



**MINISTRY  
PUBLIC SERVICE AND ADMINISTRATION  
REPUBLIC OF SOUTH AFRICA**

**Budget Vote Speech by the Minister for the Public Service and Administration,  
Ms. Ayanda Dlodlo, MP**

**Debate on Vote 10 – Public Service and Administration**

**Wednesday, 16 May 2018; 16H00; Old Assembly Chamber, Parliament, Cape Town**

Honourable House Chairperson;

Honourable Deputy Minister for the Public Service and Administration;

Honourable Chairperson and Members of the Portfolio Committee,

CEOs and Commissioners of Entities

Directors General

Esteemed Guests,

Media Practitioners,

Ladies and Gentlemen;

In recently returning to this crucial portfolio as Minister for Public Service and Administration, I was delighted when the Honourable President, Cyril Ramaphosa, in his maiden 2018 State of the Nation address, boldly, but graciously set the scene, by translating directly the envisaged groundbreaking public sector reforms from the social vision of the National Development Plan. In carving out the work-plan for the Public

Service and Administration portfolio for the Financial Year 2018-19, the President said the following: and I quote:

*“Growth, development and transformation depend on a strong and capable state. It is critical that the structure and size of the state is optimally suited to meet the needs of the people and ensure the most efficient allocation of public resources. We will therefore initiate a process to review the configuration, number and size of national government departments.”*

I close quotes.

We have also taken note of the resolutions taken at the 54<sup>th</sup> national conference of the African National Congress, which, resolved that the transformation and modernisation of public administration should deal comprehensively with human resource development, capacity building and professionalization of the public administration and establishment of necessary systems and processes.

The conference resolved that the National School of Government must play a central coordinating role in capacitating employees in all spheres of government, provide support for talent management and provide guidance for appointments, succession planning and career development.

This will require specific interventions such as the establishment of a national competency assessment center, implementation of a public service skills database, and policy proposals for the setting of compulsory competence requirements for certain occupational categories for entry or mobility within the public service.

## **Honourable Members**

As the Minister responsible for Public Service and Administration, I condemn the wanton acts of violence and destruction of property, which we have witnessed in recent weeks in the North West and other provinces.

Whilst we understand and appreciate the frustration and grievances of our people with regard to service delivery and their constitutionally entrenched right to protest, we must equally remind everyone that our constitution protects the rights of every citizen to their dignity, safety and access to services such as health and education.

It is unacceptable that elderly people and children should be forcefully denied their constitutional rights to access public services such as it happened in Mahikeng and Klerksdorp.

Accordingly as government, we will act decisively against any elements that perpetuate violence and destroy property of the state, which in the end compromises the ability of government to deliver the same services that communities desperately need.

Using the provisions of the recently signed public service charter, we will strengthen collaboration with departments across spheres of government, to confront the challenges of service delivery.

We will also initiate a process with the Department of Cooperative Government and Traditional Affairs to harmonize the two pieces of legislation contemplated by section 100 and 139 of the Constitution respectively.

Both the Provincial Monitoring, Support and Intervention Bill, initiated by my department and the Intergovernmental Monitoring, Support and Intervention Bill by COGTA, are aimed at defining intervention and implementation mechanisms at provincial and local level in the event that section 100 and 139 are invoked.

I will meet with Minister Mkhize of COGTA to expedite this important work without delay.

**Honorable Members, Ladies and Gentlemen,**

We are indeed most inspired as we stand before you to table this 2018/19 Financial Year Budget Vote before this house, with renewed vision, energy and hope.

I stand before you humbled, as I pay tribute to the former Honourable, Dr. Zola Skweyiya, the founding Minister for the Public Service and Administration, who recently bowed out of the theatre of life and Public Service.

We are eternally grateful for the foundational legacy of his seminal work in translating Constitutional provisions to values and principles for public administration.

Let us remember that he was also the trailblazer architect who introduced the current day institutionalized Batho Pele Principles and pioneered the establishment of the post 1994 integrated national public service.

I implore all public servants to live this exemplar of a true servant of the people.

We will take the baton and continue his rich legacy by driving the ongoing macro configuration of government, as constitutionally expected. We will ensure a fit for purpose state machinery, focusing on the work that the department has just completed around the *center of government project*, as envisaged in the embryonic 1998 Presidential Review Commission work.

We will give credence to the call from the President, to restructure government in order to enhance service delivery by removing superfluous functions and structures. This would mean a reduced executive and a clearly defined role of the National Administration within national government.

