**3. Report of the Portfolio Committee on Sport and Recreation on Budget Vote 40: Sport and Recreation South Africa, 16 May 2017**

The Portfolio Committee on Sport and Recreation, having considered the Annual Performance Plan of the Department of Sport and Recreation South Africa for 2017-18, the Strategic Plan of the South African Institute for Drug-Free Sport for 2017-22, and the Annual Performance Plan of Boxing South Africa for 2017-18, reports as follows:

1. **Introduction**

Sport and Recreation South Africa (SRSA) has been assigned the powers and functions, as the custodian of sport and recreation nationally, to develop and implement national policies and programmes regarding sport and recreation. The Minister of Sport and Recreation, in terms of the National Sport and Recreation Act, Act 110 of 1998, has the legislative powers to oversee the development and management of sport and recreation in South Africa. The key implementers are the provinces and municipalities as well as the South African Sports Confederation and Olympic Committee (SASCOC), and national federations.

Two public entities, namely Boxing South Africa, established in terms of the South African Boxing Act, Act 11 of 2001, and the South African Institute for Drug-Free Sport, established in terms of the South African Institute for Drug-Free Sport Act, Act 10 of 1997, receive their budget *via* the Budget Vote 40: Sport and Recreation SA allocation.

In terms of the Annual Performance Plan of the Department of Sport and Recreation for the 2017-18 financial year, the Operational Plan and Strategic Plan of the South African Institute for Drug-Free Sport for 2017-22, and the Annual Performance Plan of Boxing South Africa for the 2017-18 financial year, the 2017-18 budgets of the SRSA, SAIDS and BSA indicate consideration of these entities' contribution to giving effect to the National Development Plan (NDP), in terms of which sport contributes to Outcome 14 in promoting wellness and social cohesion. The work of the department is informed by the National Sport and Recreation Plan as policy to ensure that it gives effect to the NDP goals. Government's programme of action is captured in the Medium-Term Strategic Framework, in which these priorities are outlined. The MTSF serves as Government strategic plan to guide the policies and strategic outcomes of all government departments and entities. The intervention that the department has undertaken to promote social cohesion within the MTSF includes:

* Promoting participation in sport and recreation
* Advocating transformation in sport and recreation
* Developing talented athletes by providing them with maximum opportunities to reach their full potential
* Supporting high performance athletes to achieve success in international sport.

The National Sport and Recreation Plan (NSRP), which was approved by Cabinet on 3 May 2012, details three core pillars of implementation: An active nation; a winning nation; and an enabling environment.

SRSA had made technical adjustments to its Strategic Plan 2015-2020 to improve the indicators and targets and to adhere more strictly to the SMART principle of indicator development. No policy shifts have been made, and the 2015-2020 Strategic Plan will not be tabled again.

The SRSA delivers its mandate in a dynamic environment of inter- and intra-governmental cooperation and service delivery. This is critical to the department's delivery of services, as its programmes link to activities of departments such as Health, Basic Education, Cooperative Governance and Traditional Affairs, and Arts and Culture, and at a critical level is its reliance on delivery agents such as provincial departments responsible for sport. Whilst SRSA transfers conditional grant funding to the delivery agents for implementation of the NSRP, they also have their own provincial priorities.

The challenge experienced by provinces in sourcing performance data from their district offices caused by factors such as distance, technology and failure to report against set targets, impacts on the ability of SRSA to report to National Treasury and the Department of Performance Monitoring and Evaluation. A needs analysis and setting of minimum standards for equipment and apparel became necessary after a number of provinces had failed to conduct needs analyses for equipment and apparel requirements, and there were complaints that substandard equipment and apparel had been provided to beneficiaries.

As efficient and effective organisation the SRSA’s compensation of employees budget has been reduced by R1,2 million in 2017-18, R1,8 million in 2018-19 and R1,9 million in 2019-20. There have also been such reductions in the goods and services budget of R7,2 million in 2017-18, R7,6 million in 2018-19 and R8,1 million 2019-20 as part of Cabinet’s decision to lower the national aggregate expenditure ceiling. These reductions will be absorbed by implementing cost-saving measures in expenditure on items such as advertising, computer services, contractors, travel and subsistence, and venues and facilities.

1. **Overview of 2017-18 Annual Performance Plan**

**2.1. Sport and Recreation SA (SRSA)**

The 2017-18 Annual Performance Plan (APP) of Sport and Recreation SAoutlines the policy priorities that the SRSA intends to implement in line with the National Sport and Recreation Plan (NSRP) and in pursuit of broader goals contained in the National Development Plan (NDP).

In 2016 South Africa was elected as chairperson of the Intergovernmental Committee for Physical Education and Sport (CIGEPS) for four years, and will play a leading role in the development of policy documents for the July 2017 Sixth International Conference of Ministers and Senior Officials Responsible for Physical Education and Sport (MINEPS VI), in Kazan, Russia, to finalise sports policies that will contribute towards achieving the 2030 Sustainable Development Goals of the United Nations (UN). Other projects include the UNESCO Conference of Parties to the International Convention against Doping in Sport; the African Union Sports Council (AUSC) Sport Development Region Five, and the World Anti-Doping Agency (WADA). The South African pilot programme for UNESCO’s Quality Physical Education Programme commences in 2017, and SA will continue participating in the UN Sport for Development and Peace International Working Group (SDP IWG).

The 2017 Medium Term Expenditure Framework (MTEF) baseline allocation includes a budget reduction of R4.8 million reprioritised from compensation of employees, which resulted in a R106.104 million allocation for 2017-18. The envisaged conclusion of the organisational review process will reduce the SRSA vacancy rate to approximately 10%, in line with the Department of Public Service and Administration directive. The planned process of populating the new organisational structure on the payroll system will enable the organisation to reduce its vacancies by almost 4%. This will be addressed in 2017-18 by changing the scheduling of the corresponding performance target to the first quarter, and measured as a strategic intervention until satisfactory improvements are seen.

In the 2017-18 financial year the department intends to allocate R689.1 million to the Active Nation programme, and a projected R2.2 billion, or 64.6 per cent of the SRSA’s total allocation for the MTEF period, will be expended through the Active Nation programme of which the primary mandate is to provide opportunities for mass participation in sport and recreation. Over the medium term the SRSA plans to encourage participation in sport and recreation at various levels, facilitate transformation in sport and recreation, support talented and high-performance athletes towards excelling, and achieving success in the international sporting arena.

**2.1.1. Priority implementations by SRSA to promote social cohesion were revised in 2016, and may be revised in 2017**

**2.1.1.1 Promote participation in sport and recreation**

Number of people actively participating in organised sport and active recreation events; Number of people actively participating in sport and recreation promotion campaigns and events per year; Number of sport and recreation promotional campaigns and events implemented per year; and Number of schools, hubs and clubs provided with equipment and/or attire as per the established norms and standards per year.

**2.1.1.2 Advocate transformation in sport and recreation**

Number of sport and recreation bodies receiving financial and non-financial support in an effort to assist them in meeting their transformation targets.

**2.1.1.3 Develop talented athletes by providing them with opportunities to excel**

Number of athletes supported by the sports academies and Number of participants in national school sport championships per year.

**2.1.1.4 Support high performance athletes to achieve success in international sport**

Number of athletes supported through the scientific support programme.

**2.2. Boxing SA**

In terms of the [South African Boxing Act, Act 11 of 2001](#_South_African_Boxing), Boxing South Africa is required to administer professional boxing, recognise amateur boxing, create and ensure synergy between professional and amateur boxing, and promote engagement and interaction between associations of boxers, managers, promoters and trainers.

