



MINISTRY
PUBLIC SERVICE AND ADMINISTRATION
REPUBLIC OF SOUTH AFRICA

From the desk of

Deputy Minister Pinky Kekana

BUDGET VOTE SPEECH

NATIONAL ASSEMBLY OF PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

12 JULY 2024

Honourable House Chairperson;

Minister for the DPSA: Inkosi Mzamo Buthelezi;

Ministers and Deputy Ministers;

Honourable Members of Parliament, in particular the Chairperson and Members of the Portfolio Committee on Public Service and Administration;

Chairpersons of the Public Service Commission and GEMS;

Chairperson of the Public Sector Education and Training Authority;

Chairperson of the APRM National Governing Council;

Directors-General and all Senior Executives;

Esteemed guests;

Fellow South Africans;

It is humbling to stand before you today to deliver my maiden speech as the Deputy Minister of the Department of Public Service and Administration (DPSA).

President Ramaphosa stated in his inauguration speech,

“Now is the time to move forward.

Together, we will do more and better.

Now is the time to assemble all our capabilities and to direct all our energies to answer the call of the people of South Africa.

We dare not linger, we dare not rest, until we have created jobs for those who need them;

until there is enough food on every table;

until every person in every town, city, village and farm receives the basic services they need for a decent life.”

This was a direct call by our President to all public servants – **we** need to answer H.E call, assuredly and without reservation as we enter this 7th administration.

NOW is the time, indeed!

Honourable House Chairperson,

Professionalising public administration is one of the key imperatives for building a Capable State, and as the DPSA we have a strategic intent to optimise Batho Pele to normalise **efficient** service delivery.

As the Honourable Minister emphasised at our recent DPSA Exco meeting, “We cannot afford to drop the ball”, “we need to get it right the first time”. And so we begin this administration with clear marching orders.

By professionalising public service, Government can improve the quality of education, social services, housing, access to healthcare, transport, labour and actually all areas of public service. This not only improves the quality of life for our people, but it potentially reduces legal actions and claims, which will have a positive impact on government spending and cost to tax payers, while simultaneously reducing the pressure on already limited resources.

Very importantly, professionalising public service results in higher staff morale, which leads to increased productivity and improved performance outputs.

And so, *Honourable Members,*

I now have the distinct honour of presenting to you the budget for the Department of Public Service and Administration, following on from the Honourable Minister.

I beseech your attention for the report on the Centre for Public Service Innovation (CPSI) for the 2024/25 financial year, on the performance of the Government Medical Aid Scheme (GEMS), and the Government Employee Housing Scheme (GEHS).

I am proud to report on the remarkable work by the Centre for Public Service Innovation (CPSI) who have maintained a clean-audit track record for the 6th consecutive year, and 7th year overall.

This impressive feat speaks directly to professionalising public service through governance compliance, rigorous financial management, and robust accountability measures that have been institutionalized.

One of the major steps taken by the CPSI in this regard was to in-source system developers, thereby accelerating capacity to deliver on its mandate. This empowered the Centre to enter into strategic partnerships like with the Eastern Cape government for example, where we are co-designing innovative solutions by enabling the sharing of software codes.

Another partnership example is the collaboration with the Northern Cape Office of the Premier, to develop a Virtual Thusong Service Centre, purported to immensely improve community access and service delivery standards.

The Gauteng Emergency Medical Services (EMS) is probably one of the most successful partnership showcases in the co-developed Sedibeng District's "*Patient Transfer Management System*", currently being piloted. Early indicators point to the potential for efficiency and quality of healthcare services, in streamlining the management of planned patient transfers.

Honourable Members,

The CPSI spearheaded the '**Let's Talk**' citizen engagement app, developed by young innovator Moepi Setona, which facilitates two-way communication between citizens and representatives, enabling optimised service delivery and public engagement.

For the next financial year, the 46-Million-Rand budget will be allocated to continued research; development of innovative solutions; increasing capacity by hiring more system developers; and supporting the advancement of digital skills among the youth.

We will continue with Design Thinking workshops, 4IR EXPOs, and the annual Public Sector Innovation Conference, Hackathon and Awards Program, which are all platforms for young developers to showcase innovation, and address real-world challenges.

These initiatives not only promote STEM education and nurture young talent, but demonstrates our commitment to transforming public service, while also raising the South African flag across the world, because our solutions to our problems could also solve many other nation's problems.

On that note, Honourable House Chairperson,

Please join me in congratulating the Centre for Public Service and Innovation and the Western Cape Provincial Government for winning the UN Public Service Award at the UN Public Service Forum held recently in Korea.

