



**the dpsa**

**Department:  
Public Service and Administration  
REPUBLIC OF SOUTH AFRICA**

Private Bag X916, PRETORIA, 0001 Tel: (012) 336 1000, Fax (012) 326 7802  
Private Bag X9148, Cape Town, 8000. Tel: (021) 467 5120, Fax (021) 465 5484

Enquiries : Louisa Reutner or Cheryl Le Roux  
Telephone : (012) 336 1182 (012) 336 1064  
Reference : 18/1/1

**TO: ALL HEADS OF NATIONAL AND PROVINCIAL DEPARTMENTS, PROVINCIAL ADMINISTRATIONS AND LOCAL GOVERNMENT**

**APPOINTMENT OF PRICEWATERHOUSECOOPERS TO DEVELOP THE 2011 PERSONNEL EXPENDITURE REVIEW REPORT**

In 2006 the Department of Public Service and Administration (DPSA) conducted a Personnel Expenditure Review (PER). The objectives were to reflect on progress made with the implementation of the recommendations contained in the previous PER conducted in 1999, to review the Public Service remuneration framework and to submit recommendations to inform the development of a new remuneration policy framework for the Public Service. A similar project has therefore been initiated whereby the DPSA commissioned the services of PricewaterhouseCoopers (PwC) to update the 2006 PER, with specific regard to:

- Determine the extent to which the PER 2006 recommendations have been implemented;
- Update the data relating to the employment trends and personnel expenditure analysis covering the Public Service and Local Government;
- Identify service delivery initiatives undertaken at Local Government level that were specifically aimed at the improvement of service delivery and qualitative spending;
- Submit recommendations that will be based on strategies and be implemented over the next five (5) years; and
- Review existing recommendations focused on the alignment/harmonisation of the remuneration, grading and conditions of service within the Public Service and Local Government.

The updated PER will contain both quantitative and qualitative elements and will require the gathering of documents and data. The necessary confidentiality covenants and Service Level Agreement have been concluded between the DPSA and the Service Provider. These relate to the acquisition and analysis of National Government personnel expenditure data and documentation.

The project will be undertaken in consultation with identified national departments, i.e. National Treasury, Department of Basic Education, Department of Health, Co-operative Governance and Traditional Affairs, South African Police Services (SAPS) and the South African Local Government Association (SALGA). Importantly, therefore for this purpose, the scope of the project will specifically only cover the core public service and local government.

As all stakeholders are regarded as key, I therefore solicit your support for the success of this project by allowing employees to participate in stakeholder meetings and discussions with DPSA and Government Departments and Local Government as and when they are arranged. The support also relates to the provision of data, documentation and information to the PwC team in the following areas:

Staatsdiens en Administrasie . Ditirelo tsa Puso le Tsamaiso . Ditshebeliso tsa Mmuso le Tsamaiso . uMnyango we miSebenzi kaHulumeni nokuPhata

Muhasho wa Tshumelo ya Muvuso na Vhulanguli . Kgoro ya Ditirelo tsa Mmušo . Ndzawulo ya Vutirela-Mfumo na Valawuri

LiTiko le Tebasebenti baHulumende nekuPhatsa . ISebe leNkonzo kaRhulumente noLawulo . UmNyango wemiSebenzi kaRhulumente nokuPhata

- Government expenditure on goods and services (actual and projected)
- Government Capital Expenditure (actual and projected)
- Personnel skills requirements per sector (actual and projected)
  - Skilled, unskilled
  - Contract, temporary, part-time
  - Occupational levels, groupings
  - Demographic profiles

The PwC team of Robert Horsley, (Project Manager), Michelle Moodie and Willem Botha will be in contact with your department/municipality and will provide additional information on the process.

The project commenced in January 2012 and will be completed by 30 June 2012.

Yours sincerely,

---



Director General

Date: 03/02/2012