

PARLIAMENT
OF THE
REPUBLIC OF SOUTH AFRICA

**ANNOUNCEMENTS,
TABLINGS AND
COMMITTEE REPORTS**

MONDAY, 8 JULY 2019

TABLE OF CONTENTS

COMMITTEE REPORTS

National Assembly

1.	Employment and Labour	2
2.	Higher Education, Science and Technology.....	16
3.	Public Service and Administration	44
4.	Public Service and Administration	60
5.	Public Service and Administration	93

COMMITTEE REPORTS

National Assembly

(The following report replaces the Report of the Portfolio Committee on Employment and labour, which was published page 158 in ATC No 20 - 2019 dated 20 July 2019).

1. Report of the Portfolio Committee on Employment and labour on Budget Vote 28: Labour, the Strategic Plan of the Department and the Annual Performance Plan of the Department 2019/20, dated 5 July 2019

Having considered the briefing on the budget review of the Department in line with its 2015 - 2020 strategic plan and annual performance plan which were presented on 03 July 2020, the Committee reports as follows:

1. INTRODUCTION

The Department of Labour derives its legislative mandate from the Constitution, particularly the Bill of Rights. Some of the relevant sections include section 9-Equality, section 10-Human dignity, section 13-Slavery, servitude and forced labour, section 16-Freedom of expression, section 17, Assembly, demonstration, picket and petition, section 18—Freedom of association, section 22-Freedom of trade, occupation and profession, as well as section 23-Labour relations. These Constitutional rights are given effect through various legislation, including the Labour Relations Act (1995), the Basic Conditions of Employment Act (1997), the Employment Equity Act (1998), the Occupational Health and Safety Act (1993), Employment Services Act (2014) and National Minimum Wage Act (2018).

This report covers the Strategic Plan of the Department 2015-2020, Annual Performance Plan 2019/20 and the Budget Review of the Department. It is based on presentation made to the Committee on Employment and Labour on 3 July 2019. The report does not cover the reports of entities of the Department, except Supported Employment Enterprises.

2. The Strategic Plan of the Department of Employment and Labour 2015- 2020

2.1 Strategic Plan per programmes of the Department

The function of the Department is structured into four programmes, which are:

- Programme 1: Administration
- Programme 2: Inspection and Enforcement Service
- Programme 3: Public Employment Services
- Programme 4: Labour policy and industrial Relations

The Department also has the following public entities:

- Unemployment Insurance Fund (UIF)
- Compensation Fund (CF)
- Commission for Conciliation, Mediation and Arbitration (CCMA)
- National Economic Development and Labour Council (NEDLAC)
- Productivity South Africa (PSA)
- Supported Employment Enterprises (SEE)

2.1.1. Strategic objectives for Programme 1: Administration

The strategic objectives for Administration programme are:

- Departmental interventions and initiatives communicated.
This strategic objective is linked to outcome 12: An efficient, effective and development oriented public service.
- Effective financial management and governance
The 5-year target for this objective is to produce 3 Interim Financial Statements (IFS) and 1 Annual Financial Statement (AFS) per annum.

- Effective supply chain management

The 5-year target for this objective is to report 100% of detected cases of irregular, fruitless and wasteful and unauthorised expenditure.

2.1.2. Strategic objectives for Programme 2: Inspection and Enforcement Services

The strategic objectives for Inspection and Enforcement Services programme are:

- Workers protected through inspection and enforcement of employment law

The 5-year target for this objective is to increase the number of inspections by 30%.

2.1.3. Strategic objectives for Programme 3: Public Employment Services

The strategic objectives for Employment services programme are:

- Work seekers registered

The 5-year target for this objective is to register work-seekers on ESSA for opportunities.

- Work and learning opportunities registered

The 5-year target for this objective is to register work and learning opportunities.

- Employment counselling provided

The five-year target for this objective is to provide work-seekers with employment counselling.

- Work seekers placed in work and learning opportunities

The 5-year target for this objective is to place work seekers in work and learning opportunities.

2.1.4. Strategic objectives for Programme 4: Labour Policy and Industrial Relations

- Employment equity in the labour market ensured and enforcement improved

The 5-year target for this objective is to have at least 40% of middle and senior management being African.

- Establish basic standards and minimum wages

The 5-year target for this objective is to cover 95% gaps in minimum wage determinations.

- Advance national priorities through bilateral relations

The 5-year target is to have 8 signed MoUs implemented and 5 new MoUs signed.

- Promoting sound labour relations

Five-year target is development of programmes to address workplace conflict through (a) improved communication, career mobility, skills development and fairness in workplaces, and (b) stronger labour-relations systems.

Process implemented in 3 sectors and 10 workplaces.

The share of unprotected strikes in total strike action decrease with 50%.

- Monitor the impact of labour legislation

Five-year target-20 annual labour market trends and 8 final research reports will be produced and disseminated to internal and external stakeholders for decision making.

3. Annual Performance Plan of the Department of Employment and Labour 2019/20

3.1. Annual Performance Plan of Programme 1: Administration

Table 1: APP for Administration Programme

Performance Indicator	Reporting Period	Target
Effective communication and marketing of Departmental work	Quarterly and Annually	<ul style="list-style-type: none"> • Communication annual work plan approved • 100% implementation of the annual work plan
Number of Annual Financial Statements (AFS) and Interim Financial Statements (IFS) compiled per year that comply with guidelines issued by the National Treasury	Quarterly	<ul style="list-style-type: none"> • One AFS by 31 May and three IFS 30 days after each quarter
Cases of Irregular, Fruitless and Wasteful expenditure and Unauthorised expenditure, detected per financial year, reported to the Accounting Officer	Quarterly	<ul style="list-style-type: none"> • All cases which are detected, reported monthly

Source: Adapted from the Presentation of the Department dated 3 July 2019

Administration Programme has three performance indicators, which are effective communication and marketing of departmental work, number of AFS and IFS compiled per year that comply with National Treasury guidelines and cases of irregular, fruitless and wasteful and unauthorised expenditure detected per financial year, reported to the Accounting Officer.

The targets for the first performance indicator are communication annual work plan approved and 100% implementation of annual work plan. The target for the second are one AFS by 31 May and three IFS 30 days after each quarter. The target for the third performance indicator is to have all cases which are detected, reported annually.

3.2. Annual Performance Plan of Programme 2: Inspection and Enforcement Services

Table 2: APP for IES Programme

Performance Indicator	Reporting Period	Target
Number of employers inspected per year to determine compliance with employment law	Quarterly	220 692
Percentage of non-compliant employers of those inspected served with a notice in terms of relevant labour legislation within 14 calendar days of the inspection	Quarterly	85%
Percentage of non-compliant employers who failed to comply with the served notice referred for prosecution within 30 calendar days	Quarterly	60%
Percentage of reported incidents investigated and finalised within the prescribed time frames	Quarterly	70%

Source: Adapted from the presentation to the Committee dated 3 July 2019

The first performance target of the IES programme is to inspect 220 692 employers per year to determine compliance with employment law. The second performance target is to serve 85% of non-compliant employers of those inspected with notices in terms of relevant labour legislation within 14 calendar days of the inspection. The third one is to refer 60% of non-compliant employers who failed to comply with the served notices for prosecution within 30 calendar days. The fourth target is to investigate and finalise 70% of reported incidents within the prescribed time frames.

3.3. Annual Performance Plan of Programme 3: Public Employment Services

Table 3: APP for PES Programme

Performance Indicator	Reporting Period	Target
Number of work-seekers registered on Employment Services South Africa (ESSA) system per year	Quarterly	700 000
Number of work and learning opportunities registered on ESSA	Annually	90 000
Number of registered work-seekers provided with employment counselling per year	Annually	210 000
Number of registered work and learning opportunities filled by registered work seekers per year	Annually	45 000

Adapted from the presentation to the Committee dated 3 July 2019

The first performance target of PES programme is to register 700 000 work-seekers on ESSA system per year. The second target is to register 90 000 work and learning opportunities on ESSA per year. The third one is to provide 210 000 registered work-seekers with employment counselling per year. The fourth target is to fill 45 000 registered work and learning opportunities by registered work seekers per year.

3.4. Annual Performance Plan of Programme 4: Labour Policy and Industrial Relations

Table 4: APP of LP & IR programme

Performance Indicator	Reporting Period	Target
Number of policy instruments developed and promoted to enhance the implementation of EEA by 31 March 2020	Annually	2018-2019 Annual Employment Equity Report and Public Register published by 30 June 2019
	Annually	Annually 2019-2020 Annual Employment equity Report and Public Register developed by 31 March 2020

Review of the National Minimum Wage by 1 January 2020	Annually	Review the national minimum wage and recommend adjustment 2020
Number of progress reports on bilateral cooperation and multilateral obligations signed off by the minister annually	Annually	<ul style="list-style-type: none"> • Two reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister by 31 March 2020 • One Annual implementation report submitted to the Minister for sign-off by 30 April 2019 • One Mid-Term implementation report submitted to the minister by 31 October 2019 for sign-off
Percentage of collective agreements extended within 90 calendar days of receipt by 31 March each year	Quarterly	<ul style="list-style-type: none"> • 100% of collective agreements extended within 90 calendar days of receipt by end of March 2020
Percentage of Labour Organisation applications for registration approved or refused within 90 calendar days of receipt by end of March each year	Quarterly	<ul style="list-style-type: none"> • 100% labour organisation applications for registration approved or refused within 90 calendar days of receipt by end of March 2020
Moderating workplace conflict by amending the Labour Relations Act and measuring the impact thereof	Quarterly	<ul style="list-style-type: none"> • Report on impact of amendments on workplace conflict by 31 March 2020
Number of labour market trends reports produced annually	Annually	<ul style="list-style-type: none"> • Four Annual labour market trend reports produced by March 2020
Number of research service providers identified to deliver on Research, Monitoring and evaluation (RME) Agenda by 31 March 2020	Annually	<ul style="list-style-type: none"> • Two research services providers identified to deliver on the RME agenda by 31 March 2020 • Data collection tools for one research study within the RME agenda conducted internally presented to the DD Forum by 31 March 2020

Source: Adapted from the presentation to the Committee dated 3 July 2019

Some of the targets of the LP & IR programme are to review the national minimum wage and recommend adjustments by January 2020, to extend 100% of collective agreements within 90 calendar days of receipt by end of March 2020, approve or refuse 100% of applications for registration by labour organisation within 90 calendar days of receipt by end of March 2020, and report impact of amendments on workplace conflict by end of March 2020.

4. Budget Allocation of the Department for 2019/2020 and 2018/19 Financial Years

Table 5: Budget allocation of the Department for 2019/20 and 2018/19

Branch	2019/20 Original Budget	% Allocation	2018/19 Original Budget	% Allocation
	R'000	%	R'000	%
Administration	961 959	28%	917 385	28%
Inspection and Enforcement Services	631 133	18%	598 223	18%
Public Employment Services	611 198	18%	592 574	18%
Labour Policy and Industrial Relations	1 230 843	36%	1 197 061	36%
TOTAL	3 435 133	100%	3 295 243	100%

Source: Presentation to the Committee dated 3 July 2019

Table 5 above reflects that the Department received a total budget allocation of R3.4 billion in 2019/20 financial year, which translate to a nominal increase of R139. 9 million from the R3.3 billion allocated in 2018/19 financial year. Labour Policy and Industrial Relations received the largest share of the budget at R1.2 billion or 36% of the total departmental budget. This translates to a nominal increase of R33.8 million from the R1.19 allocated in the previous financial year. However, the percentage of the total allocation remained the same, at 36%.

Administration received the second largest allocation of R961.9 million or 28% of the total budget in 2018/19. This translates to a nominal increase of R44.6 million from the R917.4 million or 28% allocated in 2018/19.

The Inspection and Enforcement Services and Public Employment Services received equal share of the budget at 18% in 2019/20 as well as 2018/19. In monetary terms the IRS programme received R631.1 million, which translates to a nominal increase of R32.9 million from the R598.2 million allocated in 2018/19 financial year.

Public Employment Services received the least budget allocation at R611.2 million. However, this translates to an increase of R28.6 million from the R582.6 allocated in 2018/19 financial year.

4.1. Budget Transfers

4.1.1. Budget transfers from Programme 3: Public Employment Services

Budget transfers from Programme 3: Public Employment Services amounted to a total of R241.9 million in 2019/20 financial year. This translates to a nominal increase of R12.3 million from the R229.6 transferred in 2018/19. Subsidised work centres for the disabled received the largest share of the transfers at R148.9 million or 62% of total transfers. This is to an increase of R2.1 million from the R146.8 million transferred in 2018/19.

The second largest transfer in 2019/20, went to Productivity South Africa at R54.6 million or 23% of total transfers from the programme. This translates to a nominal increase of R1.3 million from the R53.3 million transfer received in in 2018/19.

Subsidised Workshops for the Blind received R21.5 million or 9% of the transfers in 2019/20 financial year. This translates to an increase of R9.1 million from the R12.4 million or 5% of total transfers received in 2018/19.

Compensation Fund received R16.9 million or 7% of the total transfers from the programme, which translates to an increase of R770,000.00 from the R16.1 million allocated in 2018/19.

Programme 3: Public Employment Services is there left with an operating budget of R369.3 million after transfers of R241.9 million.

4.1.2 Budget transfers from Programme 4: Labour Policy and Industrial Relations

Budget transfers from the programme amounted to R1.06 billion in the 2019/20 financial year. The total transfers in 2018/19 amounted to R1.04 billion, translating to an increase of R25.5 million in 2019/20.

The CCMA received the largest share of the budget transfers at R976.8 million or 92% of the total allocation. The entity received transfer amounting to R963.1 million, translating to a nominal increase of R13.7 million in 2019/20.

Nedlac received R40.7 million of the total transfers in 2019/20, which is an increase of R7.1 million from the R33.7 million transfer received in 2018/19.

International Labour Organisation (ILO) received R25.3 million transfers in 2019/20, which is an increase of R1.3 million from the R23.9 million transferred in 2018/19.

Strengthening Civil Society received R22.1 million transfers in 2018/19, which is a nominal increase of R1.2 million from the R20.9 million received in 2018/19.

African Regional Labour Council (ARLAC) received R1.3 million of the transfers in 2019/20, which translates to a nominal increase of R69,000.00 from the R1.2 million transfers received in 2018/19.

4.2. Operating Budget of the Department for 2019/20 Financial Year

When R 1.30 billion grand total of transfers is deducted from the departmental budget of R3.4 billion, the Department is left with an operating budget of R2.1 billion for 2019/20 financial year.

5. Supported Employment Enterprises

Table 6

Performance Indicator	Reporting Period	Target
Number of additional persons with disabilities provided with work opportunities in the SEE by the end of March 2020	Quarterly	150 additional persons with disabilities provided with work opportunities in the SEE by end of March 2020
Percentage of annual increase of sales revenue from goods and services by the end of March 2020	Annually	10% annual increase of sales revenue from goods and services by end of March 2020

Source: Presentation to the Committee dated 3 July 2019

Table 6 reflects that SEE plans to have 150 additional persons with disabilities provided with work opportunities in the SEE by end of March 2020.

SEE also plans to have 10% annual increase of sales revenue from goods and services by end of March 2020

6. COMMITTEE OBSERVATIONS

Having engaged with the Department, the Committee made the following observations:

- 6.1.** That the Department incurred irregular expenditure amounting to R257 657.79 and fruitless and wasteful expenditure amounting to R129 091.84. There was no unauthorised expenditure detected.

- 6.2. That a mismatch between available job opportunities and available skills is one of the drivers of unemployment.
- 6.3. That Thusong Services Centres close too early, which makes them inaccessible to some community members.
- 6.4. That the reconfiguration of the Department, to include Employment, might lead to the expansion of its mandate, which might strain its budget. This might put more strain on the entire budget of the Department.
- 6.5. That the Occupational Health and Safety cases that require formal inquiries to be conducted get delayed because of court processes involved to the detriment of beneficiaries.
- 6.6. That attempts have been made to register bogus trade unions so as to represent aggrieved employees at CCMA proceedings at a fee.
- 6.7. That Productivity SA received R54.6 million for 2019/20 financial year while it is faced with a task of assisting struggling companies to turn-around so as avoid retrenchments.

7. COMMITTEE RECOMENDATIONS

In view of the above observations, the Committee recommends that the Minister of Employment and Labour considers the following:

- 7.1. Putting measures in place to ensure that irregular, and fruitless and wasteful expenditure are not incurred, and ensuring that the recommendations of the Auditor-General are taken into consideration.