The main focus of Boxing SA programmes is improving governance and administration, boxing development and boxing promotion. Boxing SA's 2015-2020 Strategic Plan has not changed, but some changes have been made to the APP strategic objectives and indicators. ''Number of Board resolutions implemented'' under the Governance programme was removed and ''Performance Management and Development'' was added as new indicator. Under Boxing Development one indicator, ''Number of tournaments sanctioned by BSA'', was removed. Under Boxing Promotion two indicators were added: ''Boxing Awards'' was included under Flagship Programmes, and ''Boxing Information Provision'' was included as a new strategic objective to improve archiving of boxers' performance and other information.

The 2017-18 BSA budget allocation from SRSA is R11,5 million, and Boxing SA needs to raise the remaining R2,6 required for its annual budget through fees payable to BSA in terms of the Boxing Act (Sanctioning, Licensing Fees, Penalties & Sponsorships).

Boxing SA intends to prioritise licensing, improve criteria for ratings, strengthen systems to improve turnaround time and implementation of sanctioning, and strengthen its working relationship with SAIDS as well as implementation of the doping mandate. The broadcasting of boxing and practicalities around implementation of the agreement with SABC have been flagged as priority.

**2.3. SAIDS**

SAIDS is an independent corporate body established in terms of the South African Institute for Drug-Free Sport Act, Act 14 of 1997, and is responsible for providing leadership in the development of a national strategy concerning doping in sport, ensuring the adoption of a centralised doping control programme, which may subject any athlete to testing, with or without advance notice, both in and out of competition; ensuring that national sports federations and other sports organisations adopt and implement anti-doping policies and rules which conform with the World Anti-Doping Code and the requirements of the anti-doping policy and rules of the Institute; and to ensure, as far as reasonably possible, the establishment and maintenance of a WADA-accredited laboratory in the Republic.

**Policy Framework**

National Sports and Recreation Plan (NSRP), UNESCO Convention Against Doping In Sport and the World Anti-Doping Code, administered by the World Anti-Doping Agency (WADA) who ensures compliance with the standards and guidelines of the Code. Noncompliance with the Code can result in South African being excluded from participating in international competitions such as the Olympic Games, and World Cup tournaments.

1. **Strategic priorities and measurable objectives of the Department of Sport and Recreation**

**3.1. Overview of strategic goals**

The department did not table a new strategic plan, as they are in the fourth year of implementing the 2015-2020 Strategic Plan. Minor technical adjustments were made to the Strategic Plan with a view to improving the indicators and targets, and in some instances to adhere more strictly to the SMART principle of indicator development. The revisions were tabled as an annexure to the 2016-17 and 2017-18 Annual Performance Plans in order to ensure strategic alignment. Further minor adjustments were made in 2017.

The goal statement for Strategic Goal number two, which refers to the Mass Participation and Sport Development Grant, has been changed as follows: ''80% of recognised National Federations (NFs) meeting transformation targets by 2020'' has been adjusted to ''Foster transformation within the sport and recreation sector such that selected national federations achieve their transformation commitments by 2020''. This will translate into a more accurate setting of the strategic objective, which has been adjusted to “Transformation of South African Sport adequately addressed”.

**3.1.1. Revisions to Strategic Objectives, the Strategic Objective Statement and the 5 Year Strategic Plan target**

Objective statements have been revised for the following strategic objectives: Strategic leadership, management and support services delivered, Active recreation programmes implemented (target revised), Sport participation opportunities provided to communities (target revised), School sport programmes supported (target revised), Provincial sport development programmes supported, Scientific support services coordinated for athletes, Government responsibility towards anti-doping supported, Major events supported, Sport tourism to South Africa promoted, Achievements in the sport and recreation sector acknowledged, Access to sport and recreation facilities optimised (target revised) and Technical and management support provided.

The objective statement for strategic objective ''Strategic leadership, management and support services delivered'': Percentage compliance with prescribed regulations and directives, was revised to ''To maintain the percentage compliance with prescribed regulations and directives at 100% through to 2020''.

The objective statement for strategic objective ''Active recreation programmes implemented'' was changed from ''Facilitate the delivery of at least 25 active recreation campaigns or programmes with a specific focus on designated groups as a contribution to improving the overall wellbeing of the nation'' to ''To facilitate the delivery of active recreation campaigns or programmes with a specific focus on designated groups as a contribution to improving the overall wellbeing of the nation, social cohesion and nation building through to 2020'' for 2017, with a 2017 target of ''A lower than 10% deviation for participants' demographic in terms of the provincial norm'' revised from the 2016 target ''Five-year target reduced from 25 events to 18 events due to budget cuts''.

The objective statement for strategic objective ''Sport participation opportunities provided to communities'' has been revised from ''Inspire lifelong physical activity by providing at least 10 structured sport promotion programmes to community members'' to ''To inspire lifelong physical activity by providing structured sport promotion programmes to community members through to 2020'', with a revised target for 2017 of ''2 Governance structures formally constituted'' in lieu of the 2016 target ''10 Sport & Recreation promotional campaigns and events''.

The objective statement for strategic objective '' School sport programmes supported'' has been revised from '' Increase learners’ access to sport at schools by supporting 8 National School Sport Championships for learners'' to ''To increase learners’ access to sport at schools by supporting National School Sport Championships for learners through to 2020'', with the target revised from counting events to maintaining the School Sport Framework.

The objective statement for strategic objective ''Access to sport and recreation facilities optimised'' was revised from ''Optimise access to sport and recreation facilities by conducting a comprehensive facilities audit in all 9 provinces and use the data to finalise a facilities plan'' to ''To optimise access to sport and recreation facilities by conducting a comprehensive facilities audit in 3 provinces by 2020 and to use the data to update a facilities plan'', with the target for 2017 revised to a facilities count in lieu of the 2016 target: ''Optimise access to sport and recreation facilities by conducting a comprehensive facilities audit in three provinces by 2020 and to use the data to update a facilities plan''.

SRSA had indicated in the 2016-17 financial year that the number of events would be reduced owing to budget constraints.

**4. Key Projects for the 2017-18 financial year**

| **Key projects in the 2016-17 financial year** | **Key projects in the 2017-18 financial year** |
| --- | --- |
| Ministerial Advisory Committee on Recreation |  |
| Single governance framework for Recreation | Single governance framework for Recreation |
| Grant Framework & Annual Evaluation Report | Grant Framework & Annual Evaluation Report |
| Active recreation policy  |  |
| School sport policy |  |
| Sport in schools | Sport in schools |
| Community sport/hubs/clubs/ Ministerial Outreach | Minister's Outreach |
| Rural Sport Improvement Programme | Rural Sport Development Programme |
| loveLife | loveLife |
| Club Development |  |
|  | Equipment for schools and clubs |
| National Sport Volunteer Corps Programme |  |
| National Youth Camp | National Youth Camp |
| Big Walk | Big Walk |
| Annual National Recreation Day | Annual National Recreation Day |
| Indigenous Games Festival | Indigenous Games Festival |
| Andrew Mlangeni Golf Development Day |  |
| UNITE campaign | UNITE campaign - Nelson Mandela Sports and Culture Day |
| Nelson Mandela Sports and Culture Day |  |
| National School Sport Championships | National School Sport Championships |
|  | Mass Participation and Sports Development |
| Cancelled events: 2016-17  | Included for 2017-18 financial year |
| Move for Health  | Move for Health Day |
| Golden Games | Golden Games |

Table 1 - Key Projects for the 2017-18 financial year compared to 2016-17 financial year

