



# GOVERNMENT DIALOGUE

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IN CONVERSATION WITH THE PUBLIC EMPLOYEE



## Govt leads nation in belt-tightening and improving effectiveness

Nothing over B-class car hire, international business class travel for Ministers, DGs and DDGs only and a ban on using public funds to buy alcohol are among the measures laid down by Cabinet to cut or minimise costs in the Public Service.

Minister Gordhan presented a far-reaching package of belt-tightening measures in his Medium Term Budget Policy Statement 2013, which, he said, was part of government steering the country through the worst global recession in 70 years.

Addressing Parliament on how government has fared to date in weathering the storm, Minister Gordhan said: "We have made bold and correct decisions which have restored growth, supported our industries, and maintained a sustainable fiscal policy."

Turning to government spending, Minister Gordhan said government too

had to provide value for money. While most government spending was effectively managed, there were many opportunities to cut or minimise costs and stop abuse.

"In these difficult times, Cabinet has decided to take a number of initiatives which will apply both to members of Cabinet and to officials in national, provincial and local government. This will include state entities and state-owned enterprises."

Minister Gordhan said Cabinet had decided of its own accord that the following measures would apply to the Executive, including provincial and municipal Executives:

**Cars:**

- The cost limits for official cars will be standardised;
- Bulk purchasing will be used to reduce costs;



Minister Pravin Gordhan



government  
communications

Department:  
Government Communication and Information System  
REPUBLIC OF SOUTH AFRICA

- Security features will be a consideration;
- There will be no compensation for use of personal cars.

## Overseas delegations:

- Business Class only for Ministers;
- Assistants to Ministers will be limited to two;
- Direct routes will be used;
- Number of officials to be kept to a minimum.



## Housing:

- Ministers awaiting allocation of houses will be accommodated in rented apartments - not hotels
- New refurbishment guidelines for limiting costs will be developed.



## Credit cards:

- No new credit cards are to be issued and existing ones to be cancelled immediately.

Minister Gordhan said government's approach to reducing costs and eliminating wasteful expenditure in the rest of government would focus on the following areas over the period ahead:



### 1. Consultant services:

"There are of course necessary engineering and advisory services employed by government departments," said the Minister. "However, we need better contract management, stricter control of consultancy fees (and) each government entity (must) develop a consultancy reduction plan over the course of this financial year."

### 2. Travel and related costs:

- Hiring of cars to be restricted to B Class except for special instances such as rural travel;
- The number of officials travelling to Cape Town offices will be limited;



- The Leader of Government Business (Deputy President Kgalema Motlanthe) will engage with Parliament on measures to reduce costs, such as the size of delegations appearing before parliamentary committees, and the cost implications of the current Pretoria-Cape Town arrangements;
- Business class for overseas travel for DGs and DDGs only;
- Business class for DGs only on domestic flights.



### 3. Advertising:

- Guidelines to limit non-essential costs and for better use of GCIS facilities will be developed.



### 4. Catering and event costs:

- Guidelines will be developed for reducing event costs, including better use of government facilities rather than outside venues for meetings;
- No public funds to be used for purchase of alcohol;
- The entertainment allowance will be limited to R2 000;

5. Following the review of accommodation leases initiated by Minister Nxesi, steps are under way to reduce long term office accommodation and government housing costs and make further savings from electricity demand management measures in government buildings.

Wrapping up his statement to Parliament, Minister Gordhan said the medium-term Budget was a "framework that acknowledges that there is hard work ahead – and recognises that a faster growing economy is in everyone's interest. We all gain, when more people have work. We all gain, when our firms can compete on international markets. We all gain, when rising incomes contribute to greater capacity for public service delivery. We all gain, when our divisions and inequality fade into history and we celebrate a shared more prosperous future."

For the Public Service, some of the rules around spending are changing, but the commitment to making South Africa an even better place is not to be tampered with.