



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

National Treasury

Strategic Plan (Update)

2009/12

June 2009



The 2009/12 National Treasury Strategic Plan (update) is compiled with the latest available information from the department and other sources. Some of this information is unaudited or subject to revision.

For more information, please contact:

Communications Chief Directorate
National Treasury
Private Bag X115
Pretoria
0001
South Africa
Tel: +27 12 315 5526
Fax: +27 12 315 5126

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CONTENTS

STRATEGIC OVERVIEW

Minister's Statement of Policy and Commitment	2
Overview of the Accounting Officer	4
Programme overview	7
Organisational environment	12

PROGRAMME STRATEGIC PLANS

Programme 1: Administration	14
Programme 2: Public Finance and Budget Management	16
Programme 3: Asset and Liability Management	22
Programme 4: Financial Management and Systems	25
Programme 5: Financial Accounting and Reporting	28
Programme 6: Economic Policy and International Relations	32
Programme 7: Provincial and Local Government Transfers	37
Programme 8: Civil and Military Pensions, Contributions to Funds and Other Benefits	39



MINISTER'S STATEMENT OF POLICY AND COMMITMENT

National Treasury tables this Strategic Plan update before our newly constituted fourth democratic Parliament during one of the toughest economic downturns of our times.

The current challenges facing governments around the world in the global recessionary environment require finding new ways of doing things and a willingness to shift the conventional paradigms, to be more focused and effective in delivering on our priorities. What started out as a problem in the world's leading financial markets has grown into an economic catastrophe that is severely constraining growth prospects of developing nations in particular.

To mitigate the challenges we face today, the department tabled its most expansionary budget in February, taking into account the global economic slowdown. The R787 billion infrastructure investment programme looks set to offset job losses in other sectors of our economy.

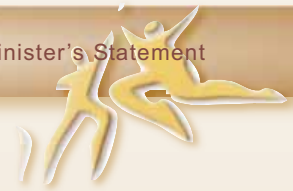


Pravin J Gordhan
Minister of Finance

While our broad macro-economic strategy and policy positions will remain unchanged, the Strategic Plan update that National Treasury tables for the period 2009 – 2012 seeks to introduce different approaches to our strategic planning cycle.

The department has set itself bold targets such as working to strategically align the role of development finance institutions and state owned enterprises, investigating and monitoring corruption in public procurement processes, and finding solutions for improving savings and social security. These will require commitment and resilience and we invite Parliament to hold us to account and to measure our success on these.

President Jacob Zuma's State of the Nation Address sent a clear directive: "We must act now to minimise the impact of this downturn on those most vulnerable."



As such, government cannot falter in meeting its obligation to eradicate poverty and to continue to build an economy that creates jobs. We therefore want to facilitate better and more inclusive interaction between government, labour, business, civil society and importantly public servants and public officials tasked with the responsibility of service delivery.

In ensuring the optimal use of our limited resources Parliament has a particularly important oversight responsibility. We therefore implore this institution to consistently ensure that departments and entities maintain fiscal discipline and prudent budgeting practices.

We believe that the relationship between Parliament and the Executive will be strengthened with the implementation of the Money Bills Amendment Procedure and Related Matters Act that was passed by the previous Parliament, and look forward to constructive engagement with the parliamentary committees.

In this context, custodianship and proper management of our public finances becomes even more crucial if we want to ensure that financial management practices promote better accountability in line with the our Constitution. We need to become more vigilant about how state institutions spend public money, what they spend public resources on and whether or not proper procedures are observed. In the same vein we need to ensure that every rand spent achieves the set goals and has the desired impact.

In finding lasting solutions to the current economic crisis we will continue to engage with the G20, not only develop a global response to the crisis but also to find solutions that best address Africa's challenges. We will also continue to participate in other international and regional fora so as to deepen democracy, peace and security, and expand trade and investment with other countries.

Pravin J. Gordhan
Minister of Finance



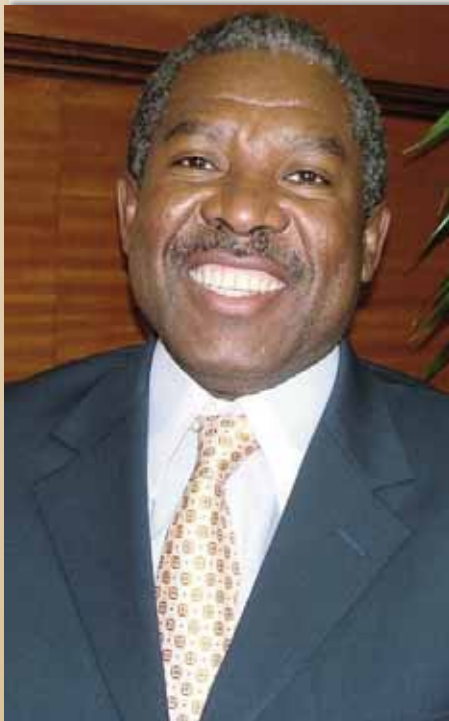
OVERVIEW OF THE ACCOUNTING OFFICER

This is an update of the Strategic Plan 2008/11 which was tabled in Parliament during the 2008/09 financial year.

We table this update at the beginning of the fourth sitting of parliament, and at a time when South Africa is in its first recession in 17 years. As a government, we continue to recognise the contribution of sound public finances to effective service delivery and the eradication of poverty. The National Treasury remains committed to efficient and sustainable public financial management and to promoting economic development, social progress and a rising standard of living for all South Africans. In this respect, Chapter 13 of our Constitution defines the role of the National Treasury as that of ensuring transparency, accountability and sound financial controls in the management of our public finances.

The legislative mandate of National Treasury is documented in Chapter 2 of the Public Finance Management Act. National Treasury has to promote government's

fiscal policy framework; co-ordinate macroeconomic policy and intergovernmental financial and fiscal relations; manage the budget preparation process which includes revenue, expenditure, assets and liability management; exercise control over the implementation of the national budget, including any adjustments budgets; facilitate the implementation of the Division of Revenue Act; and monitor the implementation of provincial budgets.



Lesetja Kganyago
Director-General:
National Treasury

South Africa has not been immune to the effects of the global economic crisis. Nevertheless, government's prudent financial management and a countercyclical fiscal stance that have stood us in relatively good stead. Government's fiscal stance now provides for sustained growth in public expenditure to cushion the economy and reinforce the safety net for the poor.



In weathering the storm, provision for strong growth in infrastructure spending and public employment programmes has ameliorated some of the worst effects of the crisis. In addition, the budget for the 2009 – 2012 Medium Term Expenditure Framework (MTEF) makes significant provision for priorities such as education, health and social assistance, and other programmes directly impacting on the poor. Investing in the people of the country will make a positive contribution to the South African economy in the longer term and assist us in our growth and development initiatives.

In plotting our path forward, it is important that we recognise both the power and limitations of macroeconomic policy. Faster growth and higher employment requires macroeconomic stability and microeconomic reforms. These reforms should be aimed at reducing the costs of business, encouraging exports and improving productivity. The results can only come through improved coordination within government.

Ensuring that government provides and receives value for money will be a greater area of focus in these tough times. A Comprehensive Expenditure Review will be conducted jointly with the Presidency to identify opportunities for future improvements in public spending. The aim is to improve the quality of spending and to free up resources to fund new government priorities. Capacity is also being developed to assess capital projects and support departments.

