoring and Evaluation. Stats SA has a separate budget vote from the DPME. The activities of the department are regulated by the Statistics Act (Act No.6 of 1999), which ensures independence from political interference in the production and dissemination of official statistics. According to the Statistics Act, the purpose of official statistics is to assist organs of state, businesses, other organisations and the public in planning, decision-making, and monitoring or assessment of policies.

The Act makes provision for the appointment of a Statistician-General (SG) whose role in statistical production in the country is as follows: Firstly, as the National Statistical Authority to inform stakeholders on the economy and society by:

- Collecting, compiling and disseminating a wide range of economic, social and population statistics;
- Developing and maintaining database for national statistics on businesses and enumeration areas; and
- Liaising with other countries and statistical agencies as well as representing Stats SA and South Africa in statistical activities internationally.

Secondly, as the National Statistical Coordinator, to promote coordination among producers of official and other statistics in order to advance quality, comparability and optimum use of official statistics and to avoid duplication by:

- Formulating quality criteria and establishing standards, classifications and procedures
- Providing statistical advice; and
- Promoting a public culture of measurement

5.1. Strategic goals of the Statistics South Africa

The Medium Term Strategic Framework (MTSF) 2015-2020 outlines the following strategic goals:

- Radical economic transformation, rapid economic growth and job creation.
- Rural development, land and agrarian reform and food security.
- Ensuring access to adequate human settlements and quality basic services.
- Improving the quality of and expanding access to education and training.
- Ensuring quality health care and social security for all citizens.
- Fighting corruption and crime.
- Contributing to a better Africa and a better world.
- Social cohesion and nation building.

Key priorities for 2018/19 financial year are outlined below:

- Driving legislative reform
- Maintaining basic statistics
- Integrating, innovation and modernising the statistics value chain
- Re-alignment of the structure and resource
- Coordinating statistical production, creating new partnership and designating statistics as official
- Institutionalising the integrated indicator framework
- Planning for Census 2021

6. BUDGET ALLOCATION

The budget appropriated to the Statistics South Africa in 2018/19 financial year is R2 2146 billion. The budget allocated has been drastically reduced in the current financial year as compared to allocated budget of R2 489.1 in 2016/17 financial year. Stats SA to utilise the budget for the production and coordination of official and other statistics that inform users on changing dynamics in the economy, society and the environment. The spending focus over the medium term will be on the legislative reform to strengthen coordination between organs of state and improve the capabilities of information collection. Moreover, Stats SA spending focus over the medium term will be on the preparation of Census 2021. The services provided by Stats SA contribute towards enhanced planning, policy responsiveness and effectiveness and promote evidence-based decision making.

Cabinet has approved budget reductions of R14.2 million in 2018/19, R15.1 million in 2019/20 and R15,9 million in 2020/21 on the Administration programme in line with government's objectives. These reductions are not expected to have a negative effect on the department's planned outputs over the MTEF period, as the department intends adjusting its operations and delaying the implementation of various new projects and initiatives. Stats SA has approximately a staff complement of 1 352 in 2018/19 as compared to 1 408 employees in the previous years. There is a significant decrease of funded posts in the current financial year.

Table 1: Budget per programme

Programme R'000	Revised Estimates 2017/18	Medium Term Expenditure Estimates		
		2018/19	2019/20	2020/21
1. Administration	687.5	695.3	737.7	783.0
2. Economic Statistics	228.8	236.9	254.4	272.8
3. Population and Social Statistics	128.2	202.3	141.8	151.9
4. Methodology, Standard and Research	66.8	67.4	72.4	77.8
5. Statistical Support and Informatics	258.1	267.1	284.8	303.3
7. Statistical Collection and Outreach	585.1	608.0	651.9	698.3
8. Survey Operations	191.4	194.7	296.5	1 017.1
Total	2 146.3	2 217.7	2 439.4	3 304.1

Estimates of National Expenditure 2018

7. PROGRAMME PERFORMANCE

Statistics South Africa has seven programmes, which are as follows:

7.1 Programme 1: Administration

The purpose of the programme is to manage the department and provide centralised support services and capacity building. It coordinates statistical production among organs of state in line with the purpose of official statistics and statistical principles. The programme contributes to two

strategic objectives: leading the development and coordination of statistical in the South African National Statistics System (SANSS) and improving productivity and service delivery.