**5. Budget Summary**

Summary of SRSA budget from 2017 Estimates of National Expenditure for the 2017-18 to 2019-20 medium-term expenditure framework period:

|  **Budget summary** |   | **2017-18**  | **2018-19**  | **2019-20**  |
| --- | --- | --- | --- | --- |
| **R million** |   | **Total** | **Current payments**  | **Transfers and subsidies** | **Payments for capital assets**  | **Total** | **Total** |
| **MTEF allocation** |   |  |  |  |  |  |  |
| Administration |  | 136.9 | 134.5 | 0.1 | 2.2 | 143.9 | 152.7 |
| Active Nation |  | 689.1 | 62.8 | 626.3 |  –  | 727.8 | 768.6 |
| Winning Nation |  | 76.9 | 37.7 | 39.2 |  –  | 81.2 | 85.7 |
| Sport Support |  | 150.7 | 20.1 | 130.5 |  –  | 159.0 | 168.1 |
| Sport Infrastructure Support |  | 13.1 | 13.1 |  –  |  –  | 13.7 | 15.7 |
| **Total expenditure estimates** | **1,066.6** | **268.3** | **796.1** | **2.2** | **1,125.6** | **1,190.9** |

Table 2 - SRSA budget per programme for the 2017-18 to 2019-20 medium-term expenditure framework period

| **Programme** | **Budget** | **Nominal Increase / Decrease in 2017-18** | **Real Increase / Decrease in 2017-18** | **Nominal Percent change in 2017-18** | **Real Percent change in 2017-18** |
| --- | --- | --- | --- | --- | --- |
| **R million** | **2016-17** | **2017-18** |
| Programme 1: Administration |  R 130,9 |  R 136,9 |  R 6,0 | - R 2,1 | 4,58 % | -1,62 % |
| Programme 2: Active Nation |  R 663,3 |  R 689,1 |  R 25,7 | - R 15,1 | 3,88 % | -2,28 % |
| Programme 3: Winning Nation |  R 67,2 |  R 76,9 |  R 9,8 |  R 5,2 | 14,53 % | 7,74 % |
| Programme 4: Sport Support |  R 149,0 |  R 150,7 |  R 1,7 | - R 7,2 | 1,14 % | -4,86 % |
| Programme 5: Sport Infrastructure Support |  R 16,3 |  R 13,1 | -R 3,2 | - R 4,0 | -19,82 % | -24,57 % |
| **Total** | **R 1 026,6** |  **R 1 066,6** |  **R 40,0** | **- R 23,2** | **3,89 %** | **-2,26 %** |

Table 3 - SRSA budget comparison per programme for the 2016-17 and 2017-18 financial years

* Budget tables in this report were obtained from the National Treasury (2017) Estimates of National Expenditure, National Treasury, Pretoria.

**6. 2017-18 SRSA budget analysis per programme**

The department has a budget of R1066.564 million to expend through five programmes in the 2017-18 financial year.

**6.1. Programme 1: Administration**

**Programme 1:** Administration received R136,9 million for the 2017-18 financial year. Subprogrammes in Programme 1: Administration are Ministry, Management, Strategic support, Corporate Services, Office of the Chief Financial Officer, and Office Accommodation.

**6.1.1. Management sub-programme**

The sub-programme Management, which houses the Director-General, provides strategic guidance, interpreting the direction set by the Minister, oversees the performance of the Department, and works closely with the provincial governments and SASCOC to ensure alignment in terms of strategic planning and monitoring.

In the 2017-18 financial year the SRSA will continue attending to mainstreaming of the focus groups of the Government (persons with disability, senior citizens, youth and women) by tracking their participation in SRSA-organised events. A succinct Women and Sport policy will be formulated for the sector in close collaboration with the SASCOC Woman’s Commission.

| **Programme** | **Budget** | **Nominal Increase /Decrease in 2017-18** | **Real Increase / Decrease in 2017-18** | **Nominal Percent change in 2017-18** | **Real Percent change in 2017-18** |
| --- | --- | --- | --- | --- | --- |
| **R million** | **2016-17** | **2017-18** |
|  |  |  |  |  |  |  |
| Ministry |  R 23,2 |  R 25,2 |  R 2,0 |  R 0,5 | 8,49 % | 2,06 % |
| Management |  R 14,3 |  R 19,9 |  R 5,6 |  R 4,4 | 38,83 % | 30,60 % |
| Strategic Support |  R 7,0 |  R 7,3 |  R 0,4 | - R 0,1 | 5,32 % | -0,93 % |
| Corporate Services |  R 47,5 |  R 44,8 | - R 2,6 | - R 5,3 | -5,51 % | -11,11 % |
| Office of the Chief Financial Officer |  R 22,6 |  R 21,0 | - R 1,6 | - R 2,9 | -7,14 % | -12,64 % |
| Office Accommodation |  R 16,3 |  R 18,7 |  R 2,3 |  R 1,2 | 14,19 % | 7,42 % |
| TOTAL |  R 130,9 |  R 136,9 |  R 6,0 | - R 2,1 | 4,58 % | -1,62 % |

Table 4 - Programme 1: Administration expenditure trends and estimates by subprogramme

**6.2. Programme 2: Active Nation**

**6.2.1. Planned initiatives for Programme 2: Active Nation (Purpose: Support the provision of mass participation opportunities in sport and recreation)**

**6.2.1.1. Active Recreation sub-programme**

SRSA will honour legendary South Africans in the struggle against apartheid as a core initiative of the UNITE campaign and engage in a community outreach on 18 July 2017 as part of the 67 Minutes for Nelson Mandela, and SRSA will assist the provincial departments to ensure success of the 2017 National Youth Camp, aimed at teaching young people leadership, life skills and national pride in a rural and outdoor environment. Each province will host 250 youth at the 2017 National Youth Camp from 1 to 6 October 2017.

The World Move for Health Day, aimed at generating public awareness of the benefits of physical activity in the prevention of noncommunicable diseases, will be celebrated in 2017 (10 May) in collaboration with the Department of Health, in terms of a reviewed implementation plan.

The Golden Games will be hosted in October 2017 in partnership with the Department of Social Development (DSD) in terms of a revised implementation plan. The focus of this active recreation festival for older persons will shift to the hub, district and provincial levels of participation, with national competitions every four years.

The Big Walk, encouraging participation in physical activity, is scheduled for 1 October 2017. Provincial departments will be encouraged to conduct similar walks around their cities on the same day. Participation numbers have increased from 5000 in 2015-16 to 20 000 in 2016-17 and an expected 25 000 persons in 2017.

Cabinet declared an Annual National Recreation Day for the first Friday of October each year. The 2017 National Recreation Day campaign will be expanded to corporate South Africa, tertiary institutions and communities in order for a broader scope of South African citizens to participate in physical activities for fun and leisure. Provincial departments of Sport and Recreation will also put together programmes and awareness campaigns targeting all stakeholders at provincial level. The 2017 event will be hosted on Friday 6 October, and it is expected to include 10 000 participants, almost double the number achieved in 2016-17 (5 121).

**6.2.1.2. Community Sport**

Sports participation opportunities will be provided in 2017-18 through the Community Sport sub-programme. Implementation partner loveLife will use the National Youth Camp and the National School Sport Championship for project implementation targeting young persons.

The club development pilot programme in KwaZulu-Natal and Limpopo is funded through the Mass Participation and Sport Development Grant. The pilot is expected to conclude in 2017-18 at a conference where the two provinces will share best practice, possibly linked to South African Sport and Recreation Conference (SASReCon). Norms and standards for developing and sustaining sport clubs will be agreed upon and with special emphasis on national federations taking ownership of community clubs and affiliation of community clubs in order for them to participate in the mainstream leagues and competitions of the respective codes.