This extends to and links snugly with the important work of the Presidential Review Commission whose task is to review and restructure state owned entities to make them more efficient and impactful in the economy. The public service itself must undertake this important exercise with regard to its own specialized entities in order to address the challenge of the current structure and size to introduce efficiencies which will help government to deliver services more efficiently.

## **Honorable Members, Ladies and Gentlemen,**

To assist me in guiding the delivery of this portfolio's mandate, please join me in taking this opportunity to welcome our newly appointed Deputy Minister, Dr. Chana Pilane – Majake who will present her maiden Budget Vote to this house today. With her outstanding history as a long-standing activist and an erstwhile member of this house, Dr. Pilane – Majake brings a wealth of experience to this portfolio.

## **Honourable Members**

We also present this Budget Vote at a critical time in our country's history. A time when our government and its people celebrate the legacy of one of its outstanding sons of the soil.

Nelson Rolihlahla Mandela, a leader of our people, icon of our struggle and an inspiration to countless generations of our freedom fighters would have turned 100 years old in July this year.

We salute his courage and sterling efforts in building a foundation for a free, democratic and prosperous South Africa. As public servants, we take courage in his enduring legacy as a committed and principled servant of the people.

In the same vein, we also celebrate the contribution of Mama Albertina Sisulu, who herself has left an indelible mark in the history of our struggle for freedom and democracy.

The progressive constitution we are all proud of, the stable democracy and the future that is free of oppression and prejudice, all constitute the products of hers and her generation's sterling efforts as freedom fighters and lovers of their toiling masses.

## **Honourable Members:**

These tributes would not be enough without reflecting on the sterling and selfless contribution of Mam Winnie Madikizela-Mandela, who dedicated her entire adult life and career to the service of the people.

When she became the first black medical social worker more than six decades ago, Winnie Mandela distinguished herself as a selfless public servant and lover of humanity.

Abandoning a lucrative scholarship to study abroad, she chose to spend her life among the needy and vulnerable to become a foot soldier in the fight against dehumanizing poverty, degradation and racial hatred.

This kind of courage and commitment should inspire us to serve our people with humility, dignity, commitment and a sense of accountability.

### **Honorable Members:**

This Budget Vote is based on the 2018/19 Annual Performance Plan, with the total allocation of **R956, 656, 000** for the entire Ministry of the Public Service Administration portfolio.

The budget expenditure will focus on the critical tasks of strengthening the capacity of the state to deliver services to our people, encourage innovation in service delivery, and root out corruption in our continuous effort of building an effective and capable developmental state.

We therefore aptly chose and adopted the theme: ***“Together We Move the Public Service Forward”***, in response to the President’s message of renewed commitment to serve our people with pride, diligence and dignity, by efficiently and effectively utilizing limited and constrained state resources.

We have taken this plea to heart and we will work tirelessly to ensure that every public servant internalizes and implements it without fail. In doing so, we will be complimenting the efforts of some of our hard working public servants, such as the winner of our **5th Annual Batho Pele Excellence Awards** in the category of **Best Batho Pele Performer, Mr. Phikane Rodgers Mngomezulu** .

***(May you please rise).***

We take this opportunity to congratulate and appreciate Mr. Mngomezulu for walking in the footsteps of all our decorated, hardworking and selfless public servants.

I am also pleased to inform the house that the President has re-appointed me to serve as South Africa's Special Envoy to the Open Government Partnership (OGP). This brings an opportunity for us to continue the work of building platforms that enable partnerships between government and civil society.

The Open Government principles mirror our public service reform ethos, which include: Transparency, Oversight and Participation (TOP) through which we hope to improve governance and service delivery to our people.

**Honorable Members:**

In this financial year, we will accelerate our programs to build a cadre of public servants who will be change agents, enablers and facilitators of integrated good governance and public administration towards the achievement of the country's social Vision 2030.

We will accelerate the implementation of the Public Service Charter, which is a social compact between us and labor to enhance service delivery at local level. Although advocacy and capacity building was done with several provinces and national departments, concrete social compacts are needed to recommit our dedication of services to our people within the spirit of Batho Pele.

In the meantime, we are developing our own monitoring mechanisms as a way of improving service delivery as envisaged in the Public Administration Management Act of 2014. Some of this work, including the research undertaken on the Thusong service centres, as well as the Geographic Accessibility studies, will contribute towards strengthening our service delivery capacity.

**Honourable Members**

The master brand and tagline of the mandate of the department for Public Service and Administration, is that of '*setting norms and standards*', both in the Public Service Act, 1994, as well as the Public Administration Management Act, 2014.