Administration programme received budget allocation of R695.3 million to provide strategic direction, leadership, management and support services to the department. The spending focus over the medium term continues to be on the revision of the statistics legislation to drive statistical reform, particularly the statistical coordination, statistical geography, the data revolution, a state-wide statistical service and institutional arrangements.

Coordination between organs of state is essential for consistency and efficiency in the statistical system. An amount of R82 million has been set aside over the medium term for legislative reform. Of this R51 million is expected to be used for compensation of employees. The provision for statistical coordination between organs of state in the Act need to be strengthened to support the regulatory framework for a responsive South African National Statistics System (SANSS).

The South African National Statistics System coordinates the statistical production system among organs of the state. The National Statistics System is a tool that transform the current production of statistics, which is characterised by gaps in information, quality and capacity. Through the system, the department will be able to drive statistical planning, establish statistical production system in other organs of state, and establish governance structure.

Stats SA intends to invest in the technology to enhance strategic management processes. Introduction of technology on the data collection aspect will have a negative impact on the number of enumerators. In circumventing any job losses, Stats SA is intending to reskill, upskill and redeploy staff affected by the technology. In preparation of the Census 2021, Stats SA aims to develop fieldworker payment and supply chain management tool sourcing strategy. The Department will invest in ICT by implementing ICT life-cycle management, researching a policy-based management approach for new generation mobile workers. Furthermore, Stats South Africa is responsible for developing an information management strategy in collaboration with SANSS partners.

In order to increase statistical accuracy, reduce costs and bring about faster turnaround times for releasing official statistics to the public, the department intends to focus on modernising and automating its operations through the use of new technology such as digital data collection and digital maps and new statistical methodologies over the MTEF period. By 2020/21, Stats SA plans to migrate from the manual processes, data collection, which involve paper assisted personal interviews, to an automated process that involves conducting computer assisted personal interviews.

The department's focus on digital migration over the medium term will enable it to improve the quality of its services and allow it to respond more effectively to the increased demand for statistical information. The digital migration programme is also expected to drive organisational reform in core functional and operational areas in terms of systems, processes, structures and technology, resulting in the department's revising the manner in which it functions.

The sub-programme Management for Corporate Service spending focus will mainly be on leading strategic initiatives such as the talent management programme, reduced vacancy rate, Human Resource Strategy, monitoring the implementation of the corporate service strategy and work programme and review of recruitment and internship programmes and bursary allocation. The sub-programme contributed enormously in improving efficiency, effectiveness and good governance in the public sector.

8.2 Programme 2: Economic Statistics

The Economics Statistics programme produces economic statistics to inform evidence-based economic development and transformation in line with internationally recognised practices. Programme Management for Economic Statistics provides strategic direction and leadership.

Economic Statistics programme received an allocation of R254.4 million to fulfil its mandate of production of statistics to inform evidence economic development. Over the medium term, the Stats SA will fund initiatives to expand the economic and social statistical information. The spending focus in the programme will be utilised for publishing quarterly Gross Domestic Product (GDP) from the income and production side. Statistics South Africa

will further start publishing GDP from the expenditure side. Stats SA will expand and improve economic statistics information by reviewing changes on the national accounts. The department is to publish thematic reports on the dynamics of the economy.

Stats SA intends to publish on monthly, quarterly basis and annual industry and trade statistics. As part of growing and ensuring greater support for the tourism sector, the department will publish biannual and annual domestic and international tourism statistics. In addition to the annual statistical releases, Stats SA to publish five yearly transport statistics. Stats SA will publish on a quarterly and annual basis, government financial statistics through updating time series data for GFS surveys. Stats SA will provide information on the level of inflation by producing the consumer price index and various producer price indices. Key output for 2018/19 include monthly Consumer Price Index (CPI) and Producer Price Index (PPI) and technical reports.

8.3 Programme 3: Population and Social Statistics

The purpose of the programme is to produce population, demographic, labor market and social statistics to meet user requirements in line with internationally recognised practices. Population and social statistics inform evidence-based socio-economic development and transformation in line with internationally recognised practices. Programme 3 contributes to strategic objectives in an effort to expand the statistical information base by increasing its depth, breadth and geographic spread for evidence-based planning, monitoring and decision-making for the use by both the public and private sector.

