

**Budget Vote Speech of Deputy Minister Ayanda Dlodlo for the Public Service and Administration on the occasion of the Ministry of Public Service and Administration (MPSA) Budget Vote**

17 Jul 2014

Honourable Chairperson of the House  
Minister for Public Service and Administration, Minister Collins Chabane;  
Honourable Chairperson of the Portfolio Committee, Ms Faith Mabe;  
Honourable Chairperson of the Public Service Commission, Mr Ben Mthembu  
Chairperson of the Government Employees Medical Aid Scheme  
Directors-General and Heads of Entities of the MPSA Portfolio;  
Distinguished guests and friends;  
Ladies and gentlemen.

Thank you Honourable Chairperson for affording us an opportunity to present to this esteemed House the 2014/15 budget for the Ministry for Public Service and Administration.

It is a great honour for me to address this house on this occasion as this is a significant period in many ways. We are mindful that today we present our Ministry's first Budget Vote in the fifth term following the successful and peaceful elections that led to the inception of a brand new government earlier this year. This is especially important because the year 2014 marks a significant milestone in our country as we celebrate 20 years of democracy.

It is apt that we look back and appreciate that we indeed are closing a chapter in the history of this country. We in government are especially mindful of the fact that we are entering a new phase, under the guidance of our people, who have given us a resounding mandate we are about to embark on new yet exciting journey. Today our aspirations are pinned on achieving Vision 2030; as such our collective efforts as the public service are geared towards meeting the developmental agenda as set out in the National Development Plan (NDP).

Honourable Chairperson and members of the House

Central to achieving this vision is the need for well-run and effectively coordinated state institutions with skilled public servants who are committed to the public good and capable of delivering consistently high quality services.

We need to create a citizen-centred cadre that is responsive, timeous and courteous in the execution of their duties. To be able to achieve this, we need to create an environment that is conducive to their productivity and one that will take care of their mental and physical needs.

The Government Employees Medical Scheme (GEMS) sets a sterling example of the stature of public institutions we seek, to realise this vision. As President Zuma pronounced earlier this year in his State of the Nation Address, GEMS is a South African 'good story' that continues to inspire.

Working towards a healthier public service over the past financial year, GEMS has conducted health screenings at GEMS days and Wellness events across departments, having participated in 6,365 marketing engagements, exhibitions and wellness days. Seven GEMS Days were also held across the various provinces.

Responding to the challenge presented by President Jacob Zuma in his 2013 State of the Nation Address

to combat diseases of lifestyle which include lowering the levels of smoking, the harmful effects of alcohol, poor diets and obesity, the Scheme is currently piloting a workplace based exercise and lifestyle programme for employees.

Once the programme is finalised and approved it will be rolled out across the public service in an effort to curb the obesity crises the country is currently facing as well as the attendant disease burden resulting from the sedentary lifestyles. The public service wide implementation of the exercise and lifestyle programme is envisaged for 2015.

In keeping with the Scheme's stated target for 2013 on the HIV Disease Management Program and Maternity Program, 70.4% of the beneficiaries who are estimated to be HIV positive were enrolled on the GEMS HIV Disease Management Programme by December 2013. The Scheme's antiretroviral therapy (ART) adherence rate target of 85% for those taking ART was met and the average success rate for the last 6 months of the reporting period was 87%. The annual GEMS Tariff Negotiations for 2014 were negotiated successfully within Scheme budget.

In 2013, the scheme began paying for various screening from risk of breast, cervical, prostate and chronic cancers, cholesterol and diabetes on an annual basis as opposed to the three year cycle previously implemented.

A new Chronic Medicine Management Service was introduced to provide members with improved access to medicine whilst encouraging greater participation from Community Pharmacies. The Medicine Provider Network (MPN) was successfully launched and activated in May 2013 and comprises of the Scheme's contracted Courier Pharmacy as well as registered Community Pharmacies.

Over 52.6% of registered Pharmacies in South Africa were activated on the network as at December 2013. Parallel to the MPN contracting and activation processes, the Chronic Medicine Management Provider (CMMP) began a process of allocating all beneficiaries to a pharmacy of their choice.

Over 55.65% of all beneficiaries on the Chronic Medicine Management Programme had been allocated to a Pharmacy of their choice, one ideally located within 10km of either their work or residential address. The percentage split in utilisation as at December 2013 was noted at 67.84% for the Courier Pharmacy and the remaining 32.16% were allocated to Pharmacies on the Medicine Provider Network.

The introduction of the Optical and Dental Managed care was finalised. The other primary healthcare Networks for Pharmacists, Optometrists, Dentists and Emergency Medical Services grew consistently throughout 2013. By the end of the year, 86% of members were located within 10km of an Optometry Network Provider while the figure for Dental Network Providers increased to 82%.

In line with the Scheme's Fraud Policy and Sanctions, 62 providers were placed on indirect payment in 2013 during the course of the year. 36 healthcare providers have been reported to Health Professions Council of South Africa (HPCSA) in 2013, with nine healthcare providers reported to the Pharmacy Council in 2013. Criminal convictions were successfully pursued and sanctions were imposed, including the termination of membership of four members.