- 7.2. Establishing partnerships between the Department of Employment and Labour and the Department of Higher Education, Science and Technology, as well as other government Departments to ensure that relevant skills are provided.
- 7.3. Ensuring that all the Department's Centres are accessible to the majority of the communities.
- 7.4. Increasing the budget of the Department to accommodate the possible expansion of its mandate.
- 7.5. Ensuring that the Department work with the Department of Justice and Correctional Services to address delays in Occupational Health and Safety cases.
- 7.6. Strengthening the office of the Registrar of Labour Relations to ensure that it discharges its mandate effectively.
- 7.7. Funding Productivity SA appropriately so that it can perform its duties.

Having satisfied itself in its engagement with the Department of Employment and Labour, on its Annual Performance Plan and Strategic Plan, the Committee recommends that the House approves the Budget Vote 28: Labour.

Report to be considered.

2. Report of the Portfolio Committee on Higher Education, Science and Technology on Consideration of the Budget Vote 15: Higher Education and Training, Dated 05 July 2019

1. INTRODUCTION AND MANDATE OF THE COMMITTEE AND THE DEPARTMENT

The Portfolio Committee on Higher Education, Science and Technology (hereinafter referred to as the Committee), having considered the 2019/20 Annual Performance Plan (APP) and budget of the Department of Higher Education and Training (hereinafter referred to as the Department) on 03 July 2019, reports as follows:

1.1. Purpose of the Budget Vote 15 Report

The purpose of this report is to account for work done by the Committee in considering the 2019/20 APP and budget of the Department submitted in accordance with Section 27(1) of the Public Finance Management Act, 1999 (Act. No 29 of 1999), and as referred by the Speaker of the National Assembly (NA) on 28 June 2019 to the Committee in terms of Rule 338 for consideration and reporting.

1.2. Mandate of Committee and the DHET

Section 55(2) of the Constitution of the Republic of South Africa stipulates that “the National Assembly (NA) must provide for mechanisms (a) to ensure that all executive organs of state in the national sphere of government are accountable to it; and (b) to maintain oversight of (i) national executive authority, including the implementation of the legislation; and (ii) any organ of state”. Rule 227 of the Rules of the National Assembly (9th edition) provides for mechanisms contemplated in section 55(2) of the Constitution.

The Department derives its mandate from section 29 of the Constitution of the Republic of South Africa and the following legislation: Higher Education Act, 1997 (Act No.101 of 1997), National Student Financial

Scheme Act, 1999 (Act No. 56 of 1999), Continuing Education and Training Act, 2006 (Act No. 16 of 2006), National Qualifications Framework Act, 2008 (Act No. 67 of 2008), Skills Development Act, 1998 (Act No. 97 of 1998), Skills Development Levies Act, 1999 (Act No. 9 of 1999) and General and Further Education and Training Quality Assurance Act, 2001 (Act No. 58 of 2001). The Committee oversees the implementation of the above mentioned legislation.

1.3. Method

The Department's 2019/20 Annual Performance Plan and budget were considered against the background of key government policy documents, including, amongst others, the National Development Plan (NDP), Medium Term Strategic Framework (MTSF) 2014 – 2019, and the 2019 State of the Nation Address (SONA).

Due to time constraints, the Committee could not convene a briefing session with the Auditor-General of South Africa (AGSA) to get a presentation on the audit outcomes of the Higher Education and Training Portfolio for the 2019/20 Annual Performance Plans. Moreover, other entities that receive voted funds from the budget of the Department could not be invited due to time constraints.

2. OVERVIEW OF THE KEY POLICY FOCUS AREAS RELEVANT FOR THE DEPARTMENT

2.1. Relevant Government policy documents

2.1.1. The National Development Plan (NDP) Vision 2030 and the 2014 – 2019 Medium Term Strategic Framework (MTSF)

The 2014 - 2019 MTSF, which is a five-year strategic plan of government, forms the first five-year implementation phase of the NDP. The aim of the Framework is to ensure policy coherence, alignment and coordination across government plans as well as alignment with the budgeting process. The Department is responsible for Outcome 5: “*A skilled and capable workforce to support an inclusive growth path*”.

2.1.2. 2019 State of the Nation Address (SONA)

The President, in his 2019 State of the Nation Addresses (SONAs), both February and June emphasised that education and skills development must be prioritised. At the centre of efforts to achieve higher and more equitable growth, and to draw young people into employment and to prepare the country for the digital age, there must be the prioritisation of education and the development of skills. The President stated that government has committed to contribute R100 billion into the Infrastructure Fund over a 10-year period and as a first step, government plans to expand projects underway already, such as student accommodation.

In line with Government's commitment to the right of access to higher education for the poor, fee-free higher education for qualifying first year students was introduced in 2018. The policy would be phased in over a five-year period until all undergraduate students who qualify in terms of the criteria could benefit; and government plans to prioritise stabilising the business processes of the National Student Financial Aid Scheme (NSFAS) to ensure that it is properly capacitated to carry out its critical role in supporting eligible students.

3. OVERVIEW AND ASSESSMENT OF THE DEPARTMENT'S 2019/20 MEDIUM-TERM EXPENDITURE FRAMEWORK (MTEF) BUDGET

3.1. Overview and assessment of the 2019/20 Medium-Term Expenditure Framework (MTEF) Budget and the 2019/19 Annual Performance Plan (APP)

Table 1: Overall Budget Allocation and Expenditure Estimates: 2019/20 financial year

Programme	Budget				Nominal Rand change	Real Rand change	Nominal % change	Real % change
	2018/19	2019/20	2020/21	2021/22	2018/19-2019/20		2018/19-2019/20	
R million								
Administration	445.9	460.4	491.6	519.8	14.5	- 8.3	3.25 per cent	-1.85 per cent
Planning, Policy and Strategy	84.3	90.8	98.1	103.1	6.5	2.0	7.71 per cent	2.39 per cent
University Education	59 254.0	73 409.9	80 660.1	85 097.1	14 155.9	10 527.3	23.89 per cent	17.77 per cent
Technical and Vocational Education and Training	10 710.2	12 721.8	14 475.2	15 451.3	2 011.6	1 382.8	18.78 per cent	12.91 per cent
Skills Development	268.8	282.4	299.6	318.8	13.6	- 0.4	5.06 per cent	-0.13 per cent
Community Education and Training	2 360.8	2 532.8	2 714.7	2 888.9	172.0	46.8	7.29 per cent	1.98 per cent
SUB-TOTAL	73 124.0	89 498.1	98 739.3	104 379.0	16 374.1	11 950.2	22.39 per cent	16.34 per cent

For the 2019/20 financial year, the Department is allocated a total budget of 108.3 billion including the direct charges against the National Revenue Fund. The budget is comprised of R89.5 billion for the Department's six budget programmes and R18.8 billion for direct charges against the National Revenue Fund for the Sector Education and Training Authorities (SETAs: R15 billion) and the National Skills Fund (NSF: R3.7 billion). The overall budget has increased by 19.70 percent (R17.8 billion) from R90.4 billion in 2018/19. The budget is projected to increase in the outer two years of the 2019/20 MTEF period to R119.2 billion and R126.7 billion in 2020/21 and 2021/22 respectively. The Department's six programme budget increased by 22.4 percent. For the two outer years of the 2019/20 MTEF, the budget is projected to increase to R98.7 billion and R104.4 billion in 2020/21 and 2021/22 respectively. Two delivery programmes, University Education and Technical and Vocational Education and Training (TVET) take the bulk of the budget, which represent a 96.23 percent of the Department's budget excluding direct charges.

3.2. Expenditure estimates per economic classification

Table 2: 2019/20 allocation and expenditure per economic classification

Economic Classification	Financial year			
	2018/19 Revised Appropriation	2019/20 Appropriation	2020/21 Appropriation	2021/22 Appropriation
	R'000	R'000	R'000	R'000
Current payments	9 380.2	10 300.2	11 097.6	11 811.6
Compensation of employees	8 952.3	9 637.7	10 360.5	11 034.0
Goods and Services	427.9	662.5	737.1	777.6
Transfers and subsidies	81 040.8	97 944.4	108 067.5	114 862.2
Payments for capital assets	13.9	12.0	11.7	12.4
Payments for financial assets	1.4	-	-	-
Total	90 436.2	108 256.7	119 176.8	126 686.2

The Department's total budget for the 2019/20 financial year amounts to R108.3 billion, inclusive of direct charges against the National Revenue Fund. In terms of economic classification, 89.65 percent (R97.9 billion) of the total is allocated for transfers and subsidies. The budget for transfers and subsidies increased significantly by R16.9 billion, which represents a 20.86 percent increase from 2018/19 allocation of R81.0 billion. The significant increase, mainly in the departmental agencies and accounts is due to the phasing in of the implementation of fee-free education policy to expand access of students from poor and working class family. Transfers and subsidies for both the departmental agencies and accounts and higher education institutions accounts for 85.14 percent of the budget allocated for transfers and subsidies.

The bulk of the allocation to transfer and subsidies, R73.1 billion which represents 74.66 percent goes mainly to, higher education Departmental agencies, the National Student Financial Aid Scheme (NSFAS) and higher education institutions for subsidies and for capital expenditure. The second largest allocation of R15.0 billion in the transfers and subsidies goes to the SETAs.

Current payments received an allocation amounting to R10.3 billion which is the second largest allocation in terms of economic classifications. The allocation increased by 10.37 percent from R9.3 billion allocated in 2018/19. Of the total current payments allocation, 93.56 percent (R9.6 billion) is allocated to compensation of employees and R662.5 million is for goods and services. Of significance to note is that the bulk of the budget amounting to R9 billion for compensation of employees, is allocated for compensation of employees for the TVET and CET colleges employees. The allocation for payments for capital assets amounts to R12 million for the 2019/20 financial year. The allocation has decreased by R1.9 million from R13.9 million allocated in 2018/19.

In terms of projected spending on goods and services, 26.79 percent (R177.5 million) of the total budget for goods and services is allocated to travel and subsistence expenditure line item. The allocation increased significantly by R86.8 million. This represents a 48.89 percent increase from R90.7 million in 2018/19.

Computer services allocation amounting to R135.4 million is the second largest expenditure line item in goods and services. The allocation has increased significantly by 64.61 percent (R87.5 million) from R47.9 million in 2018/19. The third highest projected expenditure is for consumables stationery, printing and office supplies amounting to R84 million, which increased by 41.22 percent (R34.6 million), followed by operating leases allocation amounting to R57.8 million, training and development allocation which increased significantly by 91.08 percent from R4.1 million in 2018/19 to R46.1 million in 2019/20. The significant budget increase for training and development is very concerning given the spending patterns in this line items over the years. Between 2015/16 and 2017/18, expenditure on this line item was below R3 million annually and it increased to R4.1 million in 2018/19.

Budget increases were effected in line items such as consultants: business and advisory services increased from R21.8 million in 2018/19 to R24.1 million in 2019/20 and contractors from R149 000 in 2018/19 to R600 000.

Cost-containment measures were effected in line items such as consumables supplies, which decreased from R5 million in 2018/19 to R2.8 million, venues and facilities from R41.9 million in 2018.19 to R34 million in 2019/20, transport provided for Departmental activity from R4.6 million in 2018/19 to R3 million in 2019/20 and rental and hiring from R2.6 million in 2018/19 to R147 000.

3.3. Overview and assessment of the 2019/20 MTEF budget allocation per programme

3.3.1. Programme 1: Administration

The purpose of this programme is to provide strategic leadership, management and support services to the Department. The Programme has six sub-programmes, namely: Ministry, Department Management, Corporate Services, Office of the Chief Financial Officer, Internal Audit and Office Accommodation.

3.3.1.1. Overview and assessment of the 2019/20 MTEF budget allocation

For the 2019/20 financial year, the programme received a total allocation of R460.4 million. The programme's budget increased by R13.8 million, which represents 2.9 percent increase from R446.6 million in 2018/19. The programme's budget accounts for 0.51 percent of the Department's total budget excluding the direct charges. The budget is expected to increase in outer two years of the 2019/20 MTEF period to R491.6 million and R519.8 million in 2020/21 and 2021/22 respectively. The largest projected spending amounting to R184.8 million is allocated to sub-programme 3: Corporate Services, followed by sub-programme 4: Office of the Chief Financial Officer at R98.1 million, sub-programme 6: Office Accommodation. Four sub-programmes experienced budget decreases as follows: Ministry: -R11.4 million, Departmental Management: -R2.2 million, Internal Audit: -R0.1 million and Office Accommodation: -R2.8 million.

In terms of economic classification, R455.0 million is for current payments, of which R265.7 million is for compensation of employees and R189.3 for goods and services. The bulk of the budget on goods and services allocation, R52.7 million is allocated for operating leases, followed by R37.0 million for computer services and R22.3 million on property payments.

3.3.1.2. Overview and assessment of the 2019/20 performance targets

For the 2019/20 financial year, the programme retained its three strategic objectives with seven performance indicators. There are seven targets planned under this programme. For the 2019/20, the programme will focus on filling 90 percent of the approved positions, to resolve 100 percent of the of the disciplinary cases within 90 days, to fill advertised positions within 180 days, to pay 100 percent of invoices received from creditors within 30days, to receive an unqualified audit opinion from the Auditor-General and to achieve 95 percent of network connectivity uptime.

3.3.2. Programme 2: Planning, Policy and Strategy

The purpose of this programme is to provide strategic direction in the development, implementation and monitoring of departmental policies and in the human resource development strategy for South Africa. The Programme has six budget sub-programmes, namely; Programme Management: Planning, Policy and Strategy; Human Resource Development Strategic Planning and Coordination; Planning, Information, Monitoring and Evaluation Coordination; International Relations; Legal and Legislative Services and Social Inclusion in Education.

3.3.2.1. Overview and assessment of the 2019/20 MTEF budget allocation

For the 2019/20 financial year, the programme's total budget amounts to R90.8 million. The programme's budget accounts for 0.10 percent of the Department's total budget excluding direct charges. The programme's budget has increased by R10.8 million in nominal terms from R79.9 million in 2018/19. The budget is projected to grow in the outer two years of the 2019/20 MTEF to R98.1 million and R103.1 million in 2020/21 and 2021/22 respectively.

In terms of economic classification, R86.6 million of the programme's total budget is allocated to current payments, of which R75.2 million is for compensation of employees and R11.4 million for goods and services. An amount of R3.9 million is allocated for transfers and subsidies to foreign governments and international organizations (India-Brazil- South Africa Trilateral Ministerial Commission and Commonwealth of Learning) for the 2019/20 financial year. The payments for capital assets allocation amounts to R0.3 million.

3.3.2.2 Overview and assessment of the 2019/20 performance targets

The programme has five strategic objectives with nine performance indicators. For the 2019/20 financial year, the programme has nine planned targets, which are: to propose amendments to the National Qualifications

Framework (NQF) Act and gazetted for public comments by 31 March 2020, to develop annual report on NQF and get it approved by the Director-General (DG) by 31 March 2020, to gazette by 31 March 2020 a policy framework on Gender-Based Violence in the Post-School Education and Training, to develop annual report on social inclusion and get it approved by DG by 31 March 2020, to report on skills supply and demand and on statistics on PSET get it published by 31 March 2020 and to get at least two new agreements with foreign countries on international scholarships approved.

The programme will also initiate a process for the development of a Master Skills Plan in support of government's priority projects; to monitor, coordinate and improve the implementation of the NQF Act; to develop and implement the National Open Learning System for the PSET system, amongst others.

3.3.3. Programme 3: University Education

The purpose of this programme is to develop and coordinate policy and regulatory frameworks for an effective and efficient university education system and to provide financial support to universities, the National Student Financial Aid Scheme and national institutes for higher education.

3.3.3.1. Overview and assessment of the 2019/20 MTEF budget allocation

For the 2019/20 financial year, the programme budget amounts to R73.4 billion. The budget increased by 23.9 percent (R14.2 billion) in nominal terms from R59.2 billion in 2018/19. The programme's budget is projected to increase in the outer MTEF period to R80.6 billion and R85 billion in 2020/21 and 2021/22 respectively. The programme's budget accounts for 84.69 percent of the Department's total budget excluding direct charges against the National Revenue Fund.

In terms of projected spending for the year, the bulk of the budget of this programme, 57.63 percent (R42.3 billion) is allocated for spending in sub-programme 3: University Subsidies. The sub-programme budget increased by 9.32 percent (R3.6 billion) in nominal terms from R38.7 billion in

2018/19. This sub-programme is responsible for transfer payments to universities annually. The significant increase in the budget reflects government's commitment to increase spending on universities as per percentage of Gross Domestic Product (GDP) from 0.68 percent to 1 percent over a period of five years from 2018/19. In expanding access to higher education and training through expansion of student housing, R120 million has been allocated in 2019/20 to address student housing challenges at the Nelson Mandela University, Sefako Makgatho Health Sciences University and Vaal University of Technology. Government will also continue to support the operationalization of the three new universities, Sol Plaatje University, University of Mpumalanga and Sefako Makgatho through earmarked grants.