Achieving value for money also demands stronger financial management and in this regard, the National Treasury will step-up the pace of financial management reform in government. The success of these efforts is dependent on capacity in the form of competent practitioners especially in planning, budgeting, accounting, financial reporting, supply chain management and auditing. A sustainable capacity building model has been developed for financial practitioners in national and provincial government.

Improving the value received for money spent by government requires a strong focus on the extent of implementation of procurement policies and standards in departments. A unit will be established to monitor and investigate corruption in public procurement processes. This unit will assess the procurement management performance and maturity of all national and provincial departments to counter corruption and fraud in public sector procurement.

Improvements in infrastructure development and maintenance remain important focus areas, associated with significant increase in provincial and municipal infrastructure budgets. The Infrastructure Development Improvement Programme (IDIP) is being rolled out to key provincial departments involved in infrastructure, such as education, health, roads and public works. Over the next three years the Public Private Partnership (PPP) Unit will focus on the health sector and in



particular, aims to facilitate six hospital feasibility studies per year, with twelve reaching financial closure over the period. Grants administered by the Neighbourhood Development Programme unit will also improve the quality of life of residents in targeted townships.

Development Finance Institutions have an important role to play in the delivery of infrastructure. Government will be guided by the Review of Development Finance Institutions to provide strategic direction to this sector in the period ahead. This will further assist in optimising the allocation of government resources.

Finally, we take this opportunity to welcome Minister Gordhan in his new role as the Minister of Finance. We look forward to his leadership and will not compromise on the extent of support we afford him. We would also like to wish Minister Manuel all the best in his leadership role in the Presidency.

Lesetja Kganyago
Director-General



PROGRAMME OVERVIEW

Programmes and Measurable Objective Tables

There are nine programmes which fall under Vote 7: National Treasury in the 2009/10 Estimates of National Expenditure. Broadly, the strategic objectives of these programmes remain relatively unchanged from those tabled in the 2008/11 Strategic Plan. Below is a synopsis of all the programmes, explaining some of the important work to be undertaken in each programme over the next three years. This synopsis also reflects on some of the changes in the programmes, following an internal reorganisation which is outlined in further detail later in this document.

Programme 1: Administration

This programme provides strategic management and administrative support to the entire department. The *Corporate Services* division will play a strategic role in developing and implementing an efficient client relations strategy that meets the needs of the department. The division will continue to implement a talent management strategy to attract and retain young graduates.

Programme 2: Public Finance and Budget Management

This programme comprises three divisions, namely *Public Finance*, the *Budget Office* and *Intergovernmental Relations*. These divisions provide a collective focus on preparing the annual budget, following consultations with government departments, agencies, provinces and municipalities. This programme also provides advice and support to the Minister of Finance on fiscal and public finance matters. Government has committed itself to rooting out waste, promoting cost-efficiency and phasing out ineffective programmes, and much of the work of this programme will give effect to this. A Comprehensive Expenditure Review will be undertaken to ensure that available resources are wisely spent.

The *Public Finance* division is National Treasury's primary link to all national departments and other government entities for planning, budgeting and expenditure monitoring. Over this planning period the division will work jointly with the Financial Sector Policy unit (Programme 6) in advancing the work currently in progress on social security and retirement reform. A public consultative process will be undertaken to ensure maximum participation in the process. A number of position papers will also be published, setting out government's policy framework.



Departments require constant support so they are able to translate strategy into concrete results. *Technical and Management Support* will continue to perform this function over the medium term. Following the internal reorganisation, the advisory role of this sub-programme will be modified such that the sub-programme becomes a government component dedicated to providing support in the long term.

The *Budget Office* coordinates the national budget process, provides fiscal policy advice and oversees expenditure planning in government. The division continuously improves the quality and usability of budget documents such as the Budget Review and Estimates of National Expenditure. There is a need to improve the structure of departmental votes to make objectives measurable. The division will therefore initiate a project to work closely with departments to improve the quality and quantity of measurable objectives and indicators.

The *Intergovernmental Relations* division co-ordinates fiscal relations between national, provincial and local government, and promotes sound provincial and municipal budgetary planning, reporting and financial management. The division also prepares all grant allocations for provincial and local government budgets, including the annual Division of Revenue Bill published as part of the national budget.

Following the internal reorganisation, the Municipal Finance Management Act (MFMA) Implementation Unit was moved from this division to the Office of Accountant General.

The division will publish the Provincial Government Budget and Expenditure Review. The document provides a comprehensive set of data on provincial budgets and expenditure and an analysis of trends in service delivery

Programme 3: Asset and Liability Management

Asset and Liability Management has six sub-programmes. The Asset Management sub-programme has been divided into two sub-programmes namely Governance and Financial Analysis, and Sectoral oversight.

The programme manages government's asset and liability portfolio in a manner that ensures prudent cash management, asset restructuring, financial management and optimal management of the government's domestic and foreign debt portfolio.

Proposals on how government will support development finance institutions (DFIs) and the establishment of a DFI council will be priority areas for this programme in the medium term.



Programme 4: Financial Management and Systems

Financial Management and Systems regulates and oversees public sector supply-chain management. It also ensures the use of standardised financial systems in the national and provincial government spheres. This will result in a transition from old systems to the new integrated financial management system.

The Public Finance Management Act (PFMA) Implementation and Coordination Unit was moved from this programme to the Office of the Accountant General (Programme 5) for better alignment of governance and compliance.

Under this programme a unit will be established to monitor and investigate corruption in public procurement processes in national, provincial and local government departments.

Programme 5: Financial Accounting and Reporting

Financial Accounting and Reporting promotes accountability to the general public by promoting transparency and effectiveness in the delivery of services. It sets new government accounting policies and practices, and improves on existing ones, to ensure compliance with the standards of generally recognised accounting practice (GRAP) and prepares consolidated financial statements.

This programme has seen a significant change in capacity, with the relocation of both the PFMA Implementation unit, now called the Governance Monitoring and Compliance unit, and MFMA Implementation unit as part of the broader internal reorganisation.

Focus over the medium term will be on reviewing and amending the PFMA.

Programme 6: Economic Policy and International Financial Relations

Economic Policy and International Financial Relations provides specialist policy analysis and advisory services in the areas of macroeconomics, microeconomics, taxation, the financial sector, regulatory reform, regional integration, international development policy and financial relations.

This programme was previously implemented through two divisions and now a third division has been added. These three divisions are the *Economic Policy* division, *Tax and Financial Sector Policy* division and *International and Regional Economic Policy* division.



Economic Policy plays a central role in formulating and coordinating policies that strengthen employment creation. Work over the next three years will focus on modelling and analysis to assess the impact of the global economic crisis and microeconomic reform on domestic growth prospects. The division also provides policy advice on macroeconomic developments, international economic developments and microeconomic issues, including regulatory impact assessments. This is done through policy analysis, scenario testing and producing macroeconomic forecasts, particularly on growth, the current account and inflation. These forecasts inform the fiscal framework, tax forecasts and the debt management strategy.

Tax and Financial Sector Policy advises the Minister of Finance on tax policy issues arising in all three spheres of government. The design of tax instruments that can raise revenue is the responsibility of this division. There is close cooperation between this division and the South African Revenue Service in designing tax policy and consultation with business, labour and the general tax-paying public. The division will over the next three years focus on mitigating the impact of carbon emissions and address concerns relating to climate change through environmental fiscal reform.