I am pleased to announce that the department is in the process of incubating the Office of Standards and Compliance, which will assist us in the establishment of codified minimum norms and standards and enforcement of compliance for Public Administration throughout the country.

After wide consultation, both locally and internationally, we have developed a *Draft Strategic Framework for Public Administration Norms and Standards*, which provides the principles and organisational tools to measure organisational performance. These in turn have been included in a comprehensive *Organisational Performance Evaluation System*, which includes both the Organisational Functionality Assessment and the Productivity Measurement Frameworks.

We are almost ready, during this financial year, to move into the establishment phase and will be ready to pilot the project in the following year. We intend to implement this project fully by the year 2020/21.

As part of this important work and to ensure the achievement of these objectives, we had an obligation to review the Performance Management and Development System (PMDS) for members of the Senior Management Service (SMS), including the PMDS for Heads of Department (HODs).

In this regard, I am glad to announce that the department has reviewed and developed a new performance management system for the entire public service.

For Heads of Departments the performance management system integrates the management of individual performance with the management of organizational performance. Various management control tools will also be used to validate the performance outcomes of HODs such as the Auditor-General's Report and the departmental Annual Report.

In this financial year, further work will be undertaken to refine and enhance performance agreements across all levels of employees to ensure accountability and productivity measurement.

## **Honorable Members:**

We will also benefit immensely from the work of the Public Service Commission in the area of Public Service leadership and human resource management. In this regard, the PSC will conduct an evaluation of the recruitment and selection system in the Public Service, as well as the Performance Management Development System (PMDS).

This study is aimed at ensuring that appointments are based on the principles of meritocracy as envisaged in Outcome 12 of the Medium Term Strategic Framework (MTSF) (2014-2019) with the key tenet of professionalizing and making the Public Service an employer of choice.

To strengthen the fight against corruption, the Department together with the PSC will undertake the following activities:

- We will convene and ensure the effective and efficient functioning of the National Anti-Corruption Forum, which will bring together all social partners who are involved in efforts to fight corruption in the public service.
- We will strengthen the management of the National Anti-Corruption Hotline (NACH), which plays a strategic role as an important public participation mechanism to report cases of alleged corruption.
- We will drive the promotion of professional ethics through conducting workshops with selected government departments.
- The PSC will issue a factsheet on completed disciplinary proceedings on financial misconduct for the 2017/18 financial year where we will also report on the closure of cases
- It will also conduct an assessment of the implementation of the Financial Disclosure Framework for the 2017/18 financial year, as ethical leadership in the public service remains one of the pillars of a developmental Public Service.

In responding to the call by the President, we are developing a framework, which will inform how we institute or conduct lifestyle audits on all Public Service employees. This is in addition to existing measures, which prohibit employees from conducting business with organs of state.

Together with the National Treasury, we continue to monitor this practice using the registration interface between the National Treasury's Central Supplier Database (CSD) and the Personnel Salary System. Employees registered on the CSD and those found to be conducting business with an organ of state, are reported to my department for disciplinary action with immediate effect.

In this regard we are glad to report that in the 2017/2018 financial year, the PSC produced a *"Factsheet on completed disciplinary proceedings on financial misconduct for the 2016/2017 financial year"*, which shows that 1150 disciplinary proceedings on financial misconduct were completed, 683 of which were found guilty.

**Honorable Members,**

We still sit with a challenge with the management of discipline within the public service, especially with respect to the duration to resolve such cases, as well as departments choosing to use private law firms, usually outside the legally allowed prescripts.

In the past year, we have put formal mechanisms in place to provide assistance to such departments via a pool of experts from various sectors to either prosecute or chair such disciplinary cases.

We will intensify our efforts during this financial year, to ensure that all departments get the assistance and guidance they need to deal with such cases and other labor relations related matters.

We remain concerned about the moribund nature of the Public Administration Ethics, Integrity and Disciplinary Technical Assistance Unit, which was established a few years

ago. The revival of this institutional mechanism will strengthen accountability, efficiency and transparency of public institutions in delivering services to the South Africans.

As envisaged, the Unit will provide technical assistance and advisory support on corruption related misconduct cases to ensure the uniform application of the Disciplinary Code and Procedure in the public service and to address the poor management of discipline and non-compliance with ethical prescripts.

**Honorable House Chairperson:**

On our appointment as Minister, we were immediately seized with the matter of concluding negotiations on the Public Sector multi-term Wage Agreement.