For the 2019/20 financial year, an amount of R3.9 billion has been allocated for capital expenditure for the higher education sector. Of this, R2.8 billion is allocated for universities infrastructure and efficiency. University of Mpumalanga and Sol Plaatje University received an allocation amounting R665.9 million and R378.4 million respectively.

Institutional Governance and Management Support sub-programme received the second largest budget allocation amounting to R31 billion. This sub-programme monitors and supports institutional governance management, and provides sector liaison services. The budget increased by R10.5 billion from R20.4 billion in 2018/19, which represents a nominal increase of 51.44 percent. The significant increase is attributed to the phasing in of the implementation of fee-free education policy over a period of five years. The implementation of the fee-free education is in the second-year of implementation. The funds will support students from poor and working class families from households with combined annual income of up to R350 000 per annum. The budget is projected to grow at an average growth of 22.3 percent between 2019/20 to 2021/22.

In terms of projected spending for the 2019/20 financial year, 99.42 percent (R30.8 billion) of the sub-programme's total budget is allocated for transfers to the NSFAS. Transfers to the NSFAS grew at an average growth

rate of 22.4 percent between 2018/19 to 2021/22. This sub-programme is also responsible for transfers and subsidies to other Departmental agencies as follows: The Council for Higher Education (CHE) is allocated R53.2 million for the 2019/20. The budget increased by R2.5 million which represents 4.69 percent increase from R50.7 million in 2018/19. The South African Qualifications Authority (SAQA) received an allocation of R69.9 million in 2019/20. The budget increased by R3.2 million from R66.7 million in 2018/19.

Of significance to note is that over the 2019/20 MTEF Cabinet has approved reductions to spending on goods and services as follows: the CHE: R1 million, the NSFAS: R22.3 million and the SAQA: R1.8 million. In the 2018 Budgetary Review and Recommendations Report (BRRR), the Committee observed that the overall performance of the CHE for 2017/18 stood at 52 percent and this was largely attributed to the funding shortfall of R12.5 million for operational costs. The Committee raised the funding challenges of the entity in several reports. In the 2018 Budget Report, the Committee noted that the DHET Grant allocation to the CHE was not growing significantly and this impacted on the ability of the Council to improve its administrative capacity to discharge its quality assurance, accreditation of higher education qualifications, maintaining the Higher Education Qualification Sub-Framework. Furthermore, the mandate of the Council was expanded without commensurate funding. The funding constraints would further jeopardize its work to support the higher education and training sector and by ensuring that the goal of providing quality higher education in South Africa which is internationally comparable was realised.

In terms of economic classification, R102.2 million is allocated for current payments, of which R80.1 million is for compensation of employees and R22.1 million is for goods and services. In terms of the projected spending on goods and services, R15 million is allocated for spending on consultants: business and advisory services line item. In the previous financial year this line item was not allocated funds. The allocation for transfer and subsidies amounts to R73.3 billion, of which R30.9 billion is allocated for Departmental agencies and R42.3 billion for transfers and subsidies to higher education institutions.

3.3.3.2. Overview and assessment of the 2019/20 performance targets

This programme has three strategic objectives and 10 performance indicators. For the 2019/20 financial year, the programme has two types of outputs, Departmental direct outputs and system outputs. For the Departmental direct outputs, there are 24 targets planned for the 2019/20 financial year. The programme planned, amongst others, to have draft regulatory framework for universities developed and approved by the Minister by 31 March 2020; to develop guidelines for student funding for the DHET bursary scheme for students at public universities and get it approved by the Minister by 31 December 2019; to develop guidelines for scholarships offered by government departments and get it approved by the Minister by 31 December 2019; to develop Ministerial Statement on University Enrolment Planning for 2020 – 2025 and get it approved by the Minister by 31 December 2019; to revise student Leadership Capacity Development Programme and get it approved by the DG by 31 March 2020; to allocate 100 new Generation of Academics Programme posts to universities, and to get 50 additional academic and professional staff at universities supported to undertake Doctoral studies through University Capacity Development Programme.

This programme is also responsible for implementing targets related to sub-outcome 3 of Outcome 5: “*Skilled and capable workforce to support an inclusive growth path*”. This sub-outcome is responsible for increasing access to and improving efficiency of high level occupationally-directed programmes in needed areas. The 2014 -2019 MTSF committed the Department to increase graduate outputs in needed areas such as engineering, health sciences, natural and physical sciences, as well as increasing graduate output of teachers

For the system targets, the programme will oversee the following: enrolment of 1.070 million students in public higher education studies; 300 000 eligible university students obtaining financial aid from NSFAS; 35 000 students enrolled in foundation programmes, 10 universities accredited to offer TVET college lecturer qualifications. The programme will also oversee increased graduate output as follows: 13 000 graduates in

Engineering Sciences from universities; 11 000 graduates in Human Health and Animal Sciences from universities; 9 000 graduates in Natural and Physical Sciences from universities; 25 000 graduates in Initial Teacher Education from universities; 3 200 doctoral graduates from universities; 8 100 Research Masters graduates; 78 percent success rates at universities; 82 percent higher education undergraduate success rates (contact) and 68 percent higher education undergraduate success rates (distance learning); 70 percent of universities with good governance and 46 percent of university academic staff with PhDs.

With regard to progress in the achievement of these system targets, the overall numbers of students enrolled in public higher education studies at universities increased from 975 837 in 2017/18 (2016 academic year) reported and verified by 31 October 2017 to 1 036 984 (2017 academic year) reported and verified by 31 October 2018. Notwithstanding the increase in the enrolment numbers, from 2017/18 to 2018/19, the 2018/19 target of 1 039 500 was not achieved as planned. The actual achievement was 2 516 below the target. The actual achievement on target of 22 200 students in foundation programmes for the 2018/19 was 913 below the target. The target for the enrolment of students in foundation programmes was never achieved since the commencement of the MTSF. The programme did not achieve the target to have three universities accredited to offer TVET college lecturer qualification for the 2018/19. The actual achievement was two.

With regard to graduate output in engineering sciences, the 2018/19 target of 12 590 was exceeded by 365. The 2018/19 graduate target of 8 490 in Natural and Physical Sciences from universities and 22 780 for Initial Teacher Education were exceeded by 111 and 2 432 respectively. Similarly, graduate target of 2 965 for Doctoral studies from universities was exceeded by 92. The actual achievements for the following graduate targets were below the target: 8 366 Research Masters (-356); 10 630 in Human Health and Animal Health (-174); 78 percent success rates at universities (-1 percent); higher education undergraduate success rates (contact) (-1 percent), and higher education undergraduate success rates (distance) (-2 percent) and 100 additional first-time entrants (black and women) to the academic workforce in addition to normal replacement and plans (-10).

3.3.4. Programme 4: Technical and Vocational Education and Training

The purpose of this programme is to plan, develop, implement, monitor, maintain and evaluate national policy, programme assessment practices and systems for technical and vocational education and training. The programme has five budget sub-programmes. The sub-programmes are: Programme Management: Technical and Vocational Education and Training; Technical and Vocational Education and Training System Planning and Institutional Support; Programmes and Qualifications; National Examination and Assessment and Financial Planning.

3.3.4.1. Overview and assessment of the 2019/20 MTEF budget allocation

For the 2019/20 financial year, the programme's total budget amounts to R12.7 billion. The budget allocation increased by R1.9 billion, which represents a nominal increase of 18.2 percent. The programme accounts for 14.68 percent of the total budget of the Department excluding direct charges against the National Revenue Fund. The programme's budget is projected to increase in the outer two years of the 2019/20 MTEF to R14.5 billion and R15.4 billion in 2020/21 and 2021/22 respectively.

The bulk of the budget amounting to R12.1 billion is allocated for sub-programme 2: TVET System Planning and Institutional Support. This sub-programme accounts for 95.33 percent of the programme's total budget for the 2019/20 financial year. The sub-programme provides support to management and councils, monitors and evaluates the TVET system performance against set indicators, develops regulatory frameworks for the system, manages and monitors the procurement and distribution of learning and teaching support materials, provides leadership for TVET colleges to enter into partnerships for the use of infrastructure and funding resources, and maps out the institutional landscape for the rollout of the TVET college system. The budget increased by R1.9 billion, which represents a nominal increase of 18.63 percent from the 2018/19 allocation. The budget increase will cater for the operationalisation of the three new TVET college campuses, Nkandla and Bhambanana in Umfolozi TVET college and Waterberg in Thabazimbi. R200 million goes towards the operationalisation

of the three new TVET college campuses for the 2019/20 financial year. The projected spending will increase in the outer two years of the 2019/20 MTEF to R322 million and R445.2 million in 2020/21 and 2021/22 respectively.

An amount of R3.9 billion is allocated for subsidies at TVET colleges. The allocation increased by R897.2 million from R2.987 billion in 2018/19. The allocation for spending on infrastructure efficiency grants amounts to R1.4 billion. This is a new grant which commenced in 2018/19, mainly for refurbishment of TVET college buildings, purchasing of modern workshop equipment and for maintenance of existing facilities.

Whilst gains were made in securing funds for the operationalisation of the three new TVET college campuses, it is critical to note that cabinet has approved reductions amounting to R300 million as follows: R200 million in 2019/20 and R100 million in 2020/21 for the operationalisation of the other new TVET college campuses indicating that fewer will be operationalised in these years to come than projected.

In terms of the progress report submitted to the Committee by the Department on the remaining new and refurbished TVET construction sites, it was anticipated that nine (9) of the new TVET college campuses would be completed by end December 2019 and one by May 2020. Funding for operationalisation of the nine TVET college campuses will be required for the 2020/21 financial year.

Sub-programme 4: National Examination and Assessment's budget for the 2019/20 financial year amounts to R557.9 million. The budget increased by 17.28 percent (R82.2 million) in nominal terms. The budget is projected to grow at an average growth rate of 12.9 percent between 2018/19 and 2021/22. The increase in the budget is to ensure that national examination and assessments are appropriately conducted to eradicate the certification backlog and to implement an information technology (IT) examination service system. This sub-programme accounts for 4.39 percent of the programme's total budget. Sub-programme 3: Programmes and Qualifications' budget for the 2019/20 amounts to R17.3 million. The budget increased by R3.1 million from R14.2 million in 2018/19.

In terms of economic classification, R7.1 billion is for current payments, of which R6.7 billion is for compensation of employees and R391.6 million is for goods and services. The budget is projected to grow at an average growth rate of 8.6 percent between 2018/19 and 2021/22. The budget allocation for compensation of employees accounts for 53 percent of the programme's total budget of R12.7 billion.

In terms of projected spending on goods and services, the bulk of the budget, R133.9 million goes to travel and subsistence expenditure line item. The budget allocation for this line item increased significantly by R98.8 million, which is an increase of 73.78 percent from 2018/19. Of significance to note is that spending patterns on this line item in the previous financial years, 2017/18 and 2018/19 was below R36 million. The second largest projected spending of R97.2 million is on computer services. The line item budget has increased significantly by 75 percent (R72.9 million) from R24.3 million in 2018/19. The third largest projected spending of R70.9 million is for consumables: stationery, printing and office supplies. Training and development line item budget amounts to R37 million for the 2019/20 financial year. The programme has not allocated funds for this line in the previous financial years, 2015/16 – 2017/18. Spending on this line item during the 2018/19 financial year amounted to R100 000. In the previous financial years, the Department effected shifts and virements from this line item budget.

The allocation for transfer and subsidies amount to R5.58 billion, of which R5.5 billion goes to TVET colleges and R16 million to the Departmental agencies and accounts, Education, Training and Development Practices Sector Education and Training Authority (ETDP SETA). Payments for capital assets allocation amounts to R2.3 million.

3.3.4.2. Overview and assessment of the 2019/20 performance targets

This programme has three strategic objectives and seven performance indicators. For the 2019/20 financial year, there are 12 targets Departmental direct targets spread across the performance indicators. The targets are: to have 65 percent of TVET colleges compliant to approved financial governance standards; to have 70 percent (R1.038 billion) of TVET

maintenance expenditure achieved in terms of approved infrastructure maintenance plans; to have 100 percent of public TVET colleges examination centres conducting national examination and assessments in compliance with national policy; to revise TVET funding norms and get it approved by the Minister by 31 March 2020 and to approve six monitoring and evaluation reports on the performance of TVET colleges.

In addition to the Department direct outputs, the programme is also responsible for targets relating to sub-outcome 2: Increased access and success in programmes leading to intermediate and high level learning. For the 2019/20 financial year, the programme will oversee 710 535 headcount enrolments in TVET colleges. The headcount enrolments at TVET colleges was capped at 710 535 from the MTSF target of 1.2 million due to underfunding in terms of programmes and inadequate physical infrastructure and human resource. Despite the increase in the baseline funding for the sector, the headcount enrolment remains capped at 710 535 for the 2019/20 MTEF period. Targets for the 2019/20 include, 290 467 qualifying TVET students obtaining NSFAS financial assistance per annum; 4000 TVET students enrolled in foundation programmes; 50 percent National Certificate Vocational [NC(V)] Level 4: certification rate; 65 percent N3: certification rate 36 percent TVET throughput rate NC(V) Level 4 and 33 percent of lecturers undergoing specified hours of work in their industry for specific period.

In terms of 2018/19 performance on the system targets as reported in the 2019/10 APP, provisions performance shows that, the target of 710 535 for headcount enrolment in the TVET college was not achieved. The actual achievement was 687 955. The Committee was informed during its oversight visit to Northern Cape and the Free State that TVET colleges were not achieving enrolments targets in the NC(V) programmes. The colleges (Northern Cape Rural, Goldfields and Motheo) reported that the enrolment in the NC(V) programmes had been declining for a few years. This was due to the high cognitive demand and students who would enrol into the programme with a Grade 10 qualification and would not be able to cope with the cognitive demand of the programme; resultantly, they would drop out. Its equivalence to Grade 12 and the lack of interest from employers, especially mining houses, where the preference would be the NATED N1- N3 programmes were contributory factors to its decline.

The programme had achieved the 2018/19 targets in the following areas: 50 percent NC(V) L4 certification rates; 66 percent N3 certification rates (exceeded by 10.8 percent); 66 percent N6 certification rates (exceeded by 30.1 percent). Underperformance was recorded in the following areas: 600 TVET students enrolled in foundation programmes (-232 below the target) and 20 percent of TVET lecturers undergoing specified hours of work in their industry for specified period (-11.2 percent below the target).

3.3.5. Programme 5: Skills Development

The purpose of this programme is to promote and monitor the National Skills Development Strategy. Develop a skills development policy and regulatory framework for an effective skills development system. This programme has four sub-programmes, namely: Programme Management – Skills Development; SETA Coordination; National Skills Development Services and Quality Development and Promotion.

3.3.5.1. Overview and assessment of the 2019/20 MTEF budget allocation

The programme's budget for the 2019/20 financial year amounts to R282.4 million. The budget increased by R17.9 million, which represents an increase of 4.1 percent from R264.5 million allocated in 2018/19. The budget is projected to increase in the outer two years of the 2019/20 MTEF period to R299.6 million and R318.8 million in 2020/21 and 2021/22 respectively. The bulk of the budget at 84.28 percent (R238.1 million) is allocated for Sub-programme 2: SETA Coordination, which supports, monitors, reports on the implementation of the national skills development strategy at sectoral level by establishing and managing the performance of service level agreements with SETAs, and conducting trade test at the Institute for National Development of Learnerships, Employment Skills and Labour Assessments (INDLELA).

The second largest allocation for the 2019/20 amounting to R26.1 million is allocated for Sub-programme 4: Quality Development and Promotion. The budget decreased by R1.3 million from R27.4 million in 2018/19. The sub-programme budget accounts for 9.24 percent of the total programme budget. The third largest allocation amounting to R14.4 million goes to sub-programme 3: National Skills Development Services. The budget increased by R2.7 million in nominal terms from R11.7 million in 2018/19.

In terms of economic classification, R142.3 million is allocated for current payments, of which R126.0 million is allocated for compensation of employees and R16.2 million is for goods and services. The allocation for transfers and subsidies amounts to R138.4 million, of which R26.1 million is for the Quality Council for Trades and Occupations (QCTO) and R112.3 million is for transfer to the Public Services SETA. It is critical to note that allocation for the QCTO decreased by R1.3 million from R27.4 million in 2018/19. Cabinet has approved reductions amounting to R9.3 million over the 2019/20 MTEF period on the transfers to the QCTO. The payments for capital assets amounts to R1.8 million.