The Indigenous Games Festival has been scheduled for the period 24-29 September 2017 as part of the heritage celebrations in South Africa, and R15 million has been reprioritised from the MTEF allocations for this purpose. Engagements will continue to formally constitute indigenous games federations and to establish a league system to encourage broad participation. Indigenous games federations have been constituted at provincial level, and the focus in 2017-18 will be to encourage the formation of national structures so that the activities can be accessed in a more formal way. 1 300 participants are expected at the 2017 event.

In terms of rural development the sub-programme will support a Rural Sport Development Programme under the guidance of the National House of Traditional Leaders with a view to reviving sport, and identify talent in the rural areas and create a platform for growth and exit for the athletes with potential and talent. The programme will commence with netball, rugby, football and athletics, and two traditional councils per province will form part of the initial programme in terms of which the winning provincial teams will participate at the annual national championships for the first three years until they are well established. The July 2017 event is expected to cater for 1 836 participants.

Ministerial Outreaches are aimed at enhancing the capacity of sport and recreation clubs by providing sports equipment and attire for struggling clubs and schools and multi-sport facilities. At least 2 000 participants are expected to attend the 2017 outreach events.

**6.2.1.3. School Sport**

The School Sport sub-programme implements the department's deliverables in maximising access to sport, recreation and physical activity in every school. The programme remains the flagship programme, and the focus is on school leagues. The National School Sport Championships will be hosted in three seasons - autumn, winter and summer - to align with the seasons of the sports codes. The memorandum of agreement (MOA) between SRSA and DBE will be reviewed in 2017-18.

**6.2.1.4. Provincial Sport Support and Coordination**

The Provincial Sport Support and Coordination sub-programme will manage the transfer of the Mass Participation and Sport Development Conditional Grant in 2017-18. Compliance by the provinces has been poor generally, therefore the penalty schedule which was implemented in 2016-17 will be applied in 2017-18 as well, and regular management engagements between senior managers at SRSA and at provincial level will continue in order to identify and mitigate barriers to implementation.

**6.2.2. Programme 2: Active Nation budget for 2017-18**

The projected costs for Active Recreation amount to R1.1 million in 2017-18, and R1.2 million in 2019-20. The intention of Active Recreation is to improve the health and wellbeing of the nation by providing mass participation opportunities in various formats.

The budget allocated to Active Recreation subprogramme is R67.4 million, most of which is a transfer to loveLife of R40.4 million in 2017-18, and R27.0 million (voted funds) for community sport events. The programme hosts the Indigenous Games. It is envisaged that loveLife will use the annual youth camp and the National School Sport Championship as platforms for its youth projects in 2017.

SRSA supports school sport leagues in partnership with the Department of Basic Education. A projected 2 500 schools, hubs and clubs will receive equipment and attire, and SRSA will coordinate the training of educators in code-specific coaching and other technical skills. School sport aims to integrate the 16 priority sport codes and indigenous games such as morabaraba and jukskei into the school sport system. School sport leagues form the foundation of the annual National School Sport Championships for which R30.8 million has been allocated in the 2017-18 financial year, and R33.7 million in 2019-20 - an increase of 5% over the MTEF period.

R585 million, 85% of the Active Nation budget allocation, is transferred in the form of the Mass Participation Sport Development grant, which is managed by the Provincial Sport Support and Coordination sub-programme.

| **Subprogramme** | **Audited outcome**  |  | **Adjusted appro-priation**  | **Av growth rate (%)** | **Av Expenditure-Total (%)** | **Medium-term expenditure estimate**  | **Av growth rate (%)** | **Av Expen diture- Total (%)** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| R million | **2013-14**  | **2014-15**  | **2015-16**  |  **2016-17**  |  **2013-14 - 2016-17**  | **2017-18**  | **2018-19**  | **2019-20**  | **2016-17 - 2019-20**  |
| Programme Management: Active Nation | 1.7 | 2.8 | 4.8 | 2.6 | 15.8% | 0.5% | 3.8 | 4.2 | 4.4 | 20% | 0.5% |
| Active Recreation | 1.0 |  –  |  –  |  –  | -100.0% |  –  | 1.1 | 1.2 | 1.3 |  –  | 0.1% |
| Community Sport | 97.6 | 80.0 | 100.8 | 76.0 | -8.0% | 13.9% | 67.5 | 72.1 | 76.2 | 0.1% | 10.2% |
| School Sport | 8.9 | 16.3 | 13.3 | 29.1 | 48.5% | 2.7% | 30.8 | 31.9 | 33.7 | 5.0% | 4.4% |
| Provincial Sport Support and Coordination | 497.6 | 525.6 | 533.2 | 555.7 | 3.8% | 82.9% | 585.8 | 618.4 | 653.0 | 5.5% | 84.7% |
| **Total**  | **606.7** | **624.8** | **652.2** | **663.3** | **3%** | **100%** | **689.1** | **727.8** | **768.6** | **5%** | **100%** |
| Change to 2016 Budget estimate |   |   |   | 14.6 |   |   | 6.3 | 6.6 | 6.8 |   |   |

Table 5 - Programme 2: Active Nation expenditure trends and estimates by subprogramme

**6.3. Programme 3: Winning Nation**

**6.3.1. Planned initiatives for programme 3: Winning Nation (Purpose: Support the development of elite athletes)**

**6.3.1.1. Scientific Support sub-programme**

The main focus of the Scientific Support sub-programme is to nurture developing talent through management and coordination of athlete support programmes and the programme provides a range of services of a scientific nature to developing and elite athletes. The sub-programme is responsible for development, implementation, monitoring and evaluation of policies and procedures, thus playing a coordinating role to ensure that athletes are able to benefit from holistic support services at various levels of sport development. Holistic support services to athletes include medical, psychological, education**,** capacity building, financial, anti-doping and infrastructure aspects.

**Ministerial Sports Bursary**

The Ministerial Sports Bursary, awarded to learners from grade 8 until they complete their high school education, is included under athlete support programmes. Recipients are identified through the school sport programme and placed in sport focus schools, thus giving them opportunities to learn and improve sport-specific skills. At least 60 athletes will be supported in 2017-18, providing identified candidates achieve the set performance criteria. The scientific support sub-programme and the relevant province and sport focus school work collaboratively to develop talented athletes who are placed in such a sport focus school.

**Bridge to access Operation Excellence Programme (OPEX)**

Scientific support will be provided to 40 emerging athletes and 40 elite athletes. The 40 emerging athletes are supported with a view to ensuring a “reservoir and pipeline” for future high-performance athletes and to create a bridge to access the Operation Excellence Programme (OPEX). Together with these 40 emerging athletes, 40 elite athletes, which include Olympic and Paralympic athletes, are supported by SASCOC through the OPEX programme.

**Sport academies**

In 2017-18 SRSA, in consultation with municipalities and the sport sector, will work towards ensuring that district academies are optimally resourced and functional. SRSA aims to expand the reach of the district academies to where they currently do not exist, as they are a crucial conduit to accessing the provincial academies of sport - a third layer of the academy system.

Sport academies serve as a catalyst for development and the nurturing of talent, and delivery methodology is informed by the South African Sport Academy Strategic Framework and Policy Guideline. Sport focus schools serve as incubator for talent identification and development, and the number of sport focus schools is expected to increase to 54 during 2017-18.

Sport focus schools, supported through the Mass Participation and Sport Development conditional grant, serve as feeders to the district academies of sport, which form the second layer of the sports academy system. District academies are an integral part of sport development, as their scope is directly linked with community sport and the school sport programme, and they play a key role in talent identification, selection and development, facilitate access to communities’ sport facilities and specific scientific and medical support.