GEMS continues to make a 'difference' to the people of our nation at large. As the second largest medical scheme in South Africa in terms of membership numbers, GEMS remains the fastest growing medical scheme with more than 1.85 million lives covered.

The Scheme has been a pioneer in the medical industry, garnering impressive acclaim and recognition. In 2013 the Scheme almost doubled its reserves to reach R1.2 billion, increasing solvency levels

substantially from 7.9% to 11.6%. Income from contributions increased by almost 16% to R24,3 billion, while expenditure on claims increased by 10% to R21,7 billion. GEMS' non-healthcare expenditure, which includes administration costs, was well contained at 7.6% by the end of June 2014 - almost half the industry average of 12%. This cost-efficiency continues to be recognised in the medical care industry as a benchmark for low cost non-healthcare expenditure.

GEMS has performed exceptionally well and is in solid financial position, continuously surpassing its strategic targets. Bearing testimony to this, the Scheme was awarded first place in the medical industry in 2011 and 2013 for outstanding customer service in an independent survey assessing customer service across 180 industries, the Orange Ask Africa survey.

Honourable members, our future is in great hands.

Working together with government bodies and leading industry players, both local and international, GEMS plans to within this Medium Term Strategic Framework bring about innovative methods and leading practices in healthcare industry for the ultimate benefit of society. Some of the areas of collaboration include participation in the National Health Insurance (NHI) pilots prioritising the Eastern Cape and Gauteng provinces.

One of the key priorities of GEMS over the next five years is to make healthcare spending a progressively smaller portion of household income, whilst minimising member out-of-pocket spending on healthcare. The Scheme seeks to create an understanding of member profiles and needs, promoting healthy behaviours through well incentivised loyalty programmes that encourage members to lead healthier lives, minimising their risk of developing lifestyle related diseases.

It is indisputable that the state of health and the wellbeing of our employees are key elements in our efforts to construct a development-oriented public service. GEMS continues to play a significant role in promoting member health in this regard.

Chairperson of the House

A complete departure from conventional, traditional ways of doing things to a platform where speed, efficiency and effectiveness are the operating standard is vital for South Africa's long term development.

Tasked with entrenching the culture and practice of innovation for transforming the public sector into an efficient and effective machinery, the Centre for Public Service Innovation (CPSI) is instrumental in identifying, through its rewarding programme, innovations that would maximise our impact as a government. These unearthed innovations, many from underserved areas of the country, are then replicated for the benefit of the broader public sector and the country as a whole.

As this is our 20th anniversary as a government, the lessons learnt where we have met challenges is that government should work together in a more integrated manner to deliver services. We further need to create support structures for innovation in government institutions such as units, with focal persons to collaborate with the CPSI. Where these capabilities already exist, for instance in the Eastern Cape Office of the Premier; Gauteng Departments of Finance, Education, Agriculture and Rural Development, Department of Correctional Services and Tshwane Metro, the collaboration is leading to continued innovation in those departments.

There is a major need in the public sector to establish a Government Funding Mechanism for research and development and innovation. This will provide service delivery institutions with seed funding for testing, piloting, replicating and mainstreaming of solutions. In addition, the CPSI as our driver for public

sector innovation requires additional resources to ensure sufficient internal capacity to drive its mandate.

The challenge for the CPSI in the next term of government is on how to speed up the transformation of the public service through innovative solutions. The Centre needs to engage in a more proactive approach, going in to government departments to establish challenges experienced and to contribute to developing solutions to these weaknesses. We need the Centre to be more than just a repository, but to be a proactive agent in unravelling the challenges the administration faces.

Honourable members

An innovative instrument that serves as a channel for communication between government and communities is the Community Development Worker Programme. The programme has afforded over 3 300 young men and women across the country an opportunity to play an integral part in service delivery, also creating employment for them.

Within their mandate, Community Development Workers (CDWs) have five key focus areas in which they work. These respond to the issues of poverty eradication, local economic development, participatory democracy, planning and development and youth support.

Community Development Workers will support the national development programme in the area of “active engagement of citizens in their own development”. To ensure a sound relationship with civil society organisations, CDW's will during the 2014/15 financial year support municipalities to implement ward planning and socio – economic growth initiatives and to deal with service delivery complaints and petition backlogs.

CDWs will also play a central role in public participation and outreach programmes of government. They will provide information to communities to access government services to improve communities, facilitate community access to socio economic opportunities, support war room to fight poverty and participate in civic education on citizen rights and responsibilities and economic opportunities.

Community Development Workers are encouraged and assisted through various training programmes and mechanisms to attend community meetings in their wards in order to gather more information and fully understand the needs of communities that need attention.

They are assisted through various mechanisms to collaborate with all structures in communities to deal with community issues, civil society organisations and constituency offices are considered important stakeholders with whom they build partnerships. Constituency offices provide office space for CDWs in areas where there are no Thusong Service Centres and they work closely with Community Development Workers in addressing needs of communities.