3.3.5.2. Overview and assessment of the 2019/20 performance targets

For the 2019/20 financial year, the programme has two strategic objectives with five performance indicators. There are nine departmental direct outputs planned under this programme, which are: to conduct trade test within 60 days from the receipt of application; to achieve 65 percent of national artisan learners trade test pass rate (including INDLELA); to register 30 000 new artisan learners per annum; to have 24 000 new artisan learners qualified, and to have five SETA monitoring reports approved.

3.3.6. Programme 6: Community Education Training

The purpose of this programme is to plan, develop, implement, monitor, maintain and evaluate national policy, programme assessment practices and systems for community education and training. The programme has four sub-programmes, namely: Programme Management: Community Education and Training; Community Education and Training Colleges Systems Planning, Institutional Development and Support; Financial Planning; and Education and Training and Development Support.

3.3.6.1. Overview and assessment of the 2019/20 MTEF budget allocation

The programme received a total budget of R2.5 billion for the 2019/20 financial year. The programme's budget accounts for 2.83 percent of the Department's total budget excluding direct charges. The programme budget

increased by R177 million from R2.4 billion allocated in 2018/19, which represents a nominal increase of 7.5 percent. When factoring in inflation, the real increase is R52.0 million. The bulk of the programme's total budget amounting to R2.3 billion is allocated for sub-programme 2: Community Education and Training Colleges Systems Planning, Institutional Development and Support. This sub-programme accounts for 91.98 percent of the programme's total budget. The second largest allocation amounting to R186.9 million is allocated in sub-programme 3: Financial Planning. The sub-programme budget increased by R11.0 million from R175.9 million in 2018/19 and it is projected grow at average growth rate of 5.7 percent between 2018/19 and 2021/22.

In terms of economic classification, R2.4 billion of the programme's total budget is allocated to current payments, of which R2.3 billion is for compensation of employees and R31.9 million for goods and services. The allocation for spending on compensation of employees increased by R169 million from R2.2 billion allocated in 2018/19. The allocation for goods and services has decreased by R25.9 million from R57.8 million in 2018/19 to R31.9 million in 2019/20. This represents a decrease of 44.80 percent.

In terms of spending on goods and services, the bulk of the budget is allocated amounting to R14.1 million is for travel and subsistence expenditure line item. The allocation decreased by R16.5 million from R30.6 million allocated in 2018/19. The allocation for spending on consumables: stationery, printing and office supplies and training and development amounts to R4.5 million. It is critical to note that between 2015/16 and 2018/19 there was no expenditure on training and development line item.

The allocation for transfers and subsidies amounts to R151.7 million. Of this amount, R2.9 million is allocated for transfer to the Education, Training and Development Practices Sector Education and Training Authority (ETDP SETA) and R148.8 million is subsidies to CET colleges. The subsidy allocation to CET Colleges increased by 26.14 percent (R38.9 million) from

R109.9 million allocated in 2018/19. The allocation for subsidies to CET Colleges is projected to grow in the outer two years of the 2019/20 MTEF to R156.8 million and R165.4 million in 2020/21 and 2021/22 respectively. The payments for capital assets allocation amounts to R1.8 million.

3.3.6.2. Overview and assessment of the 2019/20 performance targets

For the 2019/20 financial year, the programme has one strategic objectives and one performance indicator with the following target: to approve two monitoring and evaluation reports per annum.

There are two system targets related to the MTSF planned for the 2019/20 financial year. The MTSF has set targets to have 34 000 headcount enrolment in the CET sector and to achieve 45 percent certification rates in CET formal qualifications. The two targets were not achieved in 2017/18 and 2018/19 financial years. For both financial years, the actual achievement was 273 431 and 258 199 respectively. The NDP has set a target to have 1 million enrolments in the CET sector by 2030. Of great concern is that enrolment has decreased between 2017/18 to 2018/19. The certification rates target of 45 percent in CET formal qualifications have not been achieved in 2017/18 and 2018/19. It is noted with concern that efforts to improve certification rates in the CET formal qualifications could be hampered by decreased allocation by R16.5 million for goods and services for 2019/20.

4. COMMITTEE OBSERVATIONS

The following formed part of the Committee observations:

4.1. Programme 3: University Education

4.1.1 The bulk of the budget amounting to R73 billion / 82 percent is allocated to university education. However, this is mainly as a result of the subsidy payments to universities and the National Student Financial Aid Scheme. In addition, the budget is also dominated by transfer payments in terms of the economic classification of expenditure. However, the concern raised is whether it is sustainable

to continue this model of funding allocation since there is a large population of young people out of school without employment, education and training. Some university graduates may be unemployable, which requires a mind shift in the higher education and training sector.

- 4.1.2 Concerns were expressed with what appears to be a decline in the number of eligible university students obtaining financial aid (NSFAS) from 323 337 to 300 000 in 2019/20.
- 4.1.3 It was noted that financial exclusions in higher education institutions had been partly contributed by the late disbursement of allowances and funding to eligible students by NSFAS. Some of the NSFAS funded students experienced evictions in privately owned student accommodation facilities due to late payments by NSFAS.
- 4.1.4 The majority of students that are being funded by NSFAS in higher education are not enrolled in the scarce and critical skills programmes required to build a sustainable economy.
- 4.1.5 The gap in the relationship between the Department and the student leadership in higher education remains a concern. Student leadership has a critical role to play in championing the needs of students, and the need for close relationship remains critical.
- 4.1.6 The low representation of black academics, particularly females at senior management level of previously white institutions was noted as a concern.

4.2. Programme 4: Technical and Vocational Education and Training

- 4.2.1 The TVET sector has made many strides. However, the sector faces many challenges. Ideally, the ratio should be 4:1 for TVET vs University student enrolment respectively.
- 4.2.2 Certification backlog remains a huge challenge since students find it difficult to apply for jobs without certificates.
- 4.2.3 Curriculum development remains a challenge due to a lack of alignment with other streams i.e. basic education and innovation. Some courses may be irrelevant due to the employability of graduates.

- 4.2.4 The TVET sector presents many systemic issues relating to infrastructure, ICT, training of lecturers and assistants and curriculum.
- 4.2.5. The backlog in the processing and payment of student allowances by NSFAS remains a critical challenge for the sector. There is an indication of poor integration between NSFAS and colleges IT systems. Compounding the situation are the delays by colleges in submitting student enrolment data to NSFAS for processing their applications.
- 4.2.6. The shortage of student accommodation in the TVET sector remains a serious challenge, including the backlog in infrastructure maintenance. Most of the TVET colleges do not have access to Wi-Fi connectivity which makes it difficult for students to undertake their research projects.
- 4.2.7 The allocation of students' living allowances (food, accommodation, transport and books) in the TVET sector is lower as compared to students in universities. The disparities in the allocation are a disadvantage for students in the TVET sector since they encounter similar socio-economic pressures with their university counterparts.
- 4.2.8 The shortage of suitably qualified lecturers in the TVET sector remains a serious concern. At some TVET colleges, students are taught by lecturers with NATED qualifications and this contributes to the low certification and throughput rates of the sector.

4.3. Programme 5: Skills Development

- 4.3.1 The role of SETAs towards contributing to skills development is critical, however, the targets of SETAs on learnerships and other similar skills interventions are inadequate and their impact is not properly assessed.
- 4.3.2 The majority of skills that are in high demand are mostly in the management field and there is need to properly quantify the shortage of artisans against the skills in high demand.

4.4. Programme 6: Community Education and Training

- 4.4.1 The CET sector is confronted with many systemic challenges including, a policy framework.

4.4.2 The under-utilisation of the CET colleges as spaces of learning in communities remains a concern.

4.4.3 The curriculum in the CET sector does not respond to the relevant needs of particular communities and their main purpose is mainly not understood by communities.

5. SUMMARY

The Committee welcomed the APP 2019/20 of the Department as tabled in Parliament on 28 June 2019 for consideration and reporting. The APP 2019/20 of the DHET provided members with an opportunity to understand the planned activities of the Department for the current financial year and it also reflected on some of the performance highlights of the Department from the previous year. The 2019/20 APP of the DHET is the first of a kind for the newly established Committee in the 6th Parliament, and the Committee undertook to hold the DHET accountable for the targets as contained in the APP going forward. Similarly, the Minister undertook to account to the Committee and provide feedback on the proposals and other issues raised by the Committee.

With respect to the funding for 2019/20, the Department's total budget for the 2019/20 financial year amounts to R108.3 billion, inclusive of direct charges against the National Revenue Fund. In terms of economic classification, 89.65 percent (R97.9 billion) of the total budget is allocated for transfers and subsidies. The budget for transfers and subsidies increased significantly by R16.9 billion, which represents a 20.86 percent increase from 2018/19 allocation of R81.0 billion. The significant increase, mainly in the departmental agencies and accounts is due to the phasing in of the implementation of fee-free education policy to expand access of students from poor and working class families.

The Committee is mindful of the fact that the Department of Higher Education and Training plays an important role in fulfilling the objectives of the post-school education and training sector. However, the realignment of the DHET with the DST as pronounced by the President in the 2019 SONA

would need to be carefully undertaken in consideration of the huge demand for education and training opportunities in the PSET sector, and as such, the budget disparities of the two departments should not have a detrimental impact on their respective mandates. The Committee expressed the view that the allocation for transfers and subsidies may need to be separated going forward to provide a clear picture of the funding that is meant directly for the six programmes of the DHET.

The Committee acknowledged the magnitude of the entities (over 100) in the PSET sector and undertook to develop an oversight strategy that will enable it to ensure that these entities account on their work. The Committee agreed with the Minister that the rapid expansion of the TVET sector to cater for the needs of young people who are not in education, training and employment is significant. However, the systemic challenges such as inadequate infrastructure, outdated curriculum, training of suitably qualified lecturers and poor ICT systems will have to be addressed as a matter of urgency. The majority of concerns that were raised by members were centred around the challenges in the TVET sector and the need for additional funding to support the growing demands for education and training opportunities to tackle the challenge of unemployment among the youth.

6. RECOMMENDATIONS

The Committee recommends that the Minister of Higher Education, Science and Technology consider the following:

6.1. Programme 3: University Education

- 6.1.1 Establish a joint task team comprising of Basic Education, Higher Education and Science and Technology to review the education curriculum in the context of university streams and pathways. The intention is to ensure a seamless education system through integration and linkages.

- 6.1.2 Expand university education to create more access through diverse learning, i.e. blended learning, online programmes, Recognition of Prior Learning (RPL), etc.
- 6.1.3 The Department is anticipating a decline in the number of NSFAS funded students in higher education for 2019/20. The Department should engage National Treasury with respect to the need for additional funding to meet the objectives of the post-school education and training sector.
- 6.1.4 The Department should put measures in place to ensure that the target to have 10 universities accredited to offer TVET college lecturer qualifications is attained within the current MTSF so as to ensure quality training and skills training in the TVET colleges.
- 6.1.5 The accessibility of NSFAS for students who need to be assisted with queries relating to allocation of the allowances remains a concern. The Department should ensure that NSFAS expands its offices so that it can be more accessible.
- 6.1.6 The Department should ensure that the expansion of student accommodation in higher education is expedited, especially in the previously disadvantaged institutions where the demand is much higher.
- 6.1.7 The Department should consider developing intergovernmental partnerships with local government to ensure that crosscutting activities are better coordinated. This will assist in ensuring that the development projects (such as bus rapid system) in local government are also benefitting students.

6.2. Programme 4: Technical and Vocational Education and Training

- 6.2.1 Expedite the review of the TVET sector curriculum so that it is aligned with the requirements of the industry and the economy respectively.

- 6.2.2 Expand and professionalise the TVET sector so that it can cater for the needs of young people that are not in education and training. The expansion of the TVET sector should also be accompanied by requisite funding.
- 6.2.3 Enrolment in the TVET sector will remain capped at 710 535 for the 2019/20 MTEF period due to inadequate funding. To address youth unemployment, poverty and inequality, more education and training opportunities should be created. The Department should engage National Treasury on additional baseline funding to increase enrolment in the TVET sector.
- 6.2.4 TVET colleges still experience the challenge certification backlog. The Department should expedite the implementation of the new IT system for the TVET college programme certification process.
- 6.2.5 The placement and absorption of TVET graduates into workplaces remains a concern. The Minister should expedite the engagements/interactions with the private sector to open more spaces for work-integrated learning opportunities and the employability of TVET graduates.
- 6.2.6 The allocation of NSFAS funding in the TVET sector should be based on the full costs of study just like universities.
- 6.2.7 The Department should undertake a skills audit of TVET lecturers to identify the training needs and areas that require capacity-building.
- 6.2.8 The expansion of student housing in the TVET sector should be prioritised given the shortage of student accommodation in TVET colleges. The Department should also build proper infrastructure to enhance quality teaching and learning environment (lecture halls, workshops and laboratories) in the TVET sector.

6.3. Programme 5: Skills Development

- 6.3.1 SETAs have an important role to fulfil with regard to skills development. The Department should ensure that the development of targets by SETAs is aligned with the needs of society to contribute to the reduction of unemployment particularly among the youth.

- 6.3.2 The Department should strengthen its oversight mechanisms over SETAs to improve their performance and sustain good governance and accountability.
- 6.3.3 The Department should prioritise the training of young unemployed people with entrepreneurship skills so that they can access the economy.
- 6.3.4 The Department should ensure that the skills intervention programmes such as learnerships offered by SETAs are aligned with the demands of the private sector. This will contribute to the absorption of learners into the workplaces upon completion of learnership programmes.

6.4. Programme 6: Community Education Training

- 6.4.1 The curriculum of the CET sector should be reviewed so that it can cater for the specific needs of communities.
- 6.4.2 The Department should investigate causes for low enrolment in the CET sector and put measures in place to address them.
- 6.4.3 CET colleges should be equipped with sufficient infrastructure so that they can be spaces of learning for young people in communities.
- 6.4.4 The Department should undertake advocacy campaigns to educate the public about the important role of CET colleges.

Report to be adopted.

3. Report of the Portfolio Committee on Public Service and Administration as well as Planning Monitoring and Evaluation on Consideration of the Budget Vote 12: Statistics South Africa, Dated 08 July 2019

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 in the Presidency for Planning Monitoring and Evaluation in terms of the Public Finance Management Act (Act No 32 of 2003), reports as follows:

2. INTRODUCTION

Parliament plays an important role in overseeing the performance of government departments and public entities. 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 ensured that the department budget allocation provides 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. Budget allocation plays a critical role as an economic instrument of the government to 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 as aligned with the Medium Term Strategic Framework. Budget highlights the constraints and trade-offs in policy choices.

On 03rd July 2019, the Committee considered presentation on the Annual Performance Plan 2019/20 financial year for the Statistics South Africa. The Minister provided an overview and the Statistician-General of the Statistics South Africa made a presentation to the Committee. This report summarises presentation received from Statistics South Africa, focusing on their 2019/20 Annual Performance Plan and Budget as well as allocations over the MTEF.

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 annual. 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 in the Presidency for 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 2019/20 financial year are outlined below:

- Driving legislative reform
- Maintaining the quality of core statistics
- Integrated indicator framework
- Integrating, innovation and modernising the statistics value chain
- Preparing for Census 2021
- Transformation and organisational reform

6. BUDGET ALLOCATION

The budget appropriated to the Statistics South Africa in 2019/20 financial year is R2 514.4 billion as compared to the allocated budget of R2 271.7 billion in 2018/19 financial year. The budget increased slightly in 2019/20

financial year. Over the MTEF period, the department has a total budget of R10.7 billion, of which R7.5 billion is earmarked for operational expenditure and R3.2 billion for spending related to Census 2021. Conducting the census is expected to drive an increase in spending at an average annual rate of 29.3 per cent, from R2.3 billion in 2018/19 to R4.9 billion in 2021/22. Spending on compensation of employees is expected to increase at an average annual rate of 5.6 per cent, from R1.4 billion in 2018/19 to R1.7 billion in 2021/22.

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. Over the medium term, the department plans to continue focusing on modernising its operations, implementing statistical reform, particularly in statistical coordination and maintaining an adequate supply of statistical information in preparation for and following the national census in 2021/22.