National academies are responsible for athlete and team preparation, and the national sport academy system, at the centre of high performance sport, has three components: The National Training and Olympic Preparatory Centre; the Lesotho Highlands High Altitude Training Centre; and the International Acclimatisation Centre based in Gemona. In consultation with SASCOC the SRSA will facilitate and oversee the establishment the National Training and Olympic Preparatory Centre (NTC), based in Bloemfontein, at R15 million annually for 25 years.

**Transfer payments**

The transfer payment to SASCOC will be administered, and implementation monitored, through the Scientific Support sub-programme, which will facilitate the signing of the service level agreement between SASCOC and SRSA and ensure SASCOC's compliance with the quarterly reporting requirement. The SRSA will support SASCOC to deliver Team South Africa to the 2017 World Games in Poland, the 2017 Commonwealth Youth Games in Bahamas and 2018 Winter Olympic and Paralympic Games in Pyeongchang. The sub-programme will also assist in preparing athletes for the 2018 Commonwealth Games in Australia.

Operation Victory Lap, initiated in partnership with the South African National Defence Force (SANDF), will continue in 2017-18. The SANDF, the South African Police Service (SAPS) and the Department of Correctional Services (DSC) have been approached to support talented athletes at their infrastructure.

South African Institute for Drug-Free Sport (SAIDS): The transfer payment to SAIDS will also be effected through the Scientific Support sub-programme. Particular attention will be given to ensure that SAIDS delivers on its responsibility towards the World Anti-Doping Agency (WADA) and to coordinate the responsibility of SAIDS towards the Central Drug Authority (CDA). SRSA is a member of the CDA, and the Minister for Sport and Recreation serves on the Inter-Ministerial Committee (IMC) on Substance Abuse. In terms of the National Drug Master Plan (NDMP) 2013-2017 SRSA is expected to deliver on outcome three, “Recreational facilities and diversion programmes that prevent vulnerable population from becoming substance dependents”. Initiatives in this regard will be activated through Programmes 2 (Active Nation) and 5 (Sport Infrastructure Support).

In 2016 the South African Doping Control Laboratory (SADoCoL) received accreditation from WADA to conduct blood sample analyses. SRSA will collaborate with the University of the Free State to ensure that WADA approves the SADoCoL application for full accreditation, which will allow the laboratory to conduct urine sample analysis.

**South African Sport and Recreation Conference (SASReCon)**

SRSA hosts the South African Sport and Recreation Conference (SASReCon) once every quadrennial, in the year following the Olympic Games. SASReCon 2017 is scheduled for October 2017 and will be hosted in partnership with the North West University. SASReCon, an international event, is South Africa’s primary sport and recreation conference. The main aim of SASReCON is to provide a platform and forum for South Africa’s sport and recreation sector to present and share ideas and results of recent programmes or projects.

The evaluation standard in terms of MPAT will receive renewed attention during 2017-18, and the Guidelines for Planning of New Implementation Programmes will be implemented.

**6.3.1.2. Major Events Support sub-programme**

The Major Events Support sub-programme will provide institutional and intra-governmental support to events approved in line with the Bidding and Hosting of International Sport and Recreational Events Regulations. SRSA will provide comprehensive support to approximately four major events, and approval or endorsement to other events.

Selected national and international sporting events, exhibitions or conferences will be used to showcase South Africa as a sports tourism destination.

**6.3.1.3. Recognition Systems sub-programme**

The Recognition Systems sub-programme will provide opportunities to acknowledge sporting achievements.

The Sports Awards event has been scheduled for 12 November 2017. The Andrew Mlangeni Green Jacket Programme was created to recognise men and women who have excelled in sport as player or official, and Ministerial Outstanding Sports Performance Accolades Programme for deserving teams and individuals who achieve at the highest levels of international sport is awarded when applicable.

The executive committee of the AUSC Region Five decided that South Africa will host a Regional Sports Awards event, also in the 2017-18 financial year, to honour regional achievements. Engagements will continue in 2017-18 to promote a National Sports Hall of Fame.

**6.3.2. Programme 3: Winning Nation budget for 2017-18**

The Scientific Support sub-programme receives R44.0 million in 2017-18, increasing by 2.8% to R47.4 million by 2019-20. R22.9 million of the allocated R44.0 million will be transferred to SAIDS in 2017-18. Scientific Support sub-programme is responsible for managing the Ministerial Bursary Scheme and support to athletes and coaches through a sport science programme in partnership with selected sport schools and high performance centres.

The Recognition Systems sub-programme responsible for implementing the Sports Awards, the Ministerial Outstanding Sports Performance Accolades event, the Andrew Mlangeni Green Jacket Programme and the Honouring of Women in Sport Awards, receives R18.8 million in 2017-18 and R20.9 million by 2019-20.

| **Subprogramme** | **Audited outcome**  |  | **Adjusted appropriation**  | **Av growth rate (%)** | **Av Expenditure/Total (%)** | **Medium-term expenditure estimate**  | **Av growth rate (%)** | **Av Expen diture/ Total (%)** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| R million | **2013-14** | **2014-****15**  | **2015-16**  | **2016-17**  | **2013-14 - 2016-17**  | **2017-18**  | **2018-19**  | **2019-20**  | **2016-17 - 2019-20**  |
| Programme Management: Winning Nation | – |  –  |  –  |  –  |  –  |  –  | 2.3 | 2.4 | 2.6 |  –  | 2.3% |
| Scientific Support | 51.7 | 40.4 | 33.9 | 43.7 | -5.5% | 38.7% | 44.0 | 44.9 | 47.4 | 2.8% | 57.9% |
| Major Events Support | 157.8 | 18.1 | 8.7 | 0.6 | -84.4% | 42.3% | 11.8 | 14.0 | 14.8 | 190.4% | 13.2% |
| Recognition Systems | 21.9 | 24.7 | 13.9 | 22.9 | 1.5% | 19.0% | 18.8 | 19.9 | 21.0 | -2.9% | 26.6% |
| **Total**  | **231.4** | **83.1** | **56.5** | **67.2** | **-33.8%** | **100.0%** | **76.9** | **81.2** | **85.7** | **8.5%** | **100.0%** |
| Change to 2016 Budget estimate |   |   |   | (24.0) |   |   | (16.6) | (17.6) | (18.6) |   |   |

Table 6 - Programme 3: Winning Nation expenditure trends and estimates by subprogramme

**6.4. Programme 4: Sport Support**

**6.4.1. Planned initiatives for programme 4: Sport Support (Purpose: Develop and support an integrated support system to enhance the delivery of sport and recreation)**

**6.4.1.1. Sport and Recreation Service Providers**

Sport and Recreation Service Providers subprogramme will continue funding qualifying national federations according to the Recognised Sport Bodies Grant Framework. Funding will be provided across two tiers: Guaranteed funding, for administration, and conditional funding, constituting the bulk of the funding for governance, transformation, and performance. SRSA will assist national federations to submit the required documents to ensure that targeted federations will receive financial support early in the financial year. SRSA and SASCOC will ensure that good governance prevails in all national federations.

To ensure that the transformation audits result in tangible programmes SRSA will develop sustainable mechanisms in terms of the recommendations of the Eminent Persons Group (EPG), such as revision of the funding framework to provide for financial rewards and punitive measures.

SRSA, in consultation with SASCOC, will prioritise federations and ensure that such federations are capacitated to deliver their programmes optimally to realise the active and winning nation vision. The volleyball federation has been selected to receive intensive support in the 2017-18 financial year.

The Sport and Recreation Service Providers subprogramme is also responsible for providing financial and institutional support to Boxing South Africa (BSA), and efforts will be made in 2017 to assist BSA to obtain an unqualified audit opinion. Support will continue for broadcasting of live professional boxing by the public broadcaster, SABC, and SRSA intends to assist amateur boxing federation SANABO to implement an Open Boxing League in the 2017-18 financial year.