Population and Social Statistics received budget allocation of R202.3 million will be spent on producing population and social statistics to inform evidence-based on socio-economic development. The programme will provide information on poverty level and income and expenditure trends in South Africa. The spending focus in the programme will mainly be on providing information on population estimates collected through population censuses and surveys. Key outputs in 2018/19 include a thematic report on nuptiality, provincial profiles in Census Survey 2016, and content development methodologies for Census 2021 tested at a cost of R8.4 million.

Stats SA publishes statistics on births, deaths, marriages, divorces, tourism and migration based on administrative. Key outputs for 2018/19 include and an annual publication on tourism and migration, annual publications on mortality and causes of death, documented immigrants, perinatal deaths and divorces, mortality and causes of death, a thematic report on non-communicable diseases and research on alternative data sources on health at a cost of R13.6 million. The provision of the poverty levels and income and expenditure trends are crucial information to assist in planning and policy development. Population estimates collected through a means of population censuses and surveys is one of the core mandate of the Stats SA.

With regard to Social Statistics, Stats SA will provide information on living conditions, domestic tourism, education and crime by means of conducting household surveys. Key outputs in 2018/19 include an annual and biannual domestic tourism survey, report on 2 development indicators and technical support to stakeholders to improve service delivery statistics. In terms of labour statistics, Stats SA will provide information on employment levels in the formal, non-agriculture sector as well as labour market trends in South Africa. Key output includes the quarterly release on employment levels, the quarterly publication of labour market trends and an annual report on labour market dynamics in South Africa. Moreover, Stats SA will provide information on poverty levels and income and expenditure trends in South Africa.

8.4 Programme 4: Methodology, Standards and Research

The purpose of the programme is to provide expertise on quality and methodology for official statistics, standards for conducting surveys, and business sampling frames. In addition, it conducts policy research and analysis on emerging policy matters. The programme contributes to enhancing public confidence and trust in official statistics. The main objectives of the programme is to improve comparability and accuracy of statistical information by annually reviewing and evaluating methodological compliance in survey areas.

Programme Methodology, Standards and Research received R67.4 million to provide strategic direction on the quality and methodology of official statistics. The spending focus in this programme will be on business register and improving the sampling frame for economic statistics. Business register is a sampling frame for economic statistics, completing surveys of large business, providing quarterly snapshots and financial sampling frames and a unit of model implemented at a cost of R34.2 million.

Stats SA provides information on integrative statistical advice and support to policy planners and development practitioners and participates in knowledge research and innovation on key development themes. Key output includes three research reports on government socio-economic planning, two research reports on spatial analysis, an experimental Growth Accounting Framework. In addition, the programme will provide integrative statistical advice and support to policy planners and development practitioners, participates in knowledge research and innovation on key development themes.

8.5 Programme 5: Statistical Support and Informatics

This programme aims to enable service delivery programmes by using technology in the production and use of official statistics. It informs policy through the use of statistical geography. The programme promotes and provides better access to official statistics. The programme contributes towards enhancing public confidence and trust in statistics and investing in the learning and growth of the organisation. Moreover, the programme collaborates with partners to build and maintain a reliable sampling frame for household surveys by updating the spatial information frame annually.

Statistical Support and Informatics programme received an allocation of R267.1 million to enable service delivery programmes by using technology in the production and use of official statistics. The spending focus in this programme is on the data management and technology which provides technology infrastructure to the department and supports data management across statistical series. Stats SA intends to provide geospatial information and spatial analysis tools. Among key outputs include the geospatial applications developed, web-based solutions developed and implemented at a cost of R22.9 million.

Under this programme, Stats SA will edit, publish and distribution services to survey areas. Furthermore, Stats SA will provide technology infrastructure to the department and supports data management across statistical series. In addition, Stats SA will improve data and information management across the department by modernising the way business is conducted and supported by technology.

8.6 Programme 6: Statistical Collection and Outreach

The purpose of the programme is to provide data collection and dissemination services to inform policy processes and to support decision-making through statistical information. In addition, engaging stakeholders through platforms and providing effective communication services. Promoting statistical development and cooperation in South Africa, Africa and the world is also one of the crucial functions of the programme.

The main objectives is to increase the use of official statistics by government and the public on an ongoing basis. Furthermore, manage external and internal communications on statistical matters by issuing daily, weekly and monthly information updates through the media on an ongoing basis. The programme provides integrated data collection services and disseminate quality statics to provincial and local stakeholders and the public by ensuring an average annual data collection rate of 85 per cent. Further ensures alignment with international standards, best practice and statistical skills development by increasing participation, sharing and learning in international statistical initiatives on an ongoing basis.