Stats SA continues to experience high staff turnover as a result of lucrative offers international companies and South African Banks are offering the employees. As the staff continues to leave the organisation, the situation compromises the ability of the department to achieve its set targets. All above mentioned challenges are as a result of the budget shortfalls on the compensation of employees, which render Stats SA to be unable to retain capable, experienced and technically skilled employees. It is important to note that Stats SA is still not in a position to fill critical vacancies due to an over-expenditure on the baseline of compensation of employees.

Table 1: Budget per programme

Programme R'000	Revised Estimates 2018/19	Medium Term Expenditure Estimates		
		2019/20	2020/21	2021/22
1. Administration	678.6	682.1	728.7	763.7
2. Economic Statistics	248.9	277.8	287.5	309.9
3. Population and Social Statistics	183.9	176.3	137.2	251.7
4. Methodology, Standard and Research	75.0	83.5	104.2	110.8
5. Statistical Support and Informatics	279.4	283.9	302.9	322.2
6. Statistical Collection and Outreach	616.0	700.2	712.1	762.5
7. Survey Operations	189.8	310.0	1 032.0	2 392.0
Total	2 271.7	2 514.4	3 304.1	4 912.8

Estimates of National Expenditure 2019

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.

The programme received budget allocation of R682.1 million to provide strategic direction, leadership, management and support services to the department. The spending focus over the medium term continues to focus 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.

Stats SA will be conducting user-paid surveys in collaboration with SANSS partners depending on funding being made available on time as well as the signing of the Memorandum of Understanding. These surveys include a Census of Commercial Agriculture which commenced in 2018/19; and a National Household Transport Survey. Stats SA still in a process of finalising the decision on undertaking the NHTS.

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.

7.2 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 budget allocation of R277.8 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 on the programme is to provides periodic information on the income and expenditure structure of industries by publishing periodic statistical information such as manufacturing industry financial and construction industry etc.

The spending focus in the programme is to publishing quarterly Gross Domestic Product (GDP) from the income and production side. Statistics South Africa to start publishing GDP from the expenditure side. Stats SA will expand and improve economic statistics information by reviewing changes on the national accounts.

Stats SA will provide information on the level of inflation by producing the consumer price index and various producer price indices. The key output includes monthly Consumer Price Index (CPI) and Producer Price Index (PPI) and alternative collection methodologies implemented, storage and communication services. Stats SA provides periodic information on the income and expenditure structure of industries by publishing periodic statistical information.

7.3 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 R176.8 million which will be spent on producing population and social statistics to inform evidence-based on socio-economic development. The spending focus on this programme will mainly be on publishing population estimates collected through population censuses and surveys. Key outputs include Census 2021 mini-test tools and methodologies developed, Census mini-test report compiled from data collected through self-enumeration, report on administrative data of institutionalised population, report on Census 2021 mini-test and a discussion document on population national definition.

In addition, Stats SA provides information on living conditions, domestic tourism, education and crime by means of conducting household surveys. Stats SA will further collate and analyses data from censuses and other surveys as well as administrative data to compile mid-year population estimates and generate a knowledge base on social and population themes.

7.4 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 the survey areas.

Programme Methodology, Standards and Research received budget of R83.5 million to provide strategic direction on the quality and methodology of official statistics. The spending focus in this programme will be to provide integrative statistical advice and support to policy planners and development practitioners and participates in knowledge research and innovation on key development themes. Further provides technical expertise on methodologies for producing official statistics and conducting reviews of surveys. Among key outputs include a quality management system developed, methodological support to stakeholders and research reports.

7.5 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 R283.9 million to enable service delivery programmes by using technology in the production and use of official statistics. The spending focus in this programme is to provide geospatial information and analysis and spatial tools; and provides a sampling frames for household surveys and censuses. Among key targets include the dwelling frame at metro, city and regional service centre levels published, 1 province demarcated and sampling frames for household surveys.

Stats SA will provide technology infrastructure to the department and supports data management across statistical series. Key deliverables in this programme include ICT system, ICT Census 2021 strategy developed, ICT plan for Census 2019 mini-test developed, ICT infrastructure for digital data collection reviewed and Provincial and district offices ICT services centralisation strategy implemented.

7.6 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 are to increase awareness and the use of official statistics by government and the public on an ongoing basis. Also, 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 R700.2 million to execute its core mandate of data collection and dissemination of statistical services to inform policy processes and decision-making. 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 deliverables in the programme include administering survey instruments for surveys.

Stats SA intends to maintain relations with stakeholders across the country. Further manage relations with international statistical agencies, promotes statistical development in Africa and builds partnerships. Key deliverables include producing report on Stats SA's participation in international programmes, international engagements reviewed and African peer support.

7.7 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 R310.0 million to coordinate survey operations for household surveys and provide processing services to produce official statistics. The spending focus on the programme include conducting periodic population censuses, monitors the quality of field operations of household surveys, coordinates and integrated collection activities of surveys. Key deliverables to spent budget in this programme includes conducting quality assurance, training sessions on household surveys and digital data collection.

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 Statistics South Africa Annual Performance Plan for 2019/20 financial year.
- 8.2 The Committee was concerned about high staff turnover in the Statistics SA. The budgetary constraints realised in the compensation of employees makes it impossible for the department to retain staff through counter offers and promotions. Approximately, 180 staff members have left the department for better job offers. Stats SA has a Retention Policy which is reviewed annually, however, the policy itself cannot retain employees without any monetary value. High staff turnover impact negatively on Stats SA in conducting certain surveys.
- 8.3 Budgetary constraints realised in the compensation of employees impede the institution to fill vacancies. The last time Stats SA filled position was in October 2016. Stats SA has 608 vacancies in 2019/20 financial year, which increased the vacancy rate above acceptable 10% rate as prescribed by the Public Service Regulations of 2016.
- 8.4 The Committee notes that Stats SA has several senior managers in an acting capacity, who in turn experience an overload of work due to the institution's inability to fill vacant positions. Senior managers are overworked in some instances, performing dual responsibilities.

- 8.5 The Committee supports 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 of the statistics. During the transition period of manual data collection to Computer-Assisted Personal Interview, Stats SA was encouraged to invest in reskilling and retraining enumerators on the electronic data collection.
- 8.6 The Committee welcomes the declaration by the Statistician-General of Statistics South Africa on its readiness to embark on the process of collecting data for Census 2021. Stats SA ran the test last year, in 2019, Stats SA will pilot and in 2020 rehearsal will be conducted as part of preparations for the Census 2021. Stats SA will be going out to seek additional suggestions on critical areas citizens would like to be covered in the Census scope. However, Stats SA highlights some of the challenges encountered includes accessibility in the gated community impacting on the efficiency of the department to execute its mandate.
- 8.7 The Committee notes that Stats SA had discontinued certain projects due to budget constraints experienced across the public service. Stats SA was encouraged to devise strategy to continue implementing its set projects with the allocated budget. The Committee urged Stats SA to in future highlights funded and unfunded projects and its impact in the country.
- 8.8 In terms of the legislative reforms, the Committee notes the progress made thus far with regard to the amendment to the Statistics Act of 1999 that intends to 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 amendments will ensure coordination between organs of state for the purpose of enhancing efficiency in the statistical system.

8.9 The Committee was pleased that most of the government institutions use statistics as an evidence based in policy making and planning. Evidence based policy making is promoted across government, particularly in the planning. The Committee further encouraged Stats SA to continue providing government with sound and reliable data to inform evidence based policy decisions and choice. The DPME has to ensure statistical data is utilised in policy decision making when developing the Medium Term Strategic Framework for 2020-2024 and other government programmes.

8.10 The Committee was pleased by the Minister in the Presidency for Planning, Monitoring and Evaluation for giving assurance to maintain and protect the independence of the Stats SA in discharging its mandate as per the Statistics Act of 1999.

8.11 Stats SA was urged to consider the Auditor General audit findings to improve areas highlighted for corrective action.

9. RECOMMENDATIONS

The Portfolio Committee recommends that the Statistics South Africa, through the Minister in the Presidency for Planning, Monitoring and Evaluation, must ensure that:

9.1. Statistics South Africa should expeditiously finalise amendment of the Statistics Act (1999) that will drive statistical reform in the country. The amendments to the Act should firmly respond to the evolving environment, particular emphasis on statistical coordination, the data revolution, a state-wide statistical service and institutional arrangements.

9.2. Stats SA should continue to enhance and enrich the space of the policy making decisions and outcomes across a wide range of sectors through producing reliable and timeous statistics. Stats SA should always strive to be an institution that guides statistically public policy when there is an open debate on matters of national importance, such as proposal on the amendments of Section 25 of the Constitution.

- 9.3.** Statistics South Africa should strive to find amicable solutions in the manner in which the Auditor-General South Africa audits the institution, in order to develop mutual understanding. Auditor-General should take into cognisance the nature and the complexity of the Statistics South Africa's work when auditing the institution. Audits must not impact negatively on the independence of Stats SA.
- 9.4.** Stats SA should invest in retraining and reskilling its employees as the department is gradually migrating from manual data collection to electronic data collection (digitisation) for the purpose of delivering successful Census. Stats SA should provide the Committee with a comprehensive report on its readiness to conduct Census 2021 before March 2020.
- 9.5.** The Department of Planning Monitoring and Evaluation and the National Treasury should find a lasting funding solution to enhance Stats SA budgetary constraints impeding on the institution to fill vacancies and retain highly competent staff. Budgetary constraints, impact negatively on the Stats SA's efficiency to implement its mandate. This critical policy area should be given urgent.

10. CONCLUSION

In conclusion, Statistics South Africa remain a key strategic player in the transformative agenda by producing evidence based, quality and accurate official statistics for the country. The budget allocation decision should take into cognisance the importance of the department like Statistics South Africa that plays a role in value statistics to enhance socioeconomic development of the country. As much as the Committee understands and acknowledges that government is confronted with budget shortfalls, collection of statistics should remain a top priority in order to inform future planning, evidence based policy and budget allocation.

Statistical information plays a critical role in the value chain and should enhance planning and evidence based policy making decision across a wide range of sectors. Statistics South Africa should not be put at risk due to budget constraints. A well-resourced Statistics South Africa would continue to deliver reliable, accurate and timeous statistics for the country to inform its planning and evidence based policy making of government.

The Portfolio Committee recommends as follows:

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

Report considered

4. Report of the Portfolio Committee on Public Service and Administration as well as Planning Monitoring and Evaluation on Consideration of the Budget Vote 10: Department of Public Service and Administration, Dated 08 July 2019

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 the Public Service Commission tabled by the Minister of Public Service and Administration in terms of the Public Finance Management Act (Act No 1 of 1999), reports as follows:

2. INTRODUCTION

Parliament plays an important role in overseeing the performance of government departments and public entities. 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 ensured that the department and its entities budget allocation serve the needs and aspirations of the citizens. 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 to 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.

On 02nd July 2019, the Committee 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 the Public Service Commission. This report summarises presentations received from the Department and its entities, focusing on their 2019/20 Annual Performance Plans and Budget as well as allocations over the MTEF.

2. 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.

3. 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.

4. STRATEGIC GOALS OF THE DEPARTMENT

The key strategic priorities of the Department are explained below:

4.1 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.

4.2 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 huge 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.

4.3 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. The School offers training and development programmes for the public servants.

4.4 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. The Department approved the Public Service Regulations of 2016 to implement certain provision encapsulated in the Act.

4.5 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.

5. 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 longer 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.

6. BUDGET ANALYSIS

The overall budget allocation for the Department of Public Service and Administration's is R1 002.1 million for 2019/20 as compared to R950.6 million in 2018/19 financial year. The budget increased by 5.42 per cent in nominal terms. However, in real terms the total budget allocation for the Department increased by 2.0 per cent between 2018/19 and 2019/20.

The Department's second-largest spending area is on Compensation of Employees, which accounts for 31.3% or R1 010.5 million of the total budget over the medium term. This budget provides for a staff complement of approximately 482 per year over the medium term which is a reduction of 36 posts from the previous 518 posts. The allocation for compensation of employees was further reduced with R10 million over the medium term.

Table 1: Programmes and budget allocation

Programme R'000	Revised Estimates 2018/2019	Medium Term Expenditure Estimates		
		2019/20	2020/21	2021/22
1. Administration	240.6	246.1	264.6	284.7
2. Policy Development, Research and Analysis	34.1	36.3	38.5	41.0
3. Labour Relations and Human Resource Management	78.0	84.4	90.1	94.1
4. Government Chief Information Officer	22.4	23.3	24.9	29.6
5. Service Delivery Support	262.4	282.6	310.0	337.3
6. Governance of Public Administration	313.1	329.4	352.7	375.4
Total	950.6	1 002.3	1 081.3	1 162.1

Source: Estimates of National Expenditure (2019)

7. PROGRAMME PERFORMANCE

8.1 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 R240.6 million in 2018/19 to R246.1 million in 2020/21. This represents a -6.7 per cent decrease in real terms in the budget allocation between 2018/19 and 2019/20. The programme takes 24,55 per cent of the overall budget.

Budget allocated in this programme will be spent among other things on the submission of quarterly reports for the implementation of the APP submitted to the Executive Authority, National Treasury and the

Department of Planning, Monitoring and Evaluation. The Department will under this programme report on the implementation of the DPSA's Bi-lateral and Multi-lateral agreements and programmes.

8.2 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 2018/19 the budget allocation to Programme 2 was R34.1 million and in 2019/20 the allocation is R36.3 million. In real terms the budget allocation of Programme 2 increased by 0.4 per cent between 2018/19 and 2019/20. Allocation to this programme takes 3.62 per cent of the overall budget. The bulk of the Programme's budget (R13.5 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 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. In his State of National Address of 2019, the President emphasised that government wants public servants to adhere to the principles of Batho Pele by putting people first. Government wants to instil a new discipline, to do things correctly, to do them completely and to do them timeously. The Department will draft research document for further consultation towards the legislative drafting of the draft White Paper for the Transformation and Modernisation of public administration.

The Department intends to report on the state of readiness of departments on the Organisational Functionality Assessment Tool. Among the achievement in this programme include the drafting of strategic framework for the norms and standards to institutionalised selected aspects towards the drafting of regulations for the Office of Standards and Compliance. Further, report on support provided to departments to improve on areas of non-compliance with public service legislative and regulatory prescripts as identified in the 2017/18 Auditor-General report.

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. The Department to report on the implementation of recommendations made towards the establishment of the national administration to support PAMA.

8.3 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 3 accounts for 8.42 per cent share (R84.4 million) of the total budget vote in 2019/20. Between 2018/19 and 2019/20, the budget allocation for Programme 3 increased by 2.2 per cent in real terms. A major part of the allocation on this programme 3 goes to Public Service Employment and Condition of Services in relation to the Government Employee Housing Scheme. A total amount of R55.2 million (over the medium term) or 20.5% of total budget allocation for the programme is ring-fenced for the GEHS project.

The programme is also responsible for monitoring the vacancy rate. The programme's budget is relatively bigger 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 be spent on establishing a formal graduate recruitment scheme to attract graduates into the public service. The Department to lead engagements and provide support to national departments and provincial administrations on the implementation of the revised Performance Management and Development System (PMDS) for the Senior Management Service (SMS).

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 will monitor and report 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.

8.4 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 2.32 per cent share or R23.3 million of the total budget vote in 2019/20. In 2019/20, the allocation for Programme 4 increased by 4.02 per cent in nominal terms, but in real terms, it decreased by -0.3 per cent between 2018/19 and 2019/20.

The Department intends developing the Public Service Digitalisation Framework for the public service with the aim to modernise and accelerate delivery of government services. The Department will under this programme report on the 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.

8.5 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 R262.4 million in 2018/19 to R282.6 million in 2019/20, representing a nominal increase of R20.2 million or 7.70 per cent. In real terms, the budget allocation of Programme 5 increased by 6.2 per cent between 2018/19 and 2019/20. Programme 5, at 28.02 per cent share, represents the second largest share allocation of the total budget vote in 2019/20.

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 2019/20 financial year report on the assessment of national and provincial departments implementing the Batho Pele standards.

To improve the efficiency and effectiveness of frontline service delivery, the Department will support prioritise departments on the implementation of the Operations Management Framework for their selected services as part of improving efficiency and effectiveness in the operations in the public service. The Department will develop framework for the establishment of the promotion and maintenance of service centres.

8.6 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 R313.9 million in 2018/19 to R329.4 million in 2019/20 representing a nominal increase of R16.3 million or 5.21 per cent. In real terms the budget allocation increased by 0.0 per cent between 2018/19 and 2019/20. Programme 6 accounts for the first largest allocation share, which is 32.87 per cent of the total budget vote in 2018/19. Of the budget allocated, the Department will transfer R282.6 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 the performance of other remunerative work. Moreover, the department will monitor the improved adherence by Public Service employees in national and provincial departments to the legislative framework prohibiting them from conducting business with an organ of state. The Department to ensure adherence by designated employees from national and provincial departments to the legislative framework regarding the electronic disclosure of financial interests (e-Disclosure system).