There is an increasing need for the programme to sharpen its skills as an early warning mechanism. We need to know intimately what transpires in our communities, and to address these issues head-on before they are blown out of control. As they conduct door to door visits, the issues they pick up that impact seriously and negatively on service delivery need to be raised to the relevant structures including municipal managers, operations and rapid response centres established in provinces. My doors are also open for these alerts.

As we proceed into the fifth term the CDWs will play a key role in harnessing greater public participation, this will be achieved using the Open Government Partnership (OGP) as a mechanism to achieve this goal. The CDWs will also play an integral role in supporting departments in rendering services to communities.

Honourable Chairperson

Africa is writing its own history and this is through amongst other means the African Peer Review Mechanism, the APRM. This peer review instrument has allowed the continent to objectively review our collective efforts in developing our continent and improving the lives of all our people.

South Africa's third National Report was tabled by the President of the Republic of South Africa, Honourable Jacob Zuma, at the 20th African Peer Review (APR) Forum held at the African Union held on the 29th of January 2014 in Addis Ababa, Ethiopia, where it was officially endorsed by the APR Forum.

The process for consolidating the Report was participatory in nature and included consultations with the APRM National Governing Council (NGC), Provincial Governing Councils and other relevant stakeholders. The Report highlights the various mechanisms and processes that exist to ensure continuous engagement with communities and civil society, in the area of Democracy and Political Governance. These include initiatives such as Izimbizo, NEDLAC processes, and Municipal Ward Committee System which have enabled citizens to participate in policy formulation, implementation and monitoring the progress made in implementing Government's programmes.

In general, the Report reflects tremendous progress that South Africa has made with regard to matters of Good Governance as a tool through which sustainable socio-economic development can be achieved. Equally, the Report highlights relative deficiencies with regard to the four thematic areas (as well as the selected cross-cutting issues) and proposes possible solutions and mechanisms aimed at addressing them.

During the 2014/15 financial year; the department will be hosting national and provincial consultations in preparation for South Africa's second APRM country review which will result in a draft report to be submitted to the African Union in 2016.

As a Host Country to the APRM programme; South Africa currently chairs the Ad Hoc Working Group on Recruitment, which is a structure created by the APR Forum of Heads of State and Government to recruit the Chief Executive Officer and the as well as the new cohort of executive to lead the APRM secretariat. We view this responsibility seriously in light of the continued criticism against the APRM and the management of its affairs within the media and the public in general.

We are mindful that whilst there is general tendency to discredit the APRM, there are legitimate complaints that need to be addressed starting with turning around the APRM secretariat so that it is able to drive the initiative on behalf of member countries. As South Africa, we remain committed to supporting the APRM because we believe that the programme remains a unique and viable governance mechanism for our continent.

Honourable Chairperson

Our success as the African continent in developing a home grown governance initiative in the form of the APRM has not gone unnoticed. The world has caught on, hence the launch of the Open Government Partnership (OGP) in September 2011. South Africa joined seven other countries (Brazil, Indonesia, Mexico, Norway, the Philippines, the United Kingdom and the United States of America).

Similar to the APRM, the OGP is a mechanism to promote increased accountability, transparency, citizen participation and the fight against corruption in their respective countries and across the world.

Our decision to play such an active role in the governance and advocacy activities of this multilateral

global open governance initiative was informed by both our constitutional commitment to advance good governance locally and internationally; as well as our experiences gained over the past twenty years in establishing and consolidating democratic practices that has improved the livelihoods of our citizenry.

Since the launch of the OGP, South Africa has been a member of the OGP Steering Committee and has played a key role in convening OGP-Africa regional events and discussion forums.

Our view is that the Open Government Partnership programme is a unique opportunity to re-galvanise the South African society to work together toward enhancing trust between government and its citizens.

Therefore in our tenure as chairperson of the OGP, we intend to ensure that we maximise SA's benefits by ensuring that the programme promotes domestic priorities that strengthen South Africa's good governance initiatives. For example that citizens are provided with enough information and are capacitated to participate meaningfully in governance process by improving and building on existing citizen engagement strategies using technology as an enabler where possible.

We will focus on;

- Creating and strengthening mechanism for Civil Society and Government interaction, building on existing national structures;
- Creating and strengthening integrated systems for monitoring and supporting the dissemination of information communities
- Enhancing citizen participation through CDWs and other community forums at the local level.
- Encouraging and fostering the development of Open Data/ Information Platforms for, using social media-e-government and m-government to improve citizen access to information and data and services offered by government.
- Creating synergy between Thusong Centres and other public participation programmes to enhance service delivery and elevate our levels of good governance.

Through the OGP it is apparent that transparency is an idea whose time has come. People around the world are demanding much greater openness, democracy and accountability from their governments. Increasingly, citizens believe that the information governments' hold should be open for everyone to see. At the same time, new technology is disrupting bureaucracies and creating opportunities for more responsive government.

Honourable members

It is this openness, accountability and transparency that guides us. The sum of all our actions over the next financial year will transform the public service and contribute to the tangible benefits of faster growth, better public services, less corruption and less poverty.

I thank you.

Enquiries:

Dumisani Nkwamba

Cell: 082 885 9448

E-mail: [dumisanin@dpsa.gov.za](mailto:dumisanin@dpsa.gov.za)

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