Statistical Collection and Outreach programme received an allocation of R608.0 million to execute its core mandate of data collection and dissemination of statistical services. The spending focus in this programme will be to provide integrated data collection and dissemination services, and promotes the use and coordination of official statistics to provincial and local stakeholders. Key outputs include administering survey instruments for surveys, planning for Census 2021, collaborative mapping to maintain and update the GIF at a cost R550.7 million.

Statistics South Africa intends to improve the relationship with the media through training initiative, new social media platforms for the dissemination of statistics and communication campaigns for the organisational projects, strategic interventions to improve internal and external communication. The programme will manage relations with international statistical with international statistical agencies, promotes agencies, promotes statistical development in Africa and builds partnerships.

8.7 Programme 7: Survey Operations

The purpose of the programme is to coordinate survey operations for household surveys and provide processing services to produce official statistics. The programme conducts independent household survey monitoring and evaluation activities. The programme contributes towards improving productivity and service delivery. The programme will expand statistical information base for use by government, the private sector and the general public by conducting a population census every 10 years as well as large-scale population surveys between censuses is one of the focus areas.

Survey Operation programme received budget allocation of R194.7 million to coordinate survey operations for household surveys and provide processing services to produce official statistics. Data processing and editing will be one of the spending focus in this programme. Stats SA manages the editing and processing of data which include, amongst the processing of reports and editing of questionnaires. In addition, the department is to report on the processing of questionnaire and death notification forms, report on strengthening a common data processing platform and digital data collection for the household survey at a cost of R72.9 million.

Stats SA will conduct periodic population censuses or large-scale population surveys. The department to monitors the quality of field operations of household surveys and censuses and conducts independent evaluations. Key outputs include monitoring and evaluation of Census 2021 tests, monitoring of QLFS and evaluation of Continuous Data Collection at a cost of R19.5 million.

8. OBSERVATION AND KEY FINDINGS

The Portfolio Committee observed the following matters in relation to the Budget Vote 12 of Statistics South Africa:

- 8.1 The Committee considered and welcomed the Annual Performance Plan for 2018/19 of Statistics South Africa. The Committee noted that Stats SA had discontinued certain projects due to budget shortfalls experienced across the entire public service. Stats SA was encouraged to devise a strategy to implement more projects within budget constraints rather than discontinuing certain crucial projects, such as poverty estimates, completely.
- 8.2 In terms of the legislative reform, the Committee noted the progress made thus far with regard to the amendment to the Statistical Act that will drive statistical reform in the country, with a particular emphasis on statistical coordination, statistical geography, the data revolution, a state-wide statistical service and institutional arrangements. The amendment will further ensure coordination between organs of state for the purpose of enhancing efficiency in the statistical system. Stats SA was further advised to reconsider reviewing definitions in the Act.
- 8.3 The Committee noted that Stats SA continuously exercises their mandate regarding the Statistical Act of 1999 to coordinate the production of statistics produced by other organs of state. Also, the Committee noted that Stats SA ensures quality assurance of all organs of state planning to conduct a statistical survey before implementation. The Committee is of the view that Stats SA should assist the organs of state with experts/specialists on the methodology when designing various statistical surveys conducted by the institutions of government.
- 8.4 Over 104 staff members had left Stats SA in 2017/18 financial year, which totals 170 vacancies in the department. Stats SA reported that staff members who left the department, are mostly specialist and technically skilled people who could have been retained if there was

an adequate budget on compensation of employees. The budget shortfall realised on the compensation of employees had resulted in Stats SA being unable to fill vacancies of 170 staff members who left the department in 2017/18 financial year.