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. The Department will report on the implementation of the financial disclosure for designated employees. In addition, report on the implementation of the financial interest on the Directive on other Remunerative Work to the Director-General in the public service.

9 BUDGET TRANSFER TO DEPARTMENTAL ENTITIES AND PUBLIC SERVICE COMMISSION

9.1 NATIONAL SCHOOL OF GOVERNMENT

9.1.1 POLICY PRIORITIES 2019/20

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 of 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. 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.

9.1.2 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 using the budget allocated through transfers receives from the DPSA and the training trading account, which is funded from the revenue it generates through training programmes. Accordingly, transfer to the school's training trading account represent a projected 39 per cent (R281.2 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 2019/20, and implementation is projected to begin in 2020/21. The school's executive management is responsible for revising the funding model.

The NSG received budget of R187.9 in 2019/20 financial year as compared to R153.9 million in 2018/19 financial year. The budget has increased nominally in this financial year. Expenditure is expected to increase at an average annual rate of 10.8 per cent, from R169 million in 2018/19 to R229.9 million in 2021/22. This is mainly due to a R60 million budget increase over the medium term for the introduction of mandatory programmes to address skills gaps in the public service. Expenditure on the compensation of 91 employees accounts for an estimated 30.5 per cent (188.1 million) of the department's total budget over the medium term.

Table 2: National School of Government budget

Programme R'000	Revised Estimates 2018/19	Medium Term Expenditure Estimates		
		2019/20	2020/21	2021/22
1 Administration	102.6	108.1	115.1	122.1
2. Public Sector Organisational and Staff Development	66.4	79.8	93.7	107.8
Total	169.0	187.9	208.8	229.9

Estimates of National Expenditure (2019)

9.1.3 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 receive the biggest allocation of the transfer to the NSG, which is R108.1 million (61 per cent). Of this amount, more than half (R58.4 million) is allocated towards compensation of employees, R46.4 million (43 per cent) towards goods and services and R3.3 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 R107 million generated through Training Trading Account as part of cost recovery by March 2020. 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 R79.8 million, compared to R66.4 million in 2018/19 financial year. Treasury annual allocation in this programme, is always supplemented by collection of the training fees which are now pre-paid by departments received through training courses.

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 develops during their careers. Therefore, the NSG plays a fundamental role in ensuring that public service is professionalised by providing compulsory induction to all public servants. The School will in this financial year undertake six research projects to inform training needs and opportunities completed. Among targets to achieve in this programme is to undertake ten 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 66 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 46 283 current and potential public servants annually. Further train 46 283 new and current public servants on compulsory and demand-led programmes through face to face and online learning annually. The School will orientate 3 000 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.

9.2 CENTRE FOR PUBLIC SERVICE INNOVATION

9.2.1 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)

9.2.2 Budget Allocation

The budget allocation for the CPSI is R38.4 million for 2019/20 financial year as compared to the previous year with R36.0 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.

9.2.3 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 R20.9 million in 2018/19 as compared to

R19.0 million in 2018/19 financial year. The spending focus on the programme intends 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 R17.5 million in the 2019/20 financial year as compared to R16.3 million of 2018/19 financial year. There was a nominal increase in the budget in 2019/20 financial year.

The focus in this programme is on the Research and Development of potential models and develop new innovative solutions working 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. The Centre will identify six knowledge platforms hosted to unearth, demonstrate, share, encourage and award innovation in the public sector.

Over the medium term, the Centre intends to investigate two service delivery challenges to identify possible innovative solutions. As part of imparting innovative knowledge, the Centre intends to capacitate 330 public sector officials and other partners. The Centre to publish two editions and ideas that work to the South African Public Sector Innovation Journal.

9.3 PUBLIC SERVICE COMMISSION

9.3.1 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.

9.3.2 Budget Allocation

The PSC received budget allocation of R278.2 million in 2019/20 financial year as compared to R264.4 million in 2018/19 financial year. The baseline allocations for the PSC over the MTSF period is R278.2 million, R297.6 million and R316.3 million respectively. Out of this budget, R212.9 million, R208.1 million, and R228.9 million is allocated to Compensation of Employees. Since the PSC is primarily a knowledge-based institution and furthermore does not outsource its functions, the relatively high percentage of the budget applied to CoE is believed to be justified.

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.

Table 3: PSC budget

Programme R'000	Revised Estimates 2018/19	Medium Term Expenditure Estimates		
		2019/20	2020/21	2021/22
1 Administration	124.8	130.5	138.9	147.5
2. Leadership and Management Practices	44.7	46.5	49.9	53.2
3. Monitoring and Evaluation	39.7	41.8	44.9	47.8
4. Integrity and Anti-Corruption	55.2	59.4	63.8	67.9
Total	264.4	278.2	291.9	310.4

Source: National Treasury (2019)

9.3.3 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 R128.6 million in 2018/19 financial year. The biggest allocation out of the R128.6 million of the programme's budget goes to Corporate Services at R64.4 million. The second largest allocation goes to the Public Service Commission at R24.5 million, and Property Management at R23.9 million, and R15.7 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 R46.5 million in 2019/20 financial year. In real terms the budget allocation of Programme 2 will increase over the medium term period with R49.9 million in 2020/21 and R53.2 million in 2021/20 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 two sub-programmes, namely: Labour Relations Improvement, and Leadership and Human Resource Reviews. The Commission will under this programme promote sound labour relations and practices through 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 2020.

(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 R41.9 million in 2019/20 financial year. In real terms the budget allocation of Programme 2 will increase over the medium term period with R44.9 million in 2020/21 and R47.8 million in 2021/22 financial year. The programme has two sub-programmes which are as follows: Governance Monitoring and Service Delivery and Compliance Evaluations.

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 spending focus on the programme will be to conduct twelve research reports on the qualitative evaluation of departments against the CVPs produced.

(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 R59.3 million of the total budget vote in 2019/20 financial year. In 2019/20 financial year, the allocation for Programme 4 increased as compared to R55.2 million in 2018/19. The budget is expected to increase over the medium term with R63.8 million in 2020/21 and R67.9 in 2021/22 financial year.

The programme's budget is divided into two sub-programmes, namely: Public Administration Investigations and Professional Ethics. 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.

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. The Commission intends to deliver one research report in professional ethics. In addition, the Commission to achieve 90 per cent of early resolution cases finalised within 45 days upon receipt of all relevant information.

10 OBSERVATIONS AND KEY FINDINGS

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

10.1 Department of Public Service and Administration

10.1.1 The Committee considered the Annual Performance Plans of the Public Service Commission, Department of Public Service and Administration; and its entities for 2019/20 financial year. The APP reaffirms the Department's mandate to implement and coordinate interventions aimed at achieving professional, accountable and developmental oriented public service, capable to deliver on the objectives of the National Development Plan (NDP) 2030.

10.1.2 The Committee notes a brief overview by the Minister on the work of the Department and approved Ministerial Handbook. The Handbook serves as a guideline for the benefits and privileges of the Ministers/MECs and their families in the execution of their duties during term of office and in some cases to the time thereafter. The Minister highlighted that certain sections in the Handbook are the responsibilities of other Ministers such Finance and Public Works. The Minister indicated the Handbook was not clear in the past in terms of staff assigned to the offices of both Ministers and Deputy Ministers. The current Handbook is explicit on numerous areas in relation to the benefits and privileges.

10.1.3 The Committee applauds the Department for the review and approval of the Ministerial Handbook. However, the Committee's discontent with the Ministerial Handbook was on the increment of staff in the Minister's offices, from 10 to 15 employees, this happen at the time when government is grappling with reducing the wage bill in the public service. The Committee will welcome a brief on the Ministerial Handbook in due course.

10.1.4 The Committee notes the progress made thus far with regard to approval and the implementation of the Graduate Recruitment Scheme. The Scheme seeks to provide a well-defined, transparent and shared strategy for recruiting dedicated young people and ensuring that their skills are developed, and accompanied by a career progression to ensure that they are retained in the service.

10.1.5 Having noted the progress made thus far on the Scheme, the Committee is of the view that government has to provide interns with improved stipends in order to attract the best skilled young people in the public service across all the race in the country. The Committee further note that since its inception, a total of 96 913 youths were placed, of which 40 052 were appointed permanently and some on contract.

10.1.6 The Committee commended the Department for removing experience as a requirement for the entry positions in the public service.

10.1.7 The Committee was concerned about the lack of monitoring payment of the performance bonuses across the public service. Performance bonuses are paid to senior managers without considering the department's performance. The Committee urged the Department to monitor and develop standard on the payment of performance bonuses which should be supported by the overall performance of the departments.

10.1.8 The Department is charged with the responsibility of promoting professional ethics in the public service. However, the Committee was alarmed by the increase in the number of disciplinary cases and the number of days taken to resolve cases in the public sector, even though a pool of experts to fast track these cases has been established in the Department. The Department needs to come up with a rapid strategy to reduce disciplinary cases that are not finalised within 60 days in the public service.

10.1.9 Delays in the full implementation of the Public Administration Management Act of 2014 is a concern to the Committee. The Act seeks to provide a legal framework across the three spheres of government by bringing some degree of uniformity. The Department has to finalise its consultation and ensure full implementation of the Act in the public administration. The Committee urged the Department to report if there are any stumbling blocks impacting the implementation of the PAM Act.

10.1.10 The Committee notes that the Department is in a process of developing a Draft White Paper for Public Administration Transformation and Modernisation, which is linked to the social vision of the NDP and the provisions of PAMA. The White Paper will serve as a policy document that responds to the challenge of state capacity and capability, and which is based on a home-grown system of public administration.

The Committee urged the Department to strengthen its efforts to modernise the public service through digitisation of government systems. Digital transformation serves as a strategic driver to create open, participatory and trustworthy public sector. Through digitalisation transformation, government would be able to improve its efficiency, effectiveness and governance in the public sector. The DPSA has to take a lead in developing strategies in digitalising the public service.

- 10.1.11 The Department needs to urgently engage relevant departments with the aim of reaching amicable solutions, regarding the location and the funding model of the Thusong Service Centres.
- 10.1.12 As part of reengineering the public service, the Committee urged the department working with Organised Labour Unions to find a lasting solution to reduce the wage bill in the public service.
- 10.1.13 The Committee notes 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 take more than six months to fill funded vacant posts.
- 10.1.14 The Committee applauds the Department for conducting workshops across the public service regarding the implementation of the Revised Determination on Other Remunerative Work. These workshops would provide clarity to the public servants on the remunerative work outside the public service.

National School of Government

- 10.1.15 The Committee applauds the National School of Government for its effective revenue collection strategy, which yield the intended results. The Committee further cautioned the School to deal with public servants who do not attend training courses, yet their departments prepaid for those courses. The School needs to report such public servants to their respective departments and ensure actions are taken as such is regarded as a fruitless and wasteful expenditure.
- 10.1.16 The Committee was of the view that the NSG has to ensure accreditation of training courses which are not yet accredited. However, the NSG highlighted that training courses not accredited are also useful in the public service as they impart knowledge on certain skills needed by the public servants.

10.1.17 The Committee urged the National School of Government to move beyond offering training courses to more of tracking, determining the impact and value add to the public service. Measuring the impact on the public servants would enhance and enrich the School curriculum.

10.1.18 The Committee further urged the NSG to start developing training courses responding to the Fourth Industrial Revolution as part of leveraging this transformation in the public sector given its potential to increase productivity.

Centre for Public Service Innovation

10.1.19 The Centre for Public Service Innovation has to consistently intensify its efforts to create an enabling environment for innovation to thrive in the public sector. The Committee urged the Centre to continue assisting government departments with innovative solutions with the main purpose of enhancing services and saving cost from a traditional way of rendering government services.

10.1.20 The sustainability of the innovative solutions discovered by the CPSI was the main concern identified by the Committee. In handing over innovative solutions to the various government departments, the CPSI has to play a role of monitoring the implementation thereof, with the aim of enhancing solutions if challenges are encountered.

Public Service Commission

10.1.21 The Committee is persistently concerned about the anomaly of the budget shortfall of the Public Service Commission to avoid collapse of the constitutional institution. The Committee notes that PSC has to restructure its programmes as a result of the budget constraints experienced in the institution. Restructuring as a result of budget shortfall might weaken the institution and erode its capacity to investigate, monitor and evaluate government compliance with regard to the values and principles of public administration in the public service.

10.1.22 The Committee applauds the PSC for launching the Constitutional Values and Principles (CVPs) throughout the country with the main aim of building accountable and ethical public service. The CVPs plays a crucial role in building a capable and developmental state. The Committee will hold the PSC to account annually on the monitoring and evaluation of the CVPs in the public service.

10.1.23 The Committee notes the Commission intends to introduce legislative reforms on Institutional Practice Review.

11 RECOMMENDATIONS

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

11.1 The Department of Public Service and Administration should brief the Committee on the revised and approved Ministerial Handbook.

11.2 The Department should consider reviewing stipends given to youth who are in learnership, internship and artisan programme in order to attract the best skilled young people and people with disabilities across all the races in the public service.

11.3 The Department should ensure government departments reduce backlog of the disciplinary cases which are over 60 days in the public service.

11.4 The Department should finalise the consultations on the development of the Regulations of the Public Administration Management Act of 2014 with the aim of bringing some degree of uniformity across all spheres of government. In its effort of consultation, the Department should put more emphasis on building a capable single public service.

- 11.5 The Department should ensure adequate funding to the newly established Public Administration Ethics, Integrity and Disciplinary Technical Assistance Unit as part of implementing PAM Act prescripts. The Department should consider branding and launching the Unit with the aim of publicising it and conveying the message to the public servants for not tolerating corruption in the public sector.
- 11.6 The Department working in collaboration with the DPME should ensure that performance bonuses paid to Members of the Senior Management correlate with the departmental performance as measured by the DPME and the Auditor-General of South Africa. The DPSA should lead in developing a mechanism to standardise and to prevent disjuncture between bonuses and performance.
- 11.7 The Department should use community radio stations and other media platforms, to raise awareness on the new reforms in the public service.
- 11.8 The Batho Pele principles and the Public Service Charter should be reinvigorated, implemented and entrenched in all government departments, especially those departments providing direct services to the citizens. 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.
- 11.9 The Department should lead the transformation of the modernisation of the service delivery model by harnessing into a new ways of digital technologies to enhance better quality services to the citizens.
- 11.10 The Department should report on the final reconfiguration of the public service and functions affected and their possible migration to other departments.

- 11.11 The Department should ensure that the filling of vacancies in the public service is in line with Government's intention to reduce the wage bill.

National School of Government

- 11.12 The National School of Government should intensify its revenue collection strategy to ensure it remains financially viable and sustainable. The School should penalise public servants who were meant to attend training courses, but decide to abscond whilst their departments paid training fees in advance.

- 11.13 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.

- 11.14** 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. The NSG should develop a mechanism to ensure certain training courses are compulsory for a particular category to attend.

Centre for Public Service Innovation

- 11.15 The Centre should analyse factors hindering efficient service delivery in government and design tailor-made innovative solutions towards addressing weakness in the delivery system.

- 11.16 The Centre should handover innovative solutions to the relevant departments and monitor the sustainability of such solutions. The Minister of the Department of Public Service and Administration should play a key role in encouraging other Ministries, including the Premiers, on new innovations discovered by the Centre.

Public Service Commission

11.17 The PSC should continue monitoring and evaluating government on the Constitutional Values and Principles in the public sector. The PSC should after having tabled the report to Parliament, publish the results on the State of the Public Service with regard to the adherence of the CVPs to the members of the public by utilising platforms such as media conferences and social media as a way of popularising its work.

12 CONCLUSION

The Department of Public Service and Administration and its entities plays a crucial role in building a state that is capable of realising developmental and transformative agenda. Professionalising the public service remains an integral part of the Department through reskilling and retraining of the public servants. The NDP highlights the key areas that the Department must focus on, such as stabilising the political-administrative interface and making the public service as a 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 Parliament 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 also plays a crucial role as a catalyst for radical transformation through developing innovation solutions to the public sector challenges.