Through partnership with the Sports Trust SRSA is able to fast-track the attainment of strategic goal one: Citizens’ access sport and recreation activities. Considerable resources, effort and focus are dedicated to community outreach programmes, and providing equipment, attire and specific support to athletes identified by SRSA. The Sports Trust programme delivers specialised multi-purpose sport courts and other infrastructure projects in schools and communities.

Support will also be provided to SCORE to sustain coaching programmes for the sport and recreation sector.

**6.4.1.2. International Relations**

TheInternational Relations sub-programme will continue to build and strengthen international bilateral relationships to support sport and recreation development in South Africa by executing exchange programmes with international partners, including Jamaica, India, Russia and Cuba. SRSA has signed agreements with Jamaica, India and Russia and is implementing programmes of action in this regard. It is envisaged that an agreement with Cuba will be finalised and implemented in the 2017-18 financial year. SRSA will continue to strengthen bilateral sports ties on the African continent with countries that are emerging from conflict, to enable their sports sector to be self-sustainable.

The sub-programme will support SRSA to fulfil its responsibilities in international fora such as UNESCO, the UN Sport for Development and Peace International Working Group (SDP IWG), IADA and WADA. The International Relations sub-programme will continue to ensure that South Africa is well represented in identified multilateral engagements. In the 2017-18 financial year South Africa will continue to play an active role in the African Union Sports Council (AUSC) Region Five. South Africa is also represented on the executive committee, the Council of Ministers Meeting, the Sports Development Commission, the Finance and Marketing Commission, the Women and Sport Commission and the Commission for People with Disability.

South Africa is represented on the Association of National Olympic Committees of Africa (ANOCA) and on the Confederation of Southern African National Olympic Committees (COSANOC). The Commonwealth Advisory Body on Sport (CABOS) and other Commonwealth initiatives will also be supported. Furthermore, strategic partnerships with IBSA (India, Brazil, and South Africa) and BRICS countries (Brazil, Russia, India, China and South Africa) will be strengthened through participation in joint projects.

**6.4.2. Programme 4: Sport Support budget for 2017-18**

The spending focus for the Sport and Recreation Service Providers sub-programme is financial and non-financial support to 60 recognised sport and recreation bodies at of R140.7 million in 2017-18, escalating to R156.4 million by 2019-20. R11.5 million of this amount will be paid to Boxing South Africa and R118.9 million to sport federations, which accounts for almost 86% of the Sport Support programme expenditure in 2017-18.

For the 2017-18 financial year R5.2 million is allocated to the International Relations sub-programme which manages participation in strategic multilateral fora. The allocation is expected to increase to R6.0 million by 2019-20.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Subprogramme** | **Audited outcome**  |  | **Adjusted appropriation**  | **Averagegrowthrate(%)** | **Average: Expen-diture/Total(%)** |  **Medium-term expenditure estimate**  | **Averagegrowthrate(%)** | **Average:Expen-diture/Total(%)** |
| R million | **2013-14**  | **2014-15**  | **2015-16**  |  **2016-17**  | **2013-14 - 2016-17**  | **2017-18**  | **2018-19**  | **2019-20**  |  **2016-17 - 2019-20**  |
| Programme Management: Sport Support | 3.4 | 3.3 | 3.3 | 3.5 | 1.1% | 2.4% | 4.7 | 5.2 | 5.6 | 17.0% | 3.0% |
| International Relations | 3.4 | 10.8 | 5.3 | 6.8 | 26.6% | 4.6% | 5.2 | 5.7 | 6.1 | -3.9% | 3.8% |
| Sport and Recreation Service Providers | 109.0 | 134.7 | 145.4 | 138.6 | 8.3% | 93.0% | 140.8 | 148.1 | 156.4 | 4.1% | 93.2% |
| **Total**  | **115.8** | **148.9** | **153.9** | **149.0** | **8.8%** | **100.0%** | **150.7** | **159.0** | **168.1** | **4.1%** | **100.0%** |
| Change to 2016 Budget estimate |   |   |   | 11.4 |   |   | 5.8 | 6.0 | 6.3 |   |   |

Table 7 - Programme 4: Sport Support expenditure trends and estimates by subprogramme

**6.5. Programme 5: Infrastructure Support**

**6.5.1. Planned initiatives for programme 5: Sport Infrastructure Support (Purpose: Regulate and manage the provision of sport and recreation facilities)**

**6.5.1.1. Sport and Recreation Facility Planning**

The Sport and Recreation Facility Planning sub-directorate lobbies for, facilitates and coordinates the provision of sport and recreation facilities by municipalities and other relevant institutions. In the 2017-18 financial year SRSA will determine allocations totalling R300 million of Municipal Infrastructure Grant (MIG) funds outside the formula, which can only be spent on projects identified by SRSA. The procurement of services relating to the R300 million will be conducted by SRSA in close cooperation with the Department of Cooperative Governance (DCOG). The sub-programme must also lobby that municipalities submit plans for spending 33% of the P-component on sport and recreation infrastructure projects. SRSA must ensure that a facility classification framework is in place and updated for application by the provinces. The sub-programme works closely with DCOG, the South African Local Government Association (SALGA) and municipalities to maximise the use of the portion of MIG earmarked for building sport facilities. The absence of an accurate audit of sport and recreational facilities is regarded as a stumbling block.

An accurate facility audit and classification would strategically inform the building and maintenance of facilities. In the 2016-17 financial year provinces conducted a simple count of facilities. One province will conduct an audit in the 2017-18 financial year, with SRSA in a coordinating, advisory role.

**6.5.1.2. Sport and Recreation Facility Management**

The Sport and Recreation Facility Management sub-programme will continue to provide technical assistance to local authorities and other relevant stakeholders for constructing and managing sport facilities to ensure compliance with national standards, and continue to ascertain how the 2010 FIFA World Cup stadia are being maintained and used, and will produce an annual status report.

The Andrew Mlangeni community golf course development programme will receive attention again in 2017, to develop golf courses particularly in previously disadvantaged communities. In the current financial year the sub-programme will engage with the relevant municipalities on rehabilitating and promoting access to the Soweto and the Mabopane golf courses.

The Sport and Recreation Facility Planning sub-programme will continue to appeal for the delivery of community gyms and children’s play parks by municipalities. Provision of ten community gyms has been prioritised for the financial year.

**6.5.2. Programme 5: Sport Infrastructure Support budget for 2017-18**

The Sport Infrastructure Support programme has an allocation of R13.0 million for the 2017-18 financial year. 59% is expended through the Sport and Recreation Facility Management sub-programme, which provides technical assistance to local authorities and other stakeholders for constructing and managing sport facilities. R4.9 million is budgeted for contractors in 2017-18, increasing to R5.1 million by 2019-20.