In respect of financial policy, the division designs the legislative framework of the financial sector. It works closely with regulatory agencies such as the Financial Services Board (FSB), Banking Supervision and Financial Surveillance (Exchange Control) departments of the South African Reserve Bank (SARB), and the Financial Intelligence Centre (FIC). It will work jointly with Public Finance (Programme 2) on the reform the system of retirement funding, including governance reforms.

It liaises with the SARB and FSB on matters related to bank supervision, financial stability and the national payments system. Given the global financial crisis, the unit is reviewing the architecture and effectiveness of the financial regulatory system.

International and Regional Economic Policy promotes reform of the International Monetary Fund (IMF) and the World Bank. It also facilitates participation on topical issues at the G20 and other international fora. It focuses on African development, including the role of the African Development Bank (AfDB), the African Union and United Nations Economic Commission for Africa. It also aims to foster regional integration by participating in the Southern African Development Community (SADC), Southern African Customs Union (SACU) and Common Monetary Union. The division is currently reviewing the SACU revenue-sharing formula.

Programme 7: Provincial and Local Government Transfers

This programme will continue to facilitate the transfer of grants to both provinces and municipalities. These are the provincial infrastructure grant, the local government financial management and restructuring grant, and the neighbourhood development partnership grant which is also transferred to municipalities.



Programme 8: Civil and Military Pensions, Contribution to Funds and Other Benefits

The programme's main responsibility is the payment of benefits and awards to beneficiaries of departments, state-aided bodies and other entities in terms of various statutes, collective-bargaining agreements and other commitments.

Programme 9: Fiscal Transfers

This programme transfers funds to other countries, multilateral and domestic institutions and public entities, including international development institutions of which South Africa is a member. Once funds are transferred there is no direct accountability to the National Treasury. Recipients are accountable directly to Parliament.



ORGANISATIONAL ENVIRONMENT

The National Treasury was created as a result of the merger of the Departments of Finance and State Expenditure in 2000. At this time the organisational structure was conceived at the level of divisions that would deliver on programmes mandated by the Constitution and PFMA. We have undertaken intensive introspection over the past few years with the intention of remaining relevant and proactive custodians of the public purse. The result was agreement on a refined operational perspective for improved coordination and organisational performance.

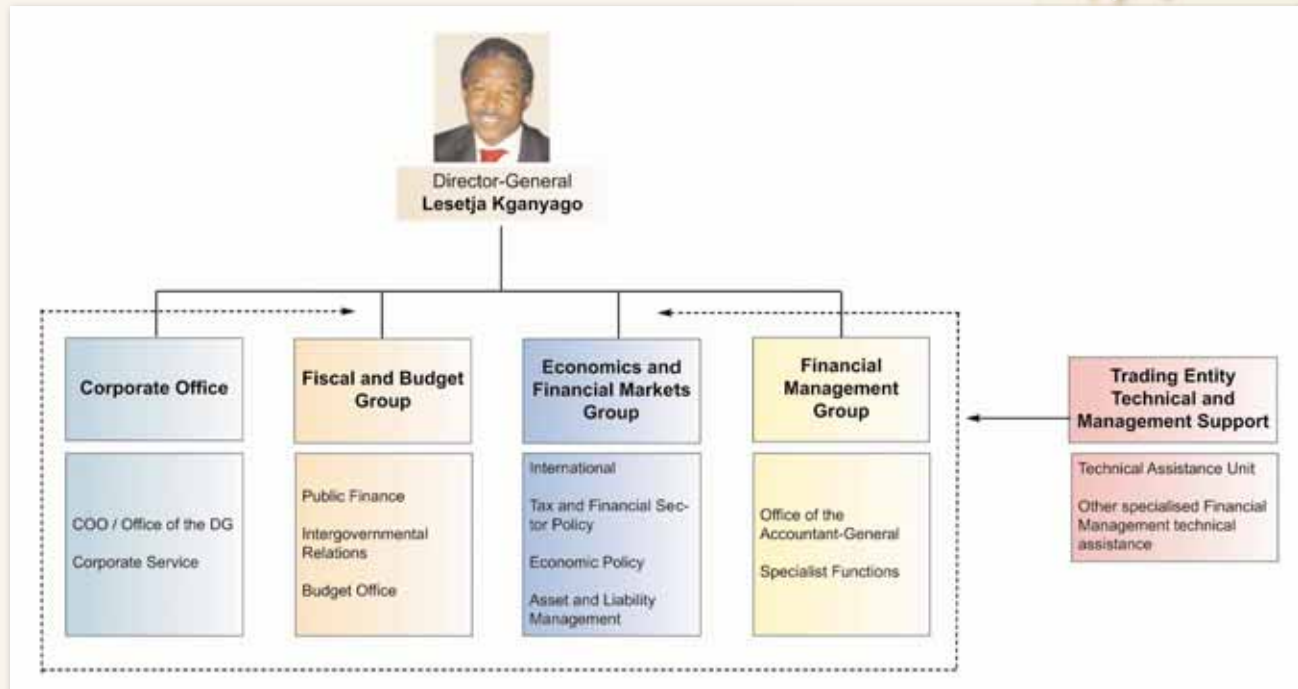
The latest internal reorganisation, which was briefly outlined in the 2008/11 Strategic Plan, represents a natural progression in the department's development. It is guided by lessons learnt along the way, changes to the way government is organised and other environmental influences. More than ever, present circumstances demand that all role players endeavour to achieve more with less. We recognise our responsibility as an organisation and will do our part in this regard.

The National Treasury has built a comprehensive array of competent divisions, the success of which is exemplified by a track record of engaging with all counterparties on wide-ranging and complex issues. In order to continue playing a constructive and effective role in our fast-paced economic environment, it was resolved that the reorganisation would focus on realising a working environment that is more conducive to teams and collaborative work effort. In particular, cross-cutting initiatives and broad Treasury positions could only benefit from greater internal coordination and consultation. For purposes of knowledge-sharing and coordination, four groups have been created as follows:

- Fiscal and Budget Group
- Economics and Financial Markets Group;
- Financial Management Groups; and
- Corporate Office.

The groups have been constituted with divisions that would have significant common interests when undertaking cross-cutting initiatives during the normal course of work. The progress of implementation of the departmental reorganisation will be assessed through key group coordinators responsible for monitoring progress with project implementation.

The refined functional perspective of National Treasury follows:



We have also established a focused functional area for purposes of strategically repositioning the technical assistance offered by the National Treasury to the rest of government. Presently operating as a trading account, this platform will be converted to a government component in due course. In this regard, compilation of the feasibility study and organisational design are well advanced. Once converted to a government component, the head of the component will assume the role of accounting officer of the entity. The advisory board for this government component - while not having any executive powers - will provide advice to the department, Minister and component to ensure that the original purpose for its creation remains at the forefront of strategic decisions in the future. The government component, once fully operational, will offer technical support to government in terms of the following themes:

- Program and project management;
- Transaction advice in relation to public private partnerships;
- Large capital projects;
- Policy monitoring, evaluation and costing; and
- Specific economic and actuarial advice

The progress on implementation of these changes is varied and should not be underestimated. They are being given careful consideration and introduced in an inclusive manner. We envisage that these strategic changes, while yielding significant short term gains, will continue to have a positive systemic effect on the organisation. These include positive spinoffs relating to succession planning, improved technical capacity, improved coordination, greater transparency and knowledge sharing. In short, this strategy aims to facilitate a more nimble, sustainable and adaptive National Treasury.