I am pleased to announce that government has tabled an offer for negotiations at the bargaining chamber and the parties are all fully engaged in the process. The offer provides for a cost of living adjustment, increase in the housing allowance for certain levels and the equalization of pay progression for all employees in the public service.

I recognize and appreciate the commitment and understanding of all social partners throughout the process. I am confident that in due course, the parties will arrive at an amicable outcome, which will be workable and sustainable for all of us.

I would also like to thank my Cabinet colleagues, in particular the Mandate Committee of Ministers and the executive consultative committee, for their constructive support in enabling my department to manage this process.

This process marks the beginning of a broader process to address the rising public sector wage bill within the context of a constrained economic environment.

We will lead a government wide process of initiatives to mitigate the impact of the rising public sector wage bill. Among others, will be:

- The development of a comprehensive remuneration strategy that covers the three spheres of government including public entities in the medium term.
- We are also seized with extensive work to look at the organizational structure of departments. This will result in a directive that will seek to limit the appointment of personnel additional to the structure and this will be done without affecting the operations of the department.
- Ensure strict adherence to the guidelines of the Ministerial handbook in respect of the appointments of support staff in Ministries.
- Strict management of overtime, performance bonuses, leave management, implementation of Occupation Specific Dispensation and separation management.
- To work extensively to finalize the Government Employees Home Owners Scheme to ensure affordable housing for all public servants.

The above initiatives will ensure that personnel expenditure remains within the budget ceiling of the medium term expenditure framework. Once the agreement is signed, we will ensure that these measures and initiatives are incorporated into the performance agreements of Heads of Departments and entities to guarantee their implementation and success.

All other measures to effect efficiency and effective management of the administration we have announced throughout the speech will be incorporated into the performance agreements of Heads of Departments.

**Honourable Members:**

One of the critical areas, which burden the fiscus, involves the ICT expenditure, which currently, stands at R 35, 7 Billion Rand as per the figures of the 2016/17 financial year. The key cost drivers for such expenditure is consulting and solution implementation services, networking cost as well as software licensing.

Together with the National Treasury, we are undertaking some cost cutting measures in relation to some of these costs. In the last financial year, we succeeded in renegotiating the Microsoft licences as well as mobile communication services leading to a saving of about 40% of the initial mobile communication bill.

I believe that much more can and should still be done to reduce our expenditure in mobile communications. The current repurposing of SITA must ensure that solution deployment skills are available to government at a far lower cost to further reduce ICT costs in the public service.

We will be auditing ICT systems across government with the intention of identifying good practices and ensuring that government shares solutions that are already working. This will reduce the practice of procuring disparate ICT systems.

We are also developing a Cloud Policy for the public service to introduce efficiencies and reduce the total costs of owning and operating data centres by government. This further reduces costs associated with capital investment on back-end ICT hardware.

We are also in the process of developing a public sector data governance framework in order to establish ownership of systems and data. The framework will facilitate data sharing within the administration and guide departments on how to manage data from acquisition to disposal.

### **Honorable Members:**

The department will collaborate with GEMS on a National Wellness Campaign of screening and testing of public servants and their dependents on Communicable and Non-Communicable diseases.

The health and welfare of our employees continues to be of central importance.

I am glad to announce that GEMS is at work in realizing the objectives set out in the State of the Nation Address

The scheme introduced the Emerald Value Option in January 2017, which reduced the cost of care by 16.4% during the last financial year. Current estimates are that if applied across the medical schemes industry, the care coordination principles could save up to R20 billion per annum.

This has also contributed significantly to improved healthcare outcomes, which are evident through a decline in the hospital admission rate of 11.2% on the option.

### **Honourable Members**

As I conclude, I would like to pledge our support and commitment to the Annual Africa Month Program whose theme celebrates our icon, Nelson Rolihlahla Mandela: "***A Year of Nelson Mandela – Building a Better Africa and a Better World***". Africa Month celebrates the achievements of our beloved continent.

We will continue the celebration of these achievements through to the Africa Public Service Day in June and the National Public Service Month in September, which elevate the value and virtue of service to the community. We urge the entire public service to join us in these celebrations and enhance the revered principles of Batho Pele through commitment to service.

In the words of the founding Minister for the Public Service and Administration, Dr. Zola Skweyiya;

*“Access to decent public services is not a privilege to be enjoyed by a few. It is the rightful expectation of all citizens. The transformation of the public service will be judged by the practical differences which people see in their everyday lives.”*

This is what drives our commitment to our values – ***We Belong, We Care, We Serve.***

Honourable Members, Ladies and Gentlemen,

Thank you.

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