The Sport and Recreation Facility Planning sub-programme aims to ensure that facilities for sport and recreation are delivered according to established norms and standards at a cost of R2.9 million in 2017-18.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Subprogramme** | **Audited outcome**  |  | **Adjusted appropriation**  | **Av growth rate (%)** | **Av: Expen-diture/Total (%)** | **Medium-term expenditure estimate**  | **Av growth rate (%)** | **Av: Expen- diture/ Total (%)** |
| R million | **2013-14**  | **2014-15**  | **2015-16**  | **2016-17**  |  **2013-14 - 2016-17**  | **2017-18**  | **2018-19**  | **2019-20**  |  **2016-17 - 2019-20**  |
| Programme Management: Infrastructure Support |  –  |  –  |  –  | 2.2 |  –  | 7.6% | 2.3 | 2.4 | 2.6 | 5.5% | 16.1% |
| Sport and Recreation Facility Management | 1.9 | 2.7 | 0.7 | 11.4 | 81.2% | 58.5% | 7.8 | 7.9 | 9.5 | -5.9% | 62.1% |
| Sport and Recreation Facility Planning | 2.7 | 2.2 | 2.1 | 2.7 | 0.5% | 33.9% | 3.0 | 3.4 | 3.7 | 10.6% | 21.8% |
| **Total**  | **4.6** | **4.9** | **2.8** | **16.3** | **52.6%** | **100.0%** | **13.1** | **13.7** | **15.7** | **-1.2%** | **100.0%** |
| Change to 2016 Budget estimate |   |   |   |  –  |   |   | (2.5) | (3.0) | (2.1) |   |   |

Table 8 - Programme 5: Sport Infrastructure Support expenditure trends and estimates by subprogramme

**7. Entities' Budget Analysis**

**7.1. Boxing SA**

In terms of the Boxing Act the safety of boxers must be ensured, and the relationships between boxers, managers, promoters, trainers and officials and BSA effectively and efficiently administered and governed in the best interests of boxing and its stakeholders as a whole.

**7.1.1. Programme 1: Governance and Administration**

In the 2017-18 financial year Boxing South Africa will mainly focus on boxing development and improving administrative capacity as outlined in the BSA strategic plan. The BSA Strategic Plan 2015- 2020 document had not changed, but amendments were made to the BSA 2017-18 Annual Performance Plan document.

BSA recognised the importance of strengthening and capacitating its administrative base to ensure good governance, and identified the need for training and development of its workforce and licensees. The execution of the Human Resources Implementation Plan in the 2017-18 financial year will include creating adequate tools of trade and enabling environment through effective and efficient provisioning services.

Boxing South Africa had appointed a new chief executive officer, chief financial officer as well as chief operations officer (Director: Operations) in 2016. The term of office of the BSA board will end after the first term of the 2017-18 financial year.

Boxing South Africa received an unqualified audit opinion for the 2015-16 financial year, and has focused on implementing an audit action plan to address matters pointed out by the Auditor-General of South Africa to improve its organisational governance.

Boxing SA and SABC have commenced discussions around a bilateral agreement on boxing development, which is expected to be finalised in the 2017-18 financial year for discussion with stakeholders.

**Challenges reported by Boxing SA:**

1. Compliance with the Boxing Act and its regulations remains the biggest challenge facing boxing and prospects of its development;
2. Boxing broadcasting by SABC and the pay channel, and adherence to agreements on matters related to such broadcasting;
3. Disputes by promoters' associations on compliance with sanction levies regulation;
4. Inadequate resources to establish boxing committees at provincial level or appoint provincial managers in all provinces;
5. Unaligned financial assistance for boxing activities by most municipalities do not respond to BSA priority areas,
6. The small pool of female boxers in most weight divisions resulted in repeat fights against the same opponents.

**Legal environment**

BSA has identified the necessity to strengthen its legal literacy and capacity as regulator in light of the more complex professional and commercial aspects of the industry and the sport sector, in terms of: Contracts, Duty of care, Intellectual Property, Anti-doping, Dispute resolution, and Administrative justice.

**Revenue**

BSA's projected expenses amount to R14,193 million in the 2017-18 financial year, and its only long-term revenue base is the annual allocation from Budget Vote 40: Sport and Recreation South Africa. Boxing South Africa needs to increase its resource base and strengthen its capacity to respond to its legislative mandate and programmatic requirements.

BSA has been allocated R 11,595 million from Budget Vote 40 in the 2017-18 financial year, and projects income of R2,47 million from licensing and sanctioning levies, penalties and interest from investment revenue. BSA has been allocated R20.2 million over the medium term period for compensation of employees, which translates into an average of R6.7 million per annum. With these funds BSA will be able to recruit competent staff. The allocation for goods and services increased to R8.8 million.

The annual allocation is not sufficient to execute BSA's full mandate, and BSA is looking at alternative ways to access financial resources through commercialising, partnerships, sponsorships, programme syndication and more aggressive debt collection of levies. BSA has stated that its revenue generation strategy has to be aggressively driven in the 2017-18 financial year to enable the organisation to offer additional programmes. Boxing SA regards revenue generation as a matter of concern in view of the large amount of outstanding sanction levies owed to it, and resistance to paying sanction levies in terms of legislation. BSA intends to deal with the dispute on sanction levies, and to finalise the legal position on sanction levies in the 2017-18 financial year.

**7.1.2. Programme 2: Boxing Development**

Purpose: To ensure compliance with the key aspects of the Boxing Act and regulations and to enforce their application where noncompliance is observed.

Programme 2: Boxing Development will drive compliance with licensing of practitioners, sanctioning of BSA events, rating of boxers as well as coordination of training programmes to enable licensees to meet the requirements of the regulations.

BSA recognises the gravity of the compliance problem which can be observed in the profile and financial status of boxers owing to lack of control over the factors that determine their income, the state of boxing gyms countrywide, and the general image and reputation of the sport. BSA also recognises the need for turning the situation around, and stated that enforcement of compliance with the Boxing Act and its regulations will be the cornerstone of the sport. Programme 2: Boxing Development will accordingly feature the key activities in terms of BSA regulatory requirements.

BSA intends to focus on three aspects with regard to licensing, sanctioning and ratings: Licensing, sanctioning and ratings, Licensees training and development and Regulations compliance.

Licensing, sanctioning and ratings sub-programme accommodates activities and expenditure relating to potential licensing of boxers, promoters, managers and trainers. Rating of boxers and sanctioning of all boxing events is under the jurisdiction of BSA. Licensees' training and development entails awareness creation and education of licensees about compliance requirements.

The Regulations compliance and enforcement sub-programme will drive the activities of ensuring compliance by role-players to the rules and regulations nationally.

The responsibility placed on SRSA and BSA in terms of the Boxing Act is grave. It is becoming increasingly apparent that this mandate is critically underfunded, and they have not been given the financial and legislative tools to implement the mandate expected of them. The risk to boxers' lives is not limited to the duration of a boxing match, and support to BSA and SRSA needs to be prioritised.

**7.1.3. Programme 3: Boxing Promotion**

The purpose of Programme 3: Boxing Promotion is to promote and market boxing to improve its public profile, increase its brand value as well as coordinate premium BSA events across the country. Programme 3 comprises sub-programmes: Marketing and branding, Communication, Stakeholder mobilisation and lobbying, Events Coordination and Revenue generation.

SRSA will no longer be part of the 2016-17 financial year partnership between BSA, SABC and SRSA to increase demand for boxing in communities, which had translated into 1,3 million viewers, therefore the Communication sub-programme has developed a media campaign to communicate BSA programmes nationwide on a sustained basis.

**7.2. South African Institute for Drug-free Sport (SAIDS)**

For the 2017-18 financial year SAIDS will be allocated R22,9 million to implement its programmes. New funding from the National Lottery is R 5 million, and carried over grants from National Lottery amount to R 2.7 million. The budget for the entity for the 2017-18 financial year will be R27.8 million. The funds will be spent within the three main pillars of support, namely Administration, Deterrence and Education, which will be measured through the implementation of 9 key performance areas.

60 per cent of the allocated budget of R22.9 million will be applied for Testing, 30 per cent for Administration and Compliance, 8 per cent for Education and 2 per cent for International obligations and development.

Strategic outcome oriented goals are: Doping control, Results Management and Investigations, Anti-doping Education and Research and International Relations and Compliance, and the operational areas Doping, Control, Results Management, Education and Research, Finance, Governance, and International Relations will be linked to goals.