The “Citizen-centric Digital Transformation” award in the innovation category was for a digitalised government to resolve multiple challenges, enabling public administration to better respond to community needs.

Honourable Members,

As the largest closed medical Scheme in South Africa, GEMS is also the fastest-growing medical Scheme.

By 31 December 2023, the Scheme had 844,791 registered principal members and covered over 2.27 million beneficiaries, which translates to 3.4% of the South African population and 22% of the entire medical scheme market. In 2023, GEMS reached a record 2.27 million beneficiaries - a 5.8% increase year-on-year.

GEMS demonstrated exceptional financial stewardship, with an impressive 94% of claims paid over the past 5 years, translating to materially lower costs for members, making quality healthcare more accessible and affordable, **AND** a 25% average cost advantage over comparable medical schemes.

Most impressive of all though is GEMS' focus on cost containment. The scheme's non-healthcare expenditure, such as administration costs, are lower than both restricted **and** open medical schemes.

GEMS manages its finances prudently, evidenced in the net healthcare deficit of R3.8 billion, of which R2.5 billion had been budgeted for, leaving an unbudgeted deficit of R1.3 billion.

The Scheme however was able to partially offset this deficit through investment income of R2.4 billion - which exceeded the budgeted investment income of R1.6 billion, by R762 million.

This resulted in an overall net deficit of R725 million, which was better than the budgeted net deficit of R916 million.

GEMS aims to pursue strategic partnerships in pursuit of Universal Health Coverage fully supporting the National Health Insurance Policy (NHI).

In collaboration with the Public Service Coordinating Bargaining Council (PSCBC), in 2017, GEMS transformed its *Sapphire* option into the *Tanzanite-One* option, offering private hospitalization while still maintaining affordability and efficiency.

We now believe that the *Tanzanite-One* option could be an effective template for the NHI benefits package.

From our *Tanzanite-One* learnings, GEMS is poised to contribute meaningfully to the successful implementation of the NHI policy, and remain committed to collaborating with the Department of Health to ensure that all citizens have equal access to quality, affordable healthcare.

The Scheme also expanded the eligibility criteria, on-boarding new groups such as the Independent Electoral Commission (IEC), Special Investigation Unit (SIU), Umalusi, and Legal Aid, amongst others.

Since 2020, GEMS and DPSA have partnered to increase the reach of GEMS Health and Wellness Screening Services for public servants, enabling preventative care and effective resource allocation, while ensuring high-risk members receive the necessary care and support.

Honourable Members,

Since 2015, the Government Employees Housing Scheme (GEHS) has assisted government employees in accessing affordable and decent housing.

The GEHS, through the Individual-Linked Savings Facility (ILSF), facilitated a savings culture among public servants. As of March 2024, R23.9 billion has been saved in the ILSF by approximately 800,872 eligible employees.

However, the scheme also had to address the issue of R700 million forfeited by employees who did not adhere to the housing allowance regulations, showcasing the GEHS's proficient stewardship of public resources.

Beyond the housing allowance, the GEHS established a call-centre to provide much-needed education and support for both employees and HR practitioners, with 612,900 government employees now registered with the GEHS system.

The GEHS has efficiently managed the housing allowance benefit that grew from R900.00 in 2015 to R1,691.38 as of March 2024, however, the scheme still faces the challenge of 193,521 eligible public servants who have not yet accessed this critical housing benefit.

We therefore call on Honourable Members to help spread the message for employees to enrol for this benefit.

The GEHS has also been proactive in transitioning employees from the old housing allowance system to the new one, reducing the number of employees from 44,530 in 2015 to just 3,368 as of March 2024.

Also, by more than doubling the number of homeowner beneficiaries from 352,103 in 2015 to 800,872 in March 2024, the GEHS has played a pivotal role in public servants achieving their home-ownership dreams.

The GEHS has also forged crucial partnerships with GEPF/PIC and SA Home Loans to facilitate home loan access and signing an MoU with the NHFC to provide First Home Finance grants.

Honourable House Chairperson & Honourable Members

This year is the 10th anniversary of the launch of the first Urban Mall Thusong Service Centre at Maponya Mall by then Minister Collins Chabane in honour of Public Service Month held annually in September.

I think of Minister Chabane and whether he would be as proud today of the Thusong Service Centres all across South Africa, as he was at the launch, because as the DPSA that is what our role is – to ensure that public service is optimised.

The progress we highlighted today across the CPSI, GEMS, and GEHS demonstrate our commitment to “Rebuilding Public Trust through professionalising Public Service”.

Together, let us forge ahead, driven by our shared vision of a public service that is responsive, innovative, and dedicated to the well-being of all South Africans.

Kea leboha

I thank You