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

5. Report of the Portfolio Committee on Public Service and Administration as well as Planning Monitoring and Evaluation on Consideration of the Budget Vote 8: Department of Planning, Monitoring and Evaluation, Dated 08 July 2019

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 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 its entities (Government Communication and Information System, Media Development & Diversity Agency and Brand South Africa) tabled by the Minister in the Presidency for Planning Monitoring and Evaluation in terms of the Public Finance Management Act (Act No 32 of 2003), reports as follows:

2. INTRODUCTION

Parliament plays an important role in overseeing the performance of government departments and public entities. 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 has ensured that the department and its entities budget allocation serve the needs and the aspirations of the people. Budget allocation serve as a key instrument for government to promote socio-economic development. Budget allocation plays a critical role as an economic instrument of the government to 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.

On 03rd July 2019, the Committee received presentations on the Annual Performance Plans (APPs) for 2019/20 financial year for the Department of Planning Monitoring and Evaluation, Government Communication and Information System, Media Development & Diversity Agency and Brand South Africa. The APP is a strategic intent that seek to deliver priorities of the Medium Term Strategic Framework as aligned to the long-term goals contained in the National Development Plan. This report summarises presentations received from the Department and its entities, focusing on their 2019/20 Annual Performance Plans and Budget as well as allocations over the MTEF.

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 Department to lead the development of the NDP 5-year Implementation Plan to provide a medium term roadmap which will inform the basis for developing 5-Year departmental plans that will guide the realisation of the NDP priorities. Development of NDP-5 Year Implementation Plan will serve as monitoring framework linked to the Programme of Action reporting system

The purpose of the NDP 5-Year Implementation Plan is to advance and guide medium term and short term planning that is responsive to the attainment of the NDP priorities leading to 2030. The NDP 5-Year Implementation Plan will allow for the coordination and alignment of priorities across the spheres of government and non-government stakeholders and assist in integrating all components of national development into mainstream planning processes.

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.

5. OVERVIEW OF THE 2019/2020 FINANCIAL YEAR

The Department has the following activities planned for 2019/20:

5.1 Coordinating and supporting planning functions

The Department intends developing the 2020-2024 NDP implementation plan and government’s 2020-2024 Medium-Term Strategic Framework. The 2020-2024 NDP implementation plan contain high-level indicators and targets for the five-year period, which will inform government’s 2020-2024

medium-term strategic framework and, in turn, serve as a monitoring framework linked to government's programme of action monitoring system. As such, government's 2020-2024 medium term strategic framework will provide more detailed information about NDP targets to inform the strategic plans, annual performance plans and budgeting of departments. Activities related to the development of these planning tools are carried out in the Management: National Planning Coordination. Spending in the subprogramme is expected to increase at an average annual rate of 5.3 per cent, from R42.7 million in 2018/19 to R49.8 million in 2021/22.

Activities specifically related to tracking the progress of the NDP's implementation through the 2020-2024 NDP implementation plan are carried out in the Outcomes Monitoring and Support subprogramme in the Sector Monitoring Services programme. Spending in the subprogramme is expected to increase at an average annual rate of 6.4 per cent, from R68.7 million in 2018/19 to R82.8 million in 2021/22.

In 2019/20, the Department plans to conduct its annual review of the alignment of national and provincial departments' annual performance plans with government's 2020-2024 medium-term strategic framework; and will, in consultation with National Treasury, develop an annual budget mandate paper to align budget allocations with medium-term service delivery priorities. These activities are carried out in the Planning Coordination. Spending in the subprogramme is expected to increase at an average annual rate of 5.4 per cent, from R31.5 million in 2018/19 to R36.9 million in 2021/22.

5.2 Monitoring and supporting implementation

Over the medium term, government's 2020-2024 medium-term strategic framework will form the basis of using the programme of action monitoring system, which will identify critical actions to be taken by government towards achieving the NDP's vision while enabling direct links between the NDP, and departmental strategic and annual performance plans. Through the programme of action monitoring system, the department will report to Cabinet bi-annually regarding the implementation of government's 2020-2024 medium-term strategic framework.

These activities are carried out in the Outcomes Monitoring and Support subprogramme in the Sector Monitoring Services programme. Expenditure in the subprogramme is expected to increase at an average annual rate of 6.4 per cent, from R68.7 million in 2018/19 to R82.8 million in 2021/22.

Due to growing demand from parliamentary committees and Cabinet, over the medium term, the department plans to intervene and support the implementation of government policies and programmes at various levels of the service delivery value chain, particularly in provinces placed under administration and in areas of social unrest; and fast-track the implementation of government policies and programmes in critical development issues through Operation Phakisa. Monitoring Services programme. Expenditure in the subprogramme is expected to increase at an average annual rate of 5.9 per cent, from R16.2 million in 2018/19 to R19.3 million in 2021/22.

5.3 Improving the capacity of state institutions

The department plans to provide support for the implementation of the NDP and government's 2020-2024 medium-term strategic framework by monitoring and improving the capacity of state institutions. This will be achieved through the development and use of appropriate tools, such as the management performance assessment tool and the local government management improvement model, that generate monitoring reports regarding the state of compliance with management practices in the three spheres of government. These activities are carried out in the Public Service Monitoring and Capacity Development subprogramme in the Public Sector Monitoring and Capacity Development programme. Expenditure in the subprogramme is expected to increase at an average annual rate of 3.8 per cent, from R82.4 million in 2018/19 to R92.1 million in 2021/22.

5.4 Conducting evaluations to inform interventions

Over the medium term, the department plans to review the 2011 national evaluation policy framework to incorporate methodologies and strategies that will improve a rapid evaluation response for planning and monitoring,

and widen the scope of the department's evaluations. These will include sectoral reviews and extend the national evaluation system to cover public entities, and improve the uptake of implementation plans. These planned activities will enhance the department's knowledge management system to support planning, monitoring and evaluation, and will be carried out in the Evaluation, Research, Knowledge and Data Systems subprogramme in the Evaluation, Evidence and Knowledge Systems programme. Expenditure in the subprogramme is expected to increase at an average annual rate of 3.6 per cent, from R44.2 million in 2018/19 to R49.1 million in 2021/22.

6. STATE OF THE NATION ADDRESS

The Department APP took into account the February and June SONAs aligned with its Planning, Monitoring and Evaluation of Government programmes and functions. The DPME developed the following 7 priorities emanating from SONAs, amongst others:

- To finalise and enable approval of the Medium Term Strategic Framework-NDP 5 Year Implementation Plan and Integrated Monitoring Framework
- Develop a monitoring framework for SONA commitments
- Establishment of the Performance Agreements with Ministers, Deputy Minister and Directors-General
- Spearhead and monitor the implementation of the Public Private Growth Initiative (PPGI) in partnership with the private sector to grow the economy and create jobs
- Monitor the whole of Government on partnership in their implementation of the seven priorities with the Private Sector, the Labour Movement and Civil society
- Monitor the partnership and plans of Development Finance Institutions, State Owned Enterprises and Public Entities and their commitments to the MTSF
- Evaluation and Knowledge Management

7. BUDGET ALLOCATION

The Department of Planning, Monitoring and Evaluation overall budget allocated in 2019/20 financial year is R956.9 million, which increased slightly as compared to the previous financial years. Due to the reconfiguration of the National Macro Organisation of Government, the Department was required to relinquish National Youth Development programme which used to play an oversight over the National Youth Development Agency. The Department is currently awaiting due process to be finalised and transfer the budget of R470.7 million meant for the National Youth Development Programme and the National Youth Development Agency to the Department of Women, Youth and People with Disabilities.

The actual budget allocation for the Department is R486.2 million in 2019/20 financial year, which was as a result of the restructuring of the National Macro Organisation of Government. A significant increase of the budget allocation has been realised in Programme 3: Sector Planning and Monitoring. The programme is responsible to review the delivery outcomes and ensure better integration and coordination of plans through the development of integrated implementation monitoring progress report.

In order to ensure alignment with its new strategic direction, the department implemented its revised organisational structure in 2018/19, which included a revised budget programme structure. As part of the revision, National Treasury approved a reduction in departmental programmes from 7 to 6, effective from 2019/20. Despite the revised organisational structure, the department's number of personnel is expected to average 474 over the MTEF period. Spending on compensation of employees is expected to increase at an average annual rate of 10 per cent, from R282.6 million in 2018/19 to R376.1 million in 2021/22, mainly due to cost of living adjustments. The department's overall expenditure is expected to increase at an average annual rate of 4.8 per cent, from R928 million in 2018/19 to R1.1 billion in 2021/22.

Programme	Revised Estimates	Medium-Term Expenditure Estimate		
		R million	2018/19	2019/20
Administration	163.8	187.2	194.8	202.8
National Planning Coordination	69.1	74.4	81.6	86.7
Sector Planning and Monitoring	79.8	92.2	100.9	107.4
Public Sector Monitoring and Capacity Development	84.9	85.7	91.1	96.8
Evidence and Knowledge System	42.7	46.7	49.4	52.3
Total	440.3	486.20	517.80	546.0
National Youth Development *(<u>migrating</u>)	487.7	470.7	497.3	523.7
Total	928.0	956.9	1 015.2	1 069.7

Table 1: Budget per programme

8. PROGRAMME PERFORMANCE

The Department has five programmes which are as follows:

8.1. 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 R187.2 million in 2019/20 financial year as compared to R163.8 million in 2018/19 financial year. The programme received a significant budget increase of R23.4 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 (R141.9 million) in this programme is allocated to sub-programme: Corporate Services and Financial Administration. The Ministry budget will marginally increase over the medium term period. The spending focus over the medium term is to strengthen the 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 has under programme 1, priorities to conduct an annual review of the Strategic Plan and Annual Performance Plan as prescribed by the relevant planning frameworks and submit the plan for approval and table in Parliament. The Department intends to produce quarterly implementation reports against the Annual Performance Plan for 2019/20. Moreover, the Department aims to maintain the average percentage of funded posts in PERSAL within acceptable 10% rate over the financial year.

The Department is committed to ensure compliance of 100% of valid invoices paid within 30 days. Actually payment to service providers are done in less than 7 days as compared to 30 days. Failure to pay invoices within 30 days constitutes a disciplinary action in the department. The department aims to achieve 100% compliance with the Financial Disclosure Framework by all designated employees within the prescribed time frames. Absorbing 5% of interns to funded posts in the department has been highlighted as a priority over the medium term. Youth as well as people with disability with requisite skills will be given preference in the department when absorbing interns.

8.2. 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 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. Furthermore, 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 budget allocated for the programme is R74.4 million in 2019/20 as compared to R69.1 million in 2018/19 financial year. The budget marginally increased in this programme. Budget increase has been noted on the sub-programmes; Management: National Planning Coordination from R41.5

million to R42.3 million and Planning Coordination from R27.6 million to R32.1 million in 2019/20 financial year. The National Planning Coordination will use the budget to provide technical and administrative support to the three work streams and task teams of the NPC in the implementation of the NDP across different sectors of the society.

The Department will further facilitate and commissions research on the long-term planning trends to produce reports to inform policy and planning in Government. Furthermore, plans and coordinates stakeholders and partnership engagements with various sectors of society on matters pertaining to the long-term development of the country. The Department under this programme intends to develop NDP 5-Year Implementation Plan to provide a medium term roadmap and submit to the Cabinet for approval.

The Department to develop and submit Annual Budget Prioritisation (Mandate Paper) Framework for Cabinet approval. The Department will work collaboratively with responsible departments to finalise the National Spatial Development Framework by consulting on the framework and raise awareness on the NSDF within and beyond government. Further collaborate with the Department of Rural Development and Land Reforms and Department of Cooperative Governance in finalising the transfer of the spatial planning function to the DPME.

8.3. Programme 3: Sector Monitoring Services

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 R92.2 million for 2019/20 financial year as compared to R91.1 million in 2018/19 financial year. The budget will over the MTEF increase substantially as compared to the previous years. Having taken the decision to transfer Socio-Economic Impact Assessment function to the Presidency, the department will transfer budget of R14.8 million allocated to the subprogramme to follow its functions. Therefore, the actual budget allocated in this programme will be R77.8 million in 2019/20 financial year after the decision has been finalised by the relevant authority.

The spending focus in this programme is to track progress towards the implementation of the NDP 2030 through the MTSF 2020-2024. The Department has rationalised the indicators related to monitoring of State Owned Enterprises (SOEs), State Owned Companies (SOCs) and Development Finance Institutions (DFIs). The Department will develop an Integrated Monitoring Framework to monitor the deliverables of 2020-2024 MTSF.

The budget allocated in the 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 draft and submit pro-forma performance agreements of 28 Ministers and 34 Deputy Ministers. Of critical importance, the Department intends to review reports on the alignment of Strategic Plans and Annual Performance Plans of national and provincial departments with MTSF priorities.

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 two integrated assessment reports on the implementation of the Operation Phakisa Delivery Labs.

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. In addition to the key deliverables, the Department will produce one progress report on the implementation of the Public Private Growth initiative.

8.4. 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, Frontline Monitoring Support, and PM&E Capacity Development Coordination.

The main purpose of the programme is to review, monitor and support the implementation of the medium term strategic framework's outcome 12. Further develop and implement strategic interventions to support and unblock implementation. The Department will facilitate service delivery improvements through frontline and citizen based monitoring and effective complaints resolution system. The Department to support initiatives undertaken to unblock problems and accelerate implementation of goods management practices in all departments. The Department to facilitate implementation of NDP Chapter 13 and MTSF Priority 6 on "A capable, ethical and developmental state".

The revised organisational structure in 2018/19 resulted in the merging of programme 4 and 5 from the old structure into one programme. The main focus of the branch was reviewed. The budget allocated for the Public Sector Monitoring and Capacity Development programme is R85.7 million for the 2019/20 financial year which has increased slightly as compared to budget of R86.3 million in 2018/19 financial year. Over the medium term, the budget will significantly increase to ensure the Department fulfil its programme 4 activities of Public Service Monitoring and Capacity Development.

The spending focus in this programme will be to facilitate assessment and provide support to build technical and workplace capabilities to deliver on government priorities and monitor frontline service delivery. The Department prioritise to facilitate implementation of the NDP chapter 13 and MTSF Priority 6 on “A capable, ethical and developmental state”.

In responding to the State of the Nation Address regarding the monitoring of the State Owned Enterprises (SOE), the Department to provide Integrated Report on the state of public entities. 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 to report on the submission of performance agreements received in relation to the Directors General/Heads of Department in the public service.

The Treasury Regulations Section 8.1.1 stipulates that an accounting officer of an institution must ensure that internal procedures and internal control measures are in place for payment approval and processing. The Treasury Regulation 8.2.3 further 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 light of the above, the Department will monitor and produce analytical reports on 30 day payments on a quarterly basis to ensure service providers are paid timeously.

8.5. Programme 5: Evaluation, 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.

The key focus of the Department is to expand the National Evaluation System to cover the whole of government including SOEs and DFIs. The Department to conceptualise knowledge management system to service DPME and government. Further build a more diverse set of evaluative tools and methodologies to provide rapid analysis including sectoral and synthesis evaluations. The Department to develop evidence plans per sector

to inform an evidence agenda and identify knowledge gaps; and strengthen the link between evaluations, research and data to inform planning, monitoring and budgeting.

The budget allocated in programme 6 is R46.7 million in 2019/20 financial year as compared to R42.7 million in 2018/19 financial year. There is a nominal increase in the budget allocated in 2019/20 financial year as compared to 2018/19 financial budget. The spending focus on the programme will be on conducting eight National Evaluation Plans and four research projects as well as eight data analytic products. The bulk of the budget of R43.9 million in this programme is allocated in the subprogramme Evaluation, Research, Knowledge and Data Systems.

The budget will be spent on consolidating the knowledge products from all DPME database and produce report on the review of evidence based policy decision making training programmes in 2020. The Department plans to review the National Evaluation Policy Framework and National Evaluation Plan. In addition, the Department to provide a progress report on the implementation of the NEP by 2020 and revised Knowledge Hub Business Plan by September 2019. Development Indicators are some of the deliverables planned to be produced by March 2020.

9. Government Communication and Information System

9.1 Mandate of the GCIS

The GCIS was formally established in terms of section 239 of the Constitution of the Republic of South Africa of 1996 and as a strategic unit in The Presidency in terms of section 7 of the Public Service Act, 1994 (Act 103 of 1994). Furthermore, GCIS's mandate is derived from section 195(g) of the Constitution of South Africa (1996), which stipulates that the public should be provided with information that is timely, accurate and accessible. This is in support of the constitutional principles of freedom of expression, and transparency and openness of government.

The primary responsibility of the GCIS is to ensure the democratic strength, success and security of the country through rapid, responsive and continuous communication of government achievements in meeting the mandate to rule given by the citizens of South Africa. The GCIS is further responsible for providing strategic leadership and coordinating a government communication system that ensures that members of the public are informed and have access to government programmes and policies.