- 8.5 The Committee noted that Stats SA had several senior manager positions in an acting capacity, who in turn experience overload of work due to the inability to fill positions. Senior managers are overworked in some instances, performing dual responsibilities.
- 8.6 The Committee noted the budget shortfall on compensation of employees whilst Stats SA is in a process of planning for Census 2021. The Committee was concerned about the risk of losing competent people to other sectors, impact on the ability to conduct surveys and the resultant compromise the department will derive in a long term to rebuild such a capacity. The quality of statistics might also be affected as a result of the severe budget cuts.
- 8.7 Stats SA was encouraged to utilise social media platforms optimally to ensure that their statistical information reach out as many people as possible. The use of other forms of social media platforms for the dissemination of statistical results was acknowledged. However, Stats SA cautioned the usage of the social media platforms to communicate statistical releases. Social media platforms information can be easily manipulated and compromise the quality, credibility and reliability of the Stats SA statistical releases.
- 8.8 The Committee urged Stats SA to gradually move away from manual data collection to more advanced electronic data collection that is affordable, quicker and faster without compromising the quality aspects on the statistical data. During the transition of manual data collection to Computer-Assisted Personal Interview, Stats SA was encouraged to reskill and retrain enumerators on the electronic data collection, taking note of lessons learned from the KwaZulu Natal province, Citizen Satisfactory Survey conducted using technology to collect data.

8.9 Tracking of child development throughout to tertiary education is welcomed by the Committee. Stats SA was encouraged to consider tracking students who have completed tertiary education who remained jobless.

8.10 The Committee emphasised the importance of the role of the statistical releases in influencing decision making in government planning. It is therefore the role and responsibility of the Department of Planning, Monitoring and Evaluation to ensure statistics information find expression in policy decision making of government priorities and align such data with long or/ short term planning.

9. RECOMMENDATIONS

The Portfolio Committee recommends that the Statistics South Africa, through the Minister of the Department of Planning, Monitoring and Evaluation, must ensure that:

9.1. Statistics South Africa speed up the amendment of the Statistics Act (1999) to drive statistical reform in order to inform infrastructure planning. The amendments of the Act should firmly respond to the evolving environment, the data revolution, a state-wide statistical service and institutional arrangements. The amended Act will enable the country to respond to the United Nations Sustainable Goals, the Africa Agenda 2063 and the National Development Plan. The amendment of the Act should enhance Stats SA to become more responsive to a growing agenda that requires more statistical information. The Act should further be amended to increase number of years Census get collected in every 10 years.

9.2. Stats SA should gradually migrate from manual data collection to electronic data collection (Computer-Assisted Personal Interview) which will save more cost in future. Stats SA should take into cognisance that in a short term digitalisation might be expensive, however in a long term massive saving will be realised. Stats SA should conduct cost benefit analysis of the digitalisation of data collection in a short and long term. In moving towards the implementation

digitalisation, Stats SA should sustain the momentum of producing quality, reliable and credible statistical information for the country. Modernisation of statistical processes is strategic and requires the department to be flexible and agile to provide quality statistics quickly at an acceptable cost.

9.3. Stats SA should intensify efforts to plan for the Census for 2021 through retraining and reskilling all role players to make the survey successful. Skilled workforce would be able to produce quality and reliable statistics, which will also influence policy making and budgeting. Stats SA should present to the Committee the preparations and the strategy regarding Census 2021.

9.4. The National Treasury working with the Department of Planning, Monitoring and Evaluation on the Mandate Paper (Budget Prioritisation Framework) should ensure Stats SA is provided with adequate funds to conduct Census 2021.

9.5. Stats SA should leverage its relationship with African countries in the continent and expand statistical knowledge to their Statistical counterparts on the continent. Stats SA should begin to venture into assisting African countries in collecting credible statistical information with the aim of growing the economy on the continent.

10. CONCLUSION

In conclusion, Statistics South Africa remain a key strategic player in a transformative agenda by producing evidence based, quality and accurate official statistics for the country. It is therefore critically important for the government during the budget allocation decision to take into cognisance the paramount importance the department like Statistics South Africa contributes in shaping socioeconomic development in the country and throughout the continent. As much as the Committee understands and acknowledges that government is confronted with budget shortfalls, collection of statistics should remain a priority to inform future planning and budget allocation, particularly the Mandate Paper and Medium Term Strategic Framework.

The Committee will, through its oversight role, assist Stats SA in strengthening coordination amongst organs of state on the statistical information. Statistical information plays a critical role in the value chain and should enhance planning, policy formulation, monitoring and evaluation in government. Statistics South Africa should not be put at risk of releasing unreliable statistical information as result of budget shortfalls or cuts. Stats SA has to be well-resourced to inform planning and policy agenda of government.

The Portfolio Committee recommends as follows:

That the House adopts and approves the Budget Vote 12 of the Statistics South Africa.

Report considered