MEASURABLE OBJECTIVES AND MEDIUM-TERM OUTPUT TARGETS Programme 1: Administration

Measurable objective: To ensure effective leadership, management and administrative support to the department through the continuous refinement of organisational strategy and structure, in compliance with appropriate legislation and best practice.						
Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone	
Corporate Services	Develop, implement and maintain an integrated, progressive and innovative HR strategy	Efficient HR function	Design of a new visual balanced scorecard finalised	Efficiency increased to 50%	Efficiency increased to 70%	
		Roll out of the talent management programme	Refine the talent acquisition process	Acquisition process initiated and rolled out to 70% of the department	Review the effectiveness of the talent management programme	
	Develop integrated business solutions to improve knowledge management	Secure access to internal IT resources from external locations	25% of clients have access	60% of clients have access	100% of clients have access	
		Develop a platform where information can be deposited and shared	Web-enabled solution sourced	Pilot with 40% of users	Implement to 80% of users	
	Develop, implement and maintain financial management and governance according to best practice	Progressive development of analytical reporting and enhancement of management accounting	Changes to the in-year monitoring tool to improve turnaround reporting from 6 days to 2 days Report the assessment on implementation of policies on a quarterly basis			
		Ensure that all statutory reporting regulations and deadlines are met	31 March 2010	31 March 2011	31 March 2012	
		Financial governance compliance	Full compliance	Full compliance	Full compliance	
	Develop and maintain a sound procurement management strategy	Strategic procurement principles implemented	30% implemented	60% implemented	100% implemented	



Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone
		Electronic procurement system implemented	10% implemented	20% implemented	50 % implemented
		Policies and procedures updated for supply chain management principles	Ongoing	Ongoing	Ongoing
	Ensure the physical security of employees and assets	Upgrading the electronic security system	Contractor appointed	Feasibility and mapping of the system completed	Installation and upgrading completed



MEASURABLE OBJECTIVES AND MEDIUM-TERM OUTPUT TARGETS Programme 2: Economic Planning and Budget Management

Measurable objective: To promote growth, social development and poverty reduction through sound fiscal and financial policies, and the effective, efficient and appropriate allocation of public funds.					
Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone
Budget Office	Annual budget framework and division of revenue	Integrity of national budget framework	MTBPS – October 2009: framework for 2010 Budget		
	<i>Budget Review</i> , <i>Estimates of National Expenditure</i> , appropriation legislation and public finance statistics	Quality of budget documentation	Timely publication, accuracy, scope and quality of content. Improved quality and quantity of measurable objectives and trendable performance indicators by departments and public entities in the <i>Estimates of National Expenditure</i>		
	Expenditure planning and budget process management	Departmental and agency spending plans and submissions to Ministers' Committee on the Budget	Improved performance information as part of expenditure planning and project evaluation	Auditable performance information for departments and public entities	
	Capital expenditure planning and evaluation	Improved quality of capital planning leading to more efficient budget allocations and capital expenditure	Development of an enhanced framework for appraising capital spending proposals Design and approval of the structure of the appraisal framework Establishment of ongoing training	Rollout of appraisal framework with initial narrow focus, broadening inclusion as capacity develops Initial implementation of framework, including: Development of a project driven database Changes to regulations (where necessary) Development and publication of appraisal guidelines Continued roll-out and broadening of training	Broadening of scope to include more project plans Further development of guidelines Continued rollout and broadening of training



Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone
Public Finance	Official Development Assistance (ODA) resources aligned to and mobilised for government policies and priorities	Alignment of ODA funding decisions with the budget process	Focus will be on how ODA funding can support the budgets of key departments. Initial focus will be placed on health and education Enhancing accountability for donor receipts through improved reporting in the <i>Estimates of National Expenditure</i> on spending and on the outputs achieved	Focus will be broadened to include economic and rural development	Focus will be broadened based on success of engagements and capacity
	Improved programme structure of departmental votes	Supporting departments in improving structuring of programmes in departmental votes	Publication of guidelines Initiation of project in support of correct implementation of guidelines	Completion of project in support of the correct implementation of guidelines	
	Improved quality and quantity of measurable objectives and trend based performance indicators by departments and public entities	Publication and implementation of a standard operating procedures manual	Publication of a standard operating procedures manual	Introduction of a project that supports the implementation of the standard operations procedures manual	All departments given initial support on the correct implementation of the standard operations procedures manual
	Sectoral and departmental policy advice	Timely and relevant analysis and advice	Assessment of policy priorities for medium term and 2010 Budget	Targeted sectoral studies as part of comprehensive expenditure review	
	Expenditure analysis	Monthly and quarterly monitoring of expenditure; analysis of expenditure trends	Introduction of improved in-year expenditure monitoring system	Phasing in of consolidated departmental and agency estimates and expenditure reports	
	Medium-term expenditure recommendations	Inputs to the medium term expenditure committee on departmental budget submissions	Improved prior consultation with departments, phasing in of measurable objectives and indicators of service delivery and improved long-term expenditure planning		



Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone
	Social security and retirement reform (jointly with Financial Sector Policy - Programme 6)	Policy framework and implementation road-map	Publication of agreed government position paper and initiation of public consultation process	Phased implementation of contributory social security reforms and retirement industry legislative amendments	
	Comprehensive public expenditure review (in consultation with Intergovernmental Relations and Budget Office)	Overview paper on expenditure priorities and options for savings to be considered in 2010 budget process	Sectoral expenditure reviews compiled in consultation with Presidency and line departments		
Intergovernmental Relations	Provincial budget framework	Integrity of the framework: fiscal sustainability, structure and trends in fiscal indicators	Provincial budget framework finalised by September of budget planning year		
	Local government budget framework	Integrity of the framework: fiscal sustainability, structure and trends in fiscal indicators	Local government framework finalised by September of the budget planning year		
	Preparation of the Division of Revenue Bill and accompanying explanatory memorandum; implementation of the Act	Timely publication and quality of the Division of Revenue Bill and explanatory memorandum (Annexure W1)	Tabled on budget day, with no errors		
	Support provincial government with: <ul style="list-style-type: none"> Financial management reforms Service delivery 	Number of provincial departments in which financial management programmes and reforms are being implemented in terms of the Public Finance Management Act (PFMA)	Financial management reforms to be implemented in 30 provincial departments	Financial management reforms to be implemented in 40 provincial departments	Financial management reforms to be implemented in 51 provincial departments
Support municipal government with: <ul style="list-style-type: none"> Infrastructure planning Service delivery 	Number of municipalities in which infrastructure planning and service delivery initiatives are implemented	Implementing municipal and service delivery initiatives in 6 metropolitan municipalities and the 3 aspirant metropolitan municipalities	Implementation programme extended to 15 municipalities	Implementation programme extended to 12 municipalities	



Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone
	Building further capacity in budget formulation and budget analysis	Number of officials trained	300 officials on the budget formulation course 200 officials on budget analysis course	500 officials on both the budget formulation and budget analysis courses per year	
	Roll out Municipal Budget and Reporting Regulations	Number of municipalities complying with new formats	Budgets of 27 large municipalities in accordance with formats	Budgets of 283 municipalities in accordance with formats	Budgets of 283 municipalities in accordance with formats
	Funding compliance methodology implemented in line with Sections 17 and 18 of the MFMA	Number of municipalities using the methodology	Apply to 17 non-delegated municipalities Oversee application of the methodology to all other municipalities by provincial treasuries	Apply to 17 non-delegated municipalities Oversee application of the methodology to all other municipalities by provincial treasuries	Apply to 17 non-delegated municipalities Oversee application of the methodology to all other municipalities by provincial treasuries
	Development of a standard chart of accounts for municipalities	Project progress against plan	Development of chart	Piloting of chart with selected municipalities	Regulating chart and implementation
	Provincial and local government Budget and Expenditure Reviews	Quality and scope of reviews	Publish <i>Provincial Government Budget and Expenditure Review</i> by end of August Publish updated local government data in October	Publish updated provincial data in June Publish <i>Local Government Budget and Expenditure Review</i> by end of August	Publish <i>Provincial Government Budget and Expenditure Review</i> by end of August Publish updated local government data in October
	Publication of provincial and local government expenditure reports in terms of the PFMA (section 32) and MFMA (section 71) and DORA (Section 44(3))	Timely and accurate reports Coverage and reliability of municipal information	Publish provincial quarterly reports a month after the end of the quarter Publish municipal reports 45 days after the end of each quarter Maintain coverage at 283 municipalities Improve reliability of data		Maintain coverage at 283 municipalities Improve reliability of data



Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone	
Technical and Management Support	Infrastructure delivery improvement programme	Technical Assistants deployed in targeted provincial departments	Technical support given to three departments (education, health and public works) in all nine provinces	Technical support given to three departments (education, health, public works) in all nine provinces	Technical support given to three departments (education, health, public works) in all nine provinces	
		Timely submission of infrastructure plans by provinces that comply with guidelines developed by National Treasury	Infrastructure plans for targeted departments comply with Division of Revenue Act requirements	Infrastructure plans for targeted departments comply with Division of Revenue Act requirements	Infrastructure plans for targeted departments comply with Division of Revenue Act requirements	
	Project management support	Number of projects	67 technical assistance projects Develop technical assistance cost-recovery framework	73 technical assistance projects	80 technical assistance projects	
		Compliance with financial management legislation, practices and procedures	Oversee, monitor and report on expenditure of national government funding to institutions implementing 2010 FIFA World Cup projects	Project phased out		
	Neighbourhood development projects that attract private sector investment into townships	Number of projects granted award status	95	100	100	
		Number of projects where construction has commenced	30	35	40	
	Public Private Partnership agreements	Increased PPP oversight capacity	Review of PPP advisory and regulatory functions Publish revised PPP standardised provisions	Six projects	Six projects	Six projects
		Number of hospital PPP projects completing feasibility studies	Number of hospital PPP projects completing feasibility studies	One project	Six projects	Six projects
		Number of hospital PPP projects reaching financial close	Number of hospital PPP projects reaching financial close	One project	Six projects	Five projects



Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone
Public Entities Governance Unit	Legislative reform in governance and financial management issues Deepen the principles of governance and accountability in public entities, government agencies and departmental business enterprises. Institutionalise budgeting, reporting and change management processes	Amendments to PFMA and Treasury Regulations Implement a governance and financial management monitoring and compliance system for government agencies, public entities and departmental business enterprises	Sound regulatory environment and consistency in governance, human resource management and financial management in the public sector, including 'extra-budgetary' entities	Sustained sound planning, budgeting, governance and financial management in government agencies and public entities	



MEASURABLE OBJECTIVES AND MEDIUM-TERM OUTPUT TARGETS Programme 3: Asset and Liability Management

Measurable objective: Ensure prudent cash and financial management, oversight of state-owned entities and optimal management of the state's domestic and foreign debt.				
Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone
Governance and Financial Analysis	Review of Development Finance Institutions (DFIs)	Implementation of DFI review report	Prepare proposals on government support for selected DFIs	2011/12 Target Milestone
			Promote establishment of DFI council	
	Promote appropriate treasury management policies and practices in SOEs and major municipal treasuries (metros)	Adherence to treasury guidelines by SOEs and metros	Approved DFIs recommendations implemented and adherence monitored	Follow up reviews of the 3 major metros
			Monitor adherence Identify 4 new SOEs needing to establish a treasury management system	
	Coordinate borrowing programmes of SOEs	Compilation of borrowing calendar and consolidated maturity profile	Quarterly meetings with SOEs to update borrowing programmes Annual publication of borrowing calendar by March	100% (19 SOEs) completed
			33% (6 SOEs) completed	
	Determine optimal capital structure and appropriate dividend policies for SOEs	Benchmark to determine appropriate target capital structure for SOEs	Semi-annual reporting on compliance by major SOEs	67% (12 SOEs) completed
			PFMA and King Code (2002) compliance monitored	
	Shareholder compliance	Shareholder compliance	Annual report on review of corporate plans and financial statements	100% (19 SOEs) completed
			Participate in and lead major interventions and restructuring with a particular focus on Eskom, Pebble Bed Modular Reactor (PBMR), Telkom, CEF/ PetroSA, SABC, SAA, Denel and Transnet	
Annual sectoral analysis and policy review				
Establish forum for inter-divisional discussion on SOE related policy				
Sectoral Oversight	Prudent shareholder management	Continuous financial oversight over Schedule 2 and 3B entities	Establish forum for inter-divisional discussion on SOE related policy	Draft policy framework Ongoing forum discussions regarding emerging SOE related issues
	Develop policy framework within which SOEs are managed	Establish forum and policy principles		



Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone
Liability Management	Finance government's gross borrowing requirement	Annual total government borrowing needs fully met	Gross issuance of R109.2 billion	Gross issuance of R94.9 billion	Gross issuance of R87.5 billion
	Sound domestic and foreign debt management policies	Enhanced liquidity	Concentrate issuance in benchmark bonds Scrip lending and repo facilities		
	Reduce debt service cost	Active debt management	Buyback and exchange in domestic debt		
	Contribute to the development of financial markets	Declining debt service cost as percentage of GDP	2.2% of GDP	2.2% of GDP	2.3% of GDP
	Sound investor relations	Diversification of funding instruments	Domestic funding in fixed-income, inflation-linked and retail bonds, floating rate notes and treasury bills. International funding through capital market and export credit agency loans		
		Retain current investors and attract new ones	Conduct two domestic and two foreign roadshows Timely dissemination of reliable information		
Financial Operations	Sound cash forecasts	Government's liquidity requirements met every time	Forecasting R2.2 trillion of cash flows	Forecasting R2.3 trillion of cash flows	Forecasting R2.5 trillion of cash flows
	Optimise return on investments subject to credit limits	Investment of surplus cash at market-related rates	Quarterly analysis and review of investment rates		
	Coordinate intergovernmental cash	Saving by national and provincial governments	Saving of up to 3% on borrowing costs compared to borrowing from commercial banks		



Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone
Strategy and Risk Management	Annual financial statements and market reports	Timely and accurate reporting	Compliance with PFMA reporting requirements regarding annual financial statements Timely dissemination of reliable market information		
	Treasury management systems	Reliable, automated and integrated systems to be implemented	Expansion of back office system to include: domestic capital market module, retail debt module and foreign loans module	Expansion of back office system to include: money market module Acquisition and integration of the middle office system	Acquisition and integration of front office system
Strategy and Risk Management	Minimise and mitigate risks emanating from government debt portfolio (market risk) and from the investment of surplus cash	Performance against benchmarks:	Implementing and actively managing the revised systems integration strategy Review of strategic benchmarks of 70/30 fixed versus non-fixed rate domestic debt and 20-25% maximum foreign debt exposure as a percentage of total debt Implement and monitor strategic benchmarks Quarterly review of performance against benchmarks		
		<ul style="list-style-type: none"> Non-fixed versus fixed debt Foreign debt versus domestic debt 			
	Adherence to surplus cash benchmark investment ratios and total limits per counterparty		Annual review of investment ratios and limits per counterparty Semi-annual reports on adherence to ratios and limits		
	Quantitative indicators of sovereign risk		Semi-annual sovereign credit rating reviews		
Manage contingent liabilities appropriately	Capping total government debt plus contingent liabilities as a percentage of GDP		Review and monitor benchmark of net government debt and contingent liabilities not exceeding 50% of GDP		



MEASURABLE OBJECTIVES AND MEDIUM-TERM OUTPUT TARGETS
Programme 4: Financial Management and Systems

Measurable objective: To regulate and oversee public sector supply chain management and standardise the financial systems of national and provincial government.					
Subprogramme:	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone
Supply Chain Policy	Overall user requirement statement (URS) and updated supply chain management (SCM) URS	Maintain and enhance URS	Ongoing	Ongoing	Ongoing
	Implement item identification policy	Implementation of item identification at lead sites	August 2009	Roll out to rest of departments	
	Establish corporate reference data functionality	Establish URS repository	August 2009	Ongoing enhancements and maintenance	
	Introduction of strategic sourcing principles to all spheres of government	Roll out strategic sourcing principles to the public sector and assist institutions with implementation	24 national departments 5 provincial treasuries 5 constitutional institutions 30 high capacity municipalities	40 national departments 4 provincial treasuries 4 constitutional institutions 20 high capacity municipalities Introduce strategic sourcing principles to 32 medium capacity municipalities and 38 low capacity municipalities in conjunction with the relevant provincial treasuries	42 medium capacity municipalities Introduce strategic sourcing principles to 32 medium capacity municipalities and 38 low capacity municipalities in conjunction with the relevant provincial treasuries
Norms and Standards	SCM compliance monitoring and combating SCM related corruption	Extent of compliance to SCM procedures and prescripts	Establish a fully capacitated SCM compliance monitoring unit	Operationalise the SCM compliance monitoring unit	Ongoing SCM compliance monitoring
		Administration of grievance mechanism	Ongoing investigation of SCM related grievances		



Subprogramme:	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone
Contract Management	Roll out of revised SCM framework	Successful implementation throughout government	Compile draft SCM framework	Issue at least four practice notes for implementing the revised SCM framework	Ongoing enhancement and revision of the SCM framework
	Align preferential procurement with the aims of the BBBEE Act and its related strategy	Extent of alignment	Issue revised Preferential Procurement Regulations aligned with the aims of BBBEEA	Issue SCM framework to align Preferential Procurement Policy Framework Act with BBBEEA by December 2010	
	Facilitate and manage transversal term contracts	Number of transversal term contracts facilitated per year	32 transversal term contracts due for renewal during 2009/10 out of a total of 59 transversal term contracts	27 transversal term contracts due for renewal during 2010/11 out of a total of 59 transversal term contracts	34 transversal term contracts due for renewal during 2011/12 out of a total of 59 transversal term contracts
Financial Systems	Apply strategic sourcing to enhance value for money applicable to all transversal term contracts	Number of transversal term contracts on which strategic sourcing is applied	Apply strategic sourcing strategies on 100% of all transversal term contracts	Quantify economic benefits for applying strategic sourcing methodologies to certain strategic transversal term contracts	Ongoing monitoring of adherence to strategic sourcing methodologies to transversal term contracts
	Roll out the Integrated Financial Management System (IFMS)	Implement lead solutions	Procurement COTS (commercial off the shelf) - implement at National Treasury and another national department - lead sites HR COTS: Department of Public Service and Administration and Free State Department of Education – lead sites Asset Management: National Treasury, Department of Defence, 4 Limpopo provincial departments and several small-to-medium size departments	Roll out to national departments	Roll out to provinces



Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone
			Contract system development partners through SITA and develop the following modules for non COTS components: Advance Asset Management Payroll Solution Financial Management	Implement the following completed modules in lead sites to be identified through a readiness assessment process: Advance Asset Management Payroll Solution Financial Management	Implement completed modules at lead sites
	Create a user support capacity at SITA	Success of user support facility	Set up a call centre help-desk at SITA Set up an IFMS Training Unit at SITA	Develop an IFMS partner certification for training and implementation capacity	Develop an IFMS partner certification for training and implementation capacity
	Develop an approach for data migration	Successful data migration	Undertake data migration for lead sites	Undertake data migration for national departments	Undertake data migration for provinces
	Maintain and support current financial management systems	Percentage availability of systems within working hours	98% availability of systems during working hours	98% availability of systems during working hours	98% availability of systems during working hours
	Retire current systems	Data migration for lead sites	Data migration and archives	Data migration and archives	Data migration and archives Phase-out legacy financial management systems



MEASURABLE OBJECTIVES AND MEDIUM-TERM OUTPUT TARGETS

Programme 5: Financial Accounting and Reporting

Measurable objective: To facilitate accountability, governance and oversight by promoting transparent, economic, efficient and effective management in respect of revenue, expenditure, assets and liabilities in the public sector.					
Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone
Technical Support Services	Develop an annual financial statements reporting pack for national and provincial departments	Timeous publication	2010/11 reporting framework published by 31 March 2010	2011/12 reporting framework published by 31 March 2011	2012/13 reporting framework published by 31 March 2012
	Develop accounting manuals for Standards of GRAP	Timeous publication	31 March 2010	31 March 2011	31 March 2012
	Contribute towards development of local and international standards on accounting, auditing and risk management	Attendance at meetings and reports produced Percentage of comments accepted by International Public Sector Accounting Standards Board (IPSASB)	All IPSASB meetings attended and reports submitted within 7 days of attendance 50%	All IPSASB meetings attended and reports submitted within 7 days of attendance 50%	All IPSASB meetings attended and reports submitted within 7 days of attendance 50%
Accounting Support and Reporting	Align the Cash to Accrual Implementation Plan with the IFMS roll-out plan	Timeous finalisation of plan	March 2010	Ongoing monitoring, refinement and implementation	Ongoing monitoring, refinement and implementation
	Monthly statements of actual revenue and expenditure for the National Revenue Fund	Timeous publication of accurate reports	Last working day of each month	Last working day of each month	Last working day of each month
	Publish consolidated annual financial statements for national departments, consolidated annual financial information for public entities and publication of annual financial statements for the RDP Fund	Timeous tabling in Parliament	31 October 2009	31 October 2010	31 October 2011



Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone
Internal Audit Support	Support to provincial treasuries for preparation of provincial consolidated financial statements, provincial revenue fund statements and implementation of GRAP standards	Number of trainees	672 trainees in provincial treasuries, municipalities and public entities	672 in provincial treasuries, municipalities and public entities	672 trainees in provincial treasuries, municipalities and public entities
	Support implementation of audit committee guidelines	Number of workshops	50 workshops	70 workshops	70 workshops
	Conduct internal audit reviews at municipalities	Number of reviews completed	26 municipalities by 31 March 2010	26 municipalities 31 March 2011	26 municipalities 31 March 2012
Risk Management Support	Report on the status of internal auditing in national and provincial departments and in municipalities	Timeous production of reports	January 2010	January 2011	January 2012
	Support for the roll out of the Internal Audit Framework and Guidelines	Number of trainees	1 600 trainees	1 900 trainees	1 900 trainees
	Support for the roll out of the Public Sector Risk Management Framework	Number of trainees	800 trainees	600 trainees	
	Deliver risk management training	Number of officials obtaining the Certificate of Competency in Risk Management per the e-Learning Module	150 officials	200 officials	300 officials
	Risk Management Learnership (RML) implemented	Number of learners in the SAQA accredited programme	10 learners	15 learners	20 learners
	Develop a risk management modelling tool	Project progress	Completion of feasibility study by 31 March 2010	Develop the modelling tool by 31 March 2011	Development of modelling tool completed by 31 March 2012



Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone
Capacity Building	Implementation of a financial management capacity building model	Timeous implementation	31 March 2010	Monitoring	Monitoring
	Academic support programme for TOPP and other accountants in government	Number of participants	15 participants	50 participants	50 participants
	Establishment of a Training Outside Public Practise (TOPP) academy for trainee accountants in government	Timeous establishment		30 June 2010	
	Implementation of the Financial Management Improvement Programme II (Programme ends in March 2010)	Number of agreed upon projects	49 projects		
		Timeous implementation of Public Finance Management (PFM) reforms in selected provinces	2 provinces. To be completed during the financial year but no later than 31 March 2010		
Governance Monitoring and Compliance (PFMA Unit)		Timeous implementation of PFM reforms implemented in selected municipalities	4 municipalities. To be completed during the financial year but no later than 31 March 2010		
	Review of and amendments to the Public Finance Management Act and Treasury Regulations	Submission of the Public Finance Management Bill to Cabinet	March 2010		
		Revision of Treasury Regulations issued in terms of the PFMA		December 2010	
	Monitor the improvement of financial management in national and provincial institutions	Reports to Standing Committee on Public Accounts and to the Standing Committee on Finance on progress made with the improvement of financial management in terms of the financial management capability maturity model	August 2009	August 2010	August 2011
	Report to Cabinet on the audit outcomes of national and provincial PFMA compliant institutions		November 2009	November 2010	November 2011



Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone
MFMA Implementation	Enhance coordination across government for effective implementation of MFMA	An agenda that ensures alignment of activities of national and government departments consistent with agreed priorities	Quarterly meetings convened and resolutions implemented	Quarterly meetings convened and resolutions implemented	Quarterly meeting convened and resolutions implemented
	Assess financial management skills in municipalities	Reports produced on financial management skills in municipalities	November 2009	November 2010	November 2011
	Timeous development of financial management indicators for effective monitoring and reporting	A financial management indicators report	September 2009	March 2011	March 2012
	Review of MFMA regulations	Timeous publication of reviewed regulations	Draft miscellaneous regulations published by March 2010	Regulations gazetted by September 2010	Review regulations March 2011
	Develop supporting guides	Timeous development of guides	September 2009 November 2009 March 2010		
	Review and respond to requests for the development of financial recovery plans	Financial recovery plans	Recovery plans developed and issued within 90 days	Developed recovery plans issued within 90 days	Developed recovery plans issued within 90 days



MEASURABLE OBJECTIVES AND MEDIUM-TERM OUTPUT TARGETS

Programme 6: Economic Policy and International Financial Relations

Measurable objective: Provide policy advice to promote growth, employment, macroeconomic stability and regional integration.			
Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone 2010/11 Target Milestone 2011/12 Target Milestone
Management and Research	Publish and promote economic research relevant to South Africa	Number of papers published (internally or externally)	Publication of research papers or discussion documents on economic growth, job creation, various microeconomic studies, etc. While most papers will be published by academics and researchers through the Economic Research of Southern Africa initiative (ERSA) and Centre for Research into Economics and Finance in Southern Africa (CREFSA), selected papers may be published by the department directly
			Support regulatory agencies in monitoring and maintaining the stability of the financial sector
Financial Sector Policy	Financial stability	Stability of financial system including first-tier banks	Review of the effectiveness of the financial regulatory system in South Africa
		Effectiveness of regulatory agencies and enforcement mechanisms, and alignment with G20 recommendations	Implementing proposals on the design of the financial regulatory system, arising from the review of the system
		Protect depositor base	Present and table legislation for Deposit Insurance Scheme in Cabinet and Parliament
		Formulation of policy framework and project plan	Formulation and passing of appropriate legislation supporting retirement reform
Reform the system of retirement funding, including governance reforms (Jointly with Public Finance – Programme 2)		Governance reforms and training of trustees	Implementation of trustee reforms
		Finalisation of framework to modernise Regulation 28 of the Pension Fund Act	Finalising implementation of new framework to modernise regulation 28



Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone
	Financial sector transformation and access	Broadened and improved access, and quality of financial services, to people who have been excluded previously	Monitor the implementation of the Financial Sector Charter's transformation targets, and develop financial access indicators	Monitor the implementation of the Financial Sector Charter's transformation targets, and develop financial access indicators	Monitor the implementation of the Financial Sector Charter's transformation targets, and develop financial access indicators
	Enable transparent and cost efficient public access to banking services and products	Competitively priced banking products and services	Facilitate a government response to the Competition Commission Report on Competition in Banking	Consider various options to give effect to Banking Enquiry recommendations and commence implementation	Monitor implementation of Banking Enquiry recommendations
	Broaden access to banking services through financially sound second-tier banks	New second-tier banks in the form of dedicated banks to enable easy access to banking services	Table Dedicated Banks Bill in Parliament	Finalise regulations and engage with relevant stakeholders to facilitate full implementation of the Dedicated Banks legislation	Monitor implementation of legislation
	Protect integrity of the financial system in South Africa	Stable and well developed co-operative banks Work with Financial Intelligence Centre to ensure effective implementation of government-wide strategy on Anti Money Laundering/ Combating the Financing of Terrorism	Support and monitor the implementation of the Co-operative Banks Act	Support and monitor the implementation of the Co-operative Banks Act	Support and monitor the implementation of the Co-operative Banks Act
			Ongoing interaction with Financial Action Task Force on issues prompted by the G20 process as affecting the integrity of the financial system	Ongoing interaction with Financial Action Task Force on issues prompted by the G20 process as affecting the integrity of the financial system	Ongoing interaction with Financial Action Task Force on issues prompted by the G20 process as affecting the integrity of the financial system



Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone
Tax Policy	Tax proposals and revenue forecasts for the annual budget	Good quality chapter 4 of the annual Budget Review	Publication on Budget Day 2010	Publication on Budget Day 2011	Publication on Budget Day 2012
	Investigate options to price carbon, a carbon tax, and/or emissions trading	Mitigate the impact of carbon emissions and address concerns relating to climate change through environmental fiscal reform	Draft policy paper on carbon pricing	Draft legislation on policy proposals	Implement a comprehensive carbon mitigations and adaptation strategy supported by appropriate economic instruments, e.g. a carbon tax
	The taxation of financial instruments, and unbundling the problem of the differential treatment of debt and equity	Review of strategy to effectively tax financial instruments, limit tax avoidance and create a level playing field in the tax treatment of debt and equity	Publish a discussion document to explore options dealing with the tax treatment of financial instruments, carried interest in private equity transactions and the deductibility of interest payments	Draft legislation to implement approved proposals	Implement legislation
	Tax incentives to support industrial policy	Framework to respond to various requests for incentives and other government support for large scale investment projects	Engage the Department of Trade and Industry and the Departments of Minerals and Energy to address the request to support the industrial policy strategy, mineral beneficiation and fuel/energy security	Develop a draft position paper. Use of cost-benefit analysis and other appropriate techniques to determine the economic case for possible incentives	Possible legislative amendments
	Complete the conversion of the STC regime into the new Dividend Tax	Implementation of new Dividend Tax	Signing of revised tax treaty protocols	Ratification of revised tax treaty protocols by parliament	
	Tax legislation and amendments	Taxation Laws Amendment Bill Interactive Gambling Bill	Tabling by June 2009 Tabling by October 2009	Tabling by May 2010	Tabling by May 2011
		Initiate a pilot project to rewrite the Income tax Act, or parts thereof	Outline of the proposed rewrite of sections of the Income Tax Act dealing with employment income and depreciations allowances	Concept legislation of new employment income provisions in the Income tax Act	Legislation on employment income for consideration by parliament
					Concept legislation on depreciation allowances



Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone
International Economic Policy and Financial Relations	Promote Southern African economic integration	Agreement and implementation of a road map for integration and review of SACU revenue-sharing formula	Participate in process to develop a road map for regional integration in SADC	Implement any agreed proposals on regional integration in SADC	2011/12 Target Milestone
	Promote the development of African countries and attainment of Millennium Development Goals	Playing a catalyst role with donor countries and in capacity-building initiatives	Develop proposals and engage within SACU to review revenue-sharing formula during 2009	Finalise agreement on a new revenue-sharing formula in SACU	Implement any new agreement on a revenue-sharing formula in SACU
	Supporting South Africa's participation in international finance and development policy and institutions, including the IMF, World Bank, G20 and Organisation for Economic Co-operation and Development (OECD), and linking these to national and regional interests	Facilitate engagements between these institutions and the Minister of Finance and National Treasury Provide policy memos and proposals for negotiating positions and discussion points on issues tabled for discussion at various meetings and events Represent the position of the Minister of Finance and the National Treasury at these institutions	Participate in African Development Bank, UN Economic Commission for Africa and Collaborative African Budget Review Initiative	Participate in African Development Bank, UN Economic Commission for Africa and Collaborative African Budget Review Initiative	Participate in African Development Bank, UN Economic Commission for Africa and Collaborative African Budget Review Initiative



Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone
Economic Policy	Economic policy analysis, research, assessment and advice covering trade, labour markets, industrial sectors, network infrastructure, development finance institutions and economic growth	Quality policy memos and economic assessment of policy proposals with appropriate turnaround times	Institutional development of divisional capacity and quality benchmarking	Improved benchmarking and coverage of issues	Functioning microeconomic assessment
		Quarterly economic forecasts and high-quality policy and scenario modelling	Staffing and capacity development for modelling and forecasting	Comprehensive in-house macroeconomic analysis and forecasting	
	Macroeconomic forecasts	High quality Chapter 2 of <i>MTBPS</i> and <i>Budget Review</i>	Improved policy focus in <i>MTBPS</i>	Budget Day and <i>MTBPS</i> Day	Budget Day and <i>MTBPS</i> Day
	Macroeconomic perspective and analytics	Speeches published on intranet	Improving speech-writing skills in staff through training initiatives		
	Speeches and briefing notes	Impact on investor analysis	Made-to-measure analytics prepared for meetings		
	Meetings with investors on the economic outlook	Number and quality of assessments	Work processes developed and institutional structure put in place	Structure and capacity for R/A fully functional	Installed capacity delivering RIAs as per Treasury policy
Regulatory impact assessments (RIA)					



MEASURABLE OBJECTIVES AND MEDIUM-TERM OUTPUT TARGETS Programme 7: Provincial and Local Government Transfers

Measurable objective: Improve the pace and quality of provincial infrastructure investment and asset maintenance, promote financial management reforms in municipalities and restructure service delivery in municipalities with large budgets.				
Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone
Infrastructure Grant to Provinces	Monitoring provincial infrastructure development	Transfers in compliance with conditions	Transfers made in accordance with the Division of Revenue Act	
		Reporting on compliance, transfers and spending	Quarterly reporting by nine provinces on aggregate infrastructure spending and outputs	
		Improvement of infrastructure delivery management systems, through implementation of IDJP in provinces.	Technical assistance teams appointed to assist education, health and public works departments in nine provinces	
			IDJP is fully rolled out into the health department (health sector is able to implement the IDJP Toolkit and the infrastructure alignment model)	
			Timely submission of infrastructure plans by provinces which comply with guidelines developed by National Treasury	



Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/11 Target Milestone	2011/12 Target Milestone
Local Government Financial Management Grant	Monitoring of municipal financial management reforms	Transfers made according to conditions	Transfers made by 31 March 2010 Appointment of at least three interns in each of the 283 municipalities (a total of 849 interns) Improved reporting in all municipalities Progressive implementation of MFMA in all municipalities	Transfers made by 31 March 2011 Appointment of at least four interns in each of the 283 municipalities (a total of 1132 interns) Improved reporting in all municipalities Progressive implementation of MFMA in all municipalities	Transfers made by 31 March 2012 Appointment of at least five interns in each of the 283 municipalities (a total of 1415 interns) Improved reporting in all municipalities Progressive implementation of MFMA in all municipalities



MEASURABLE OBJECTIVES AND MEDIUM-TERM OUTPUT TARGETS

Programme 8: Civil and Military Pensions, Contributions to Funds and Other Benefits

Measurable objective: To ensure the payment of benefits and awards to beneficiaries of departments, state-aided bodies and other specified entities in terms of various statutes, collective-bargaining agreements and other commitments.					
Subprogramme	Output	Measure/Indicator	2009/10 Target Milestone	2010/2011 Target Milestones	2011/2012 Target Milestones
Civil Pensions and Contributions to Medical Schemes	Payment of pension benefits and contributions to funds (including special pensions)	All beneficiaries paid monthly	10 142 injury-on-duty (IOD) beneficiaries 8 596 special pensions monthly pensioners	11 142 IOD beneficiaries 9 026 special pensions monthly pensioners	12 142 IOD beneficiaries 9 026 special pensions monthly pensioners
	Payment of contributions to medical aid schemes	All contributions paid timeously	75 400 members per month	76 119 members per month	79 500 members per month
	Payment of risk and administration fees to the Political Office Bearers' Pension Fund	Payment of risk and administration fees in respect of all members monthly	Payment of risk and administration fees in respect of 1 100 members monthly		
	Special pensions awareness campaign	Notify beneficiaries about special pensions amendments	Collect and process application forms	Finalise the processing of application forms	
Military Pensions and Other Benefits	Payment of military pension benefits	All beneficiaries paid monthly	7 024	7 054	7 054
	Payment to service providers for medical expenses	All claims paid to service providers monthly	806	848	870