9.2 Budget Allocation

The budget allocated for the GCIS is R441.7 million in 2019/20 financial year as compared to R423.6 million allocated in 2018/19 financial year.

Table 2: Budget per programme

Programme	Revised Estimates	Medium-Term Expenditure Estimate		
		2018/19	2019/20	2020/21
Administration	162.0	163.8	173.8	184.3
Content Processing and Dissemination	148.0	148.0	163.1	173.5
Intergovernmental Coordination and Stakeholder Management	113.8	125.0	134.5	142.6
Total	423.6	441.7	471.4	500.3

Estimate of National Expenditure 2019

9.3 Programme Performance

The GCIS has three programmes which are as follows:

9.3.1 Administration

The main purpose of the programme is to provide strategic leadership, management and support services to the department. The programme has five sub-programmes which are as follows; Strategic Management; Human Resources (HR); Information Management and Technology; Chief Financial Officer; and Internal Audit. The budget allocated for the programme is R163.8 million.

9.3.2 Content Processing and Dissemination

The purpose of the programme is to provide strategic leadership in government communication to ensure coherence, coordination, consistency, quality, impact and responsiveness of government communication. There are three sub-programmes which are as follows; Products and Platforms, Policy and Research; and Communication Service Agency. The budget allocation for the programme is R152.9 million.

9.3.3 Intergovernmental Coordination and Stakeholder Management

The purpose of the programme is the implementation of development communication through mediated and unmediated communication and sound stakeholder relations and partnerships. The programme aim to maintain and strengthen a well-functioning communication system that proactively informs and engages the public. There are three sub-programmes which are as follows; Provincial and Local Liaison; Cluster Communication; and Media Engagement. The budget allocated for the programme is R125.0 million.

10. Media Development and Diversity Agency

10.1 Legislative Mandate and budget

The MDDA mandate derives from the MDDA Act No. 14 of 2002 and established in 2003 in order to enable historically disadvantaged communities and individuals to gain access to the media. MDDA started providing grant funding to projects on January 2004. The MDDA is a statutory development agency for promoting and ensuring, media development and diversity, set up as a partnership between the South African government and major print and broadcasting companies to assist in among others developing community and small commercial media in South Africa.

The mandate of the MDDA is to create an enabling environment for media development and diversity which reflects the needs and aspirations of all South Africans; redress the exclusion and marginalisation of disadvantaged communities and people from access to the media and the media industry; promote media development and diversity by providing support primarily to community and small commercial media projects; encourage ownership and

control of, and access to, media by historically disadvantaged communities as well as by historically diminished indigenous language and cultural groups; encourage the development of human resources and training, and capacity building, within the media industry, especially amongst historically disadvantaged groups; encourage the channelling of resources to the community media and small commercial media sectors; and raise public awareness with regard to media development and diversity issues.

The MDDA promotes media development and diversity to ensure that all citizens can access information in a language of their choice, and to transform media access, ownership and control patterns in South Africa. The Agency's total budget for 2019/20 financial is R69 million.

10.2 Programme Performance

The activities of the MDDA are structured into five programmes, which are:

(a) Programme 1: Governance and Administration

The programme ensures effective leadership, strategic management and operations through continuous refinement of organisational strategy and the implementation of the appropriate legislation and best practices.

(b) Programme 2: Grant and Seed Funding

The programme promotes media development and diversity through financial and non-financial support for community broadcasting as well as community and small commercial print projects. The programme consists of two strategic objectives encapsulated in two sub-programme.

(c) Programme 3: Partnerships, Public Awareness and Advocacy

The programme seeks to position the MDDA as a leading influencer and authoritative voice in the community and small commercial media, by playing a key role in the national dialogue on the sector, through implementation of strategic partnership to carry out Media Development and Diversity Interventions.

(d) Programme 4: Capacity Building and Sector Development

The programme aim to encourage the development of human resources, training and capacity building within the media industry, especially amongst historically disadvantaged groups. In achieving the desired outcome, the

Agency has developed capacity building programmes, which aim to provide community and small commercial media with necessary skills needed for effective performance in day to day work.

(e) Programme 5: Innovation, Research and Development

The purpose of the programme is to encourage research regarding media development and diversity. The programme seek to enrich research and information to the sectors that inform programme development and strategic focus.

11. Brand South Africa

11.1 Legislative Mandate

BSA was established as a trust in 2002 and gazetted as a schedule 3A public entity in accordance with the PFMA No.1 of 1999. Its purpose is to develop and implement a proactive and coordinated international marketing and communications strategy for South Africa; to contribute to job creation and poverty reduction; and to attract inward investment, trade and tourism.

BSA aims to make an indirect contribution to economic growth, job creation, poverty alleviation and social cohesion by encouraging local and foreign investment, tourism and trade through the promotion of Brand South Africa. BSA develops and implements a proactive and coordinated international marketing and communications strategy for South Africa to contribute to job creation and poverty reduction, and to attract inward investment, trade and tourism. The organisation's total budget for 2019/20 is R218.9 million.

11.2 Programme Performance

The BSA has three main programmes namely:

(a) Programme 1: Administration

The programme seeks to provide management and leadership to develop standardised format of guidelines and templates to strengthen the means of verification and collecting and reporting on performance information.

(b) Programme 2: Brand marketing & reputation management

The programme seeks to develop and articulate a Nation Brand identity that will advance South Africa's long-term reputation and global competitiveness. This includes a focus to research and monitor sentiment and performance of the National Brand to analyse trends and provide insights to inform decision making and communication and then to both proactively and reactively communicate the country's value proposition, values and highlight progress being made.

(c) Programme 3: Stakeholder relationships

The programme seeks to build and leverage collaborative partnership, to participate, to integrate and coordinate efforts and approaches to market the Nation Brand identity and promote the Nation's value proposition and to interface meaningfully with stakeholders who drive or influence the Nation Brand and its reputation.

12. OBSERVATIONS AND KEY FINDINGS

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

- 12.1 The Committee considered the presentations of the Department of Planning, Monitoring and Evaluation and entities (Government Communication and Information System, Media Development & Diversity Agency and Brand South Africa) on the Annual Performance Plans for 2019/20 financial year.
- 12.2 The Committee notes the changes in the Department Annual Performance Plan as a result of the reconfiguration of the National Macro Organisation of Government. The Department relinquished the National Youth Development programme which used to conduct oversight over and be the conduit of the budget of the National Youth Development Agency. The Department transferred the abovementioned to the Department of Women, Youth and People with Disabilities as per the proclamation made by the President.

- 12.3 The Committee notes additional entities to the Minister in the Presidency, however, the location of these entities in terms of the Budget Vote would still be decided in due course.
- 12.4 The Committee noted the report by the Department to the effect that the National Planning Commission intends to review the National Development Plan where necessary.
- 12.5 The Committee urged the Department of Planning, Monitoring and Evaluation to publish Twenty-Five (25) Year Review of government performance on its website. The main purpose of the “25 Year Review” is for government to reflect, monitor and evaluate its performance over the past years to determine whether services were delivered as promised and in improving the lives of the citizens. The 25 Year Review will assist legislatures to strengthen its oversight accountability in weak areas identified by the report.
- 12.6 The Committee welcomed and notes the decision of the Department to assess bi-annual performance agreements of the Directors-General/Heads of Department aligned to the to the Medium Term Strategic Framework as well as the National Development Plan.
- 12.7 The Committee notes the role of the DPME in assessing performance of the Directors-General and Heads of Department (HoDs) in the public service. The Department has to monitor adherence of the timeframes encapsulated in the approved Policy on Performance Management and Development System for Senior Management.
- 12.8 The Department has to ensure coordination and alignment happens across all spheres of government as there are the main custodian of the development of the NDP 5-Year Implementation Plan. The Committee was of the firm view that the Department together with the National Treasury has to play a meaningful role in enforcing alignment and coordination of plans across the spheres of government more particularly when analysing departmental strategic plans and annual performance plans.

- 12.9 The Committee welcomes the introduction of a revised framework for Short and Medium Term Planning which introduce new requirements for strategic and annual performance planning, operational planning, implementation programme planning, infrastructure planning, monitoring, reporting and evaluation. The final draft framework will be finalised in 2019. The Department was urged to present such reforms to the Committee.
- 12.10 The Committee supports the Department working in collaboration with the National Treasury to ensure that the national budget is directed towards attaining the objectives of the NDP through the development of the Mandate Paper (Annual Budget Prioritisation Framework).
- 12.11 The Committee urged the Department to finalise the process of transferring the spatial planning function from the Department of Agriculture, Rural Development and Land Reforms. Transferring of this key component to the DPME would strengthen effective planning by illustrating the desired patterns of the land use and direction for socioeconomic growth in order to attract investors.
- 12.12 The Committee was concerned about the slow progress in implementing Special Presidential Package to improve living and working conditions in and around mining towns. The Committee highlights that the emphasis on the Distressed Mining Towns should focus on implementing comprehensively the Special Presidential Package rather than provision of low cost housing.
- 12.13 The Committee welcomes the announcement by the Minister in the Presidency that the department would embark on introducing initiatives aimed at building a capable, ethical and developmental state, including the updating of the National Development Plan by the National Planning Commission.

Government Communication and Information System (GCIS)

- 12.14 The Committee welcomes and notes approved government wide Communication Policy to ensure standardisation and rules governing communication pertaining to matters of communicating government statements across all spheres of government. The approved Communication Policy will assist government to mitigate contradictory statements issued by various government institutions. The GCIS has the responsibility to monitor compliance with regard to government wide Communication Policy prescripts across all levels of government.
- 12.15 The Committee was concerned about the vacancy rate in the GCIS. The Committee urged the Minister to attend to the vacancy rate in the institution and ensure all strategic positions are filled timeously.
- 12.16 The GCIS has to ensure government important statements/messages are conveyed, updated and published timeously on the website. The GCIS has the responsibility to ensure all citizens across the country have access to government information.

Media Development and Diversity Agency

- 12.17 The Committee welcomed the initiative to conduct a skills audit in the Media Development and Diversity Agency to assess the readiness of the Community Radio Stations in responding to the Fourth Industrial Revolution.
- 12.18 The Committee was concerned with the vacancy rate at the Board level. The matter will be attended to by the Committee in collaboration with the Portfolio Committee on Communication since they have commenced with the recruitment processes in the fifth Parliament.
- 12.19 High turnover of the Chief Executive Officers in the Agency is alarming and shocking. The Minister's urged to stabilise the Agency by filling strategic funded vacancies.

- 12.20 Community radio stations are the cornerstone to communicate government messages to the people, therefore, the Agency has to provide adequate funding and mentoring to these radio stations.
- 12.21 The Committee was alarmed about the lack of transformation in advertising and urge the Agency to lobby local companies to market their products on the Community Radio Stations in order to boost their revenue streams.

Brand South Africa

- 12.22 The Committee notes the role played by the Brand South Africa to manage the National Brand reputation in order to improve the country's global attractiveness and competitiveness.
- 12.23 The Committee urged Brand South Africa to balance its marketing strategy and promote more products produced through cultural diversity and heritage international as part of the strategy to attract tourist.
- 12.24 The Committee was pleased and applauds Brand South Africa's Play Your Part (PYP) movement which has progressively gained recognition as an outreach initiative for inspiring, empowering and celebrating active citizenry meant to lift the spirit of the nation
- 12.25 Brand South Africa needs to collaborate with institutions aimed to promote young people innovative ideas to the international investors. Brand South Africa has to create platforms in the country and in the international stages to market brands developed by youth.

Applicable to all entities

- 12.26 The Committee will request reports regarding all new entities from the Portfolio Committee on Communication with the aim of tracking recommendations passed by Parliament. The main purpose of this exercise is to afford the Portfolio Committee with an opportunity to understand the sector and ensure its oversight is well informed about the entities.

13. RECOMMENDATIONS

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

13.1 The Department should ensure all stakeholders interested in the Integrated Planning Framework Bill are thoroughly consulted more specifically the South African Local Government Association before the Bill is tabled in Parliament. The Bill should foster coherence, integration, coordination and alignment of planning across the three spheres of government with main purpose of achieving the objectives of the National Development Planning and National Spatial Development Framework.

13.2 The Department should finalise its consultation with the Department of Agriculture, Rural Development and Land Reforms on the transfer of the spatial planning function to the DPME. Transfer of the spatial planning function to the DPME should be prioritise urgently in order to guide the spatial planning of land development and direct long term investment in the country.

13.3 The Department should strengthen its capacity to monitor adherence to the Policy on Performance Management and Development System for Senior Managers more particularly performance assessments of the Directors-General/Heads of Department across the public service. The Department should ensure the payment of performance bonuses correlate with the departmental performance when assessed by the DPME.

13.4 The Department should intensify its monitoring activities in government facilities through the Frontline Service Delivery Monitoring Tool as a way of improving efficiency of service delivery. The Department should conduct more unannounced monitoring visit to monitor conditions and provision of services in government facilities.

- 13.5 The Department should continue to monitor departments' adherence to 30-day payment to suppliers particularly in the provincial governments. Government departments should be encouraged to pay invoices earlier than 30 days.

Government Communication and Information System (GCIS)

- 13.6 The GCIS must monitor the implementation of the approved government Communication Policy across all three spheres of government. The GCIS must conduct training workshops to all communicators in government about the implementation of the policy.
- 13.7 The GCIS should develop a strategy to engage with the public about the danger of the recent rise of fake news to circumvent such to happen in communicating government statements/messages. The GCIS must be proactive in monitoring the fake news in all social media platforms and intervene timeously.
- 13.8 The Minister should urgently attend to the vacancy rate which is above acceptable threshold prescribed by the Public Service Regulations of 2016 in the Government Communication and Information System. The GCIS should prioritise filling strategic funded vacancies and report to the Committee in eight months' period.
- 13.9 The GCIS together with the Department of Public Service and Administration and Department of Cooperative Governance and Traditional Affairs should resolve and decide on the location and the funding model of the Thusong Service Centres since these centres are not adequately funded and are dislocated. The GCIS should review its position on the Thusong Service Centres since these centres have evolved from merely being institutions communicating government information, but regarded as centres meant to provide integrated government services closer to the people.

Media Development and Diversity Agency

- 13.10 The Media Development and Diversity Agency should develop a strategy to encourage print media industry to assist the Agency in transforming the outlook of the Community Radio Stations in order to leverage their revenue streams and enhance quality of their content.
- 13.11 The Minister should expedite the filling of strategic funded posts in Senior Management level to ensure stability in the Agency within eight months' period.
- 13.12 The MDDA should continue implementing recommendations of various reports adopted by the Portfolio Committee on Communication in this transitional period.

Brand South Africa

- 13.13 Brand South Africa should continue to market the National Brand to the international investors in order to attract them to invest in the country. BSA should be proactive in protecting the country's reputation through marketing the National Brand by promoting positive publicity about South African brands.
- 13.14 Brand South Africa should strengthen its approach or strategy to market the National Brand to the international markets by covering a wide spectrum on positive developments happening in the country.

14. CONCLUSION

The Department of Planning, Monitoring and Evaluation is among government departments affected by the changes of the National Macro Organisation Structure. The Department was required to relinquish the following functions; National Youth Development programme and the National Youth Development Agency to the Department of Women, Youth and People with Disabilities. The Department will also transfer the Socio-Economic Impact Assessment (SEIAs) to the Presidency. Transfer of these functions reduced the budget allocation of the Department in the vote. New

entities are also added to the Minister in the Presidency, however, government would still decide on the location in terms of the vote. Reconfiguration was mainly about alignment of government to function effectively.

With all these changes in the macro organisational structure of government, the Department's mandate remained the same of improving and strengthening government wide planning as well as monitoring and evaluating government performance. The Committee will continue to support and exercise oversight over the Department in ensuring government planning is informed by the Programme of Action and Medium Term Strategic Framework aligned to the objectives of the NDP. The achievement of the NDP requires collaboration, integration and cooperation across all levels of government including the private sector. The Committee is looking forward for the department to develop NDP 5-Year Implementation Plan to advance and guide medium and short term planning of 6th government.

The Committee further welcomes the decision to instil a culture of performance in senior management levels across the public service. The Department will ensure performance agreements of the Directors-General and Heads of Department are aligned with the deliverables of the MTSF and assessed bi-annually.

The Department has a critical role to play in enhancing government's performance. There is a growing demand for the DPME to intervene and support in the implementation of the service delivery. The Committee notes that the Department sit in numerous Inter-Ministerial Committees and service delivery interventions which put strains on the budget as well as staff.

The Portfolio Committee recommends as follows:

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

Report considered