**7.2.1. Programme 1: Doping Control, Results management and Investigations**

**Resource consideration**

SAIDS is wholly reliant on its Government grant to discharge its mandate. Expansion of the requirement of the World Anti-doping Code and the UNESCO Convention Against Doping in 2008 has placed additional obligations on anti-doping agencies tasked with implementing the Code and the Convention, and therefore Treasury increased the grant.

In 2016 the accreditation of the SA doping Control Laboratory in Bloemfontein was suspended, preventing it from analysing any doping control samples, which escalated costs because samples had to be couriered overseas for analysis. R1,5 million in annual revenue from international sports federations and African sports entities dried up, and the cost of compliance has become onerous. SAIDS has to develop financial and performance processes to pass compliance on international regulations (Code, Anti-doping Standards and Guidelines, UNESCO Convention), national legislation (PFMA, Treasury Guidelines), quality assurance (ISO 9001) and risk (Internal Audit). SAIDS reports that a 2016 assessment indicated it is 40% underfunded for meeting all its performance indicators; with the laboratory suspension the underfunding increased to 48%.

**7.2.2. Programme 2: Education, Research and Outreach**

SAIDS provides anti-doping education to differentiated target audiences, implementing a comprehensive national education and research programme for the purpose of preventing, detecting and deterring the use of prohibited substances and methods.

**Resource consideration**

Anti-doping education constitutes 8% of budget expenditure. During the past 5 years ad-hoc National Lottery grants were used to fund anti-doping education, however, the Lottery grant cycle ended in 2016. At present the higher demand for education services resulting from the expansion of semi-professional sport codes and more competitive school competitions cannot be sustained without ad-hoc funding.

**7.2.3. Programme 3: International Relations and compliance**

In terms of this programme SAIDS ensures compliance with applicable legislation governing public entities and manages and administers SAIDS operations as a pioneer and mentor in Africa through sharing programmes and expertise with African colleagues, thus building the anti-doping capacity of the African continent by increasing the profile of SAIDS through participating in international forums and policy positions.

**Resource consideration**

SAIDS spends less than 50% of the Treasury grant on salaries and 10% exclusively on compliance activities. The growing cost of compliance is one of largest cost drivers in the administration section of the SAIDS budget.

**8. Observations**

**8.1. Department of Sport and Recreation**

1. The SRSA is managed well, and had implemented recommendations by the committee in past financial years. It has received a clean audit report for three consecutive financial years, and there have been vast improvements since Boxing SA filled the positions for chief executive officer and chief financial officer. SAIDS has improved compliance and it is likely that they will get a clean audit report, because the problem regarding procurement processes has been resolved;
2. The committee anticipates that the department's high prioritisation of programmes within South Africa will result in stronger focus on strengthening partnerships and cross-sectoral support for the work of entities SAIDS and BSA;
3. The committee has found that provision of sport and recreation infrastructure through the Municipal Infrastructure Grant is not being prioritised, especially in smaller municipalities, where citizens consequently have limited access to facilities and programmes. As a result of poor MIG spending by municipalities the committee has motivated for transferring the Sport and Recreation portion of the MIG to the SRSA;
4. The committee is concerned about progress with the special facilities projects for which R300 million in MIG funds were allocated outside of the formula;
5. The committee has identified the need for clarifying the financial responsibilities of SRSA and the Department of Basic Education in terms of school sport;
6. It is of concern that only two provinces utilise their funding for school sport. It has been found that ''articulation of the national strategy and the school sport roll-out plan is not implemented consistently across provinces'', therefore the committee welcomes the intended 2017-18 review of the implementation of the school sport strategy and structures implementing the programme, from local to national level, as well as the statement of intent to improve collaboration between SRSA and DBE, especially at provincial, district and local level;
7. The committee recognises the importance of funding for The Sports Trust in order to implement SRSA's annual delivery targets which include multipurpose courts, equipment, and sport kit;
8. In the interest of developing sports tourism, the sport movement would benefit from promoting regional games (games where one could have more games of a local origin), networking with the African Union and discussing how to get such games off the ground;
9. The committee is of the view that skilling citizens to utilise sport as an alternative way of earning a living will enable unemployed persons to provide for their families;
10. A sports desk in every municipality is an essential component of the sport and recreation structure and machinery. In some municipalities it resorts under the special programmes unit (SPU);
11. The committee has identified the need for prioritising disability in municipalities;
12. The low percentage of female participation, and reports that some girls do not know that they have the option and opportunity to participate in sport, emphasise the urgency of addressing the gender aspect throughout in delivery of programmes in terms of the NSRP;
13. The committee has found that federations' compliance with Eminent Persons Group transformation requirements have real impact at grassroots level, and, since the majority of citizens with low income, from low-income households, and in rural areas still struggle to gain access to sport and recreation opportunities and facilities, the committee supports the addition of two federations to the EPG's transformation barometer in the 2017-18 financial year.

**8.2. SASCOC**

1. Collection, validity and digital availability of biometric data to track progress of athletes and prevent age fraud have been noted as a concern;
2. SASCOC's transparency and accountability to stakeholders must be maintained;
3. Sponsorship remains crucial for augmenting SASCOC's budget, and the committee noted concern about funding to enable SASCOC to execute all aspects of its mandate, including providing attire for teams competing internationally, and about funding *via* the National Lottery.

**8.3. SAIDS**

1. Legislative provision is necessary to enable random testing in schools;
2. In the 2016-17 financial year SAIDS was underfunded by 38 per cent, and the entity is dependent on *ad hoc* funding from the National Lottery to meet its obligations. SAIDS motivated for revision of its funding model in view of the increased financial burden of adhering to doping testing and monitoring requirements in terms of the WADA Code;
3. Financially and operationally it is important to ensure the success, and sustainability of the accreditation, of the independent SA Doping Control Laboratory at the University of Free State in Bloemfontein, which is Africa’s only accredited lab. Providing the requisite equipment and skilled staff for the laboratory to meet the latest international criteria will require a substantial amount of money, largely because of the cost of the kind and number of machines needed to process samples.

**8.4. Boxing SA**

1. Alignment of funding for all aspects of the mandate of Boxing SA in terms of the principal Act must be prioritised;
2. It is essential that BSA enforce compliance in terms of the Act, and that bidding for broadcasting of boxing matches remain competitive;
3. The committee is concerned about the number of titles lost outside the boxing ring because boxers miss the opportunity to defend their titles, compliance with the promoter-boxer contracts which are submitted to BSA in which the number of fights for a boxer per annum is stipulated, and consideration for the interests of boxers and promoters;
4. The number of recent deaths of boxers is a stern reminder of the vital responsibility resting on BSA to ensure compliance with regulations in terms of medical examinations and brain scans for boxers of a certain age, compliance with using only BSA certified competition gloves, compliance with requirements to submit pre-fight proof of hospital notification and stand-by medical staff, including neurologists;
5. Revenue generation for BSA remains crucial, and the committee is concerned about aspects of the agreement on SABC broadcasts of boxing matches.

**9. Recommendations**

The Portfolio Committee on Sport and Recreation recommends that the Minister of Sport and Recreation -

1. Encourage innovation by the National Lottery Commission with a view to generating additional revenue;
2. Encourage implementation of the resolutions agreed to at the Boxing Indaba;
3. Ensure that SRSA, SAIDS and Boxing SA, adequately implement the recommendations of AGSA in order to address the challenges related to governance;
4. Emphasise the urgency of tabling outstanding legislation, and of expediting the drafting of regulations and legislation in the 2017-18 financial year;
5. Continue policy dialogue for urgent implementation of physical education in schools, with emphasis on the real impact which placing physical education at schools under life orientation in the basic education curriculum and failure to offer physical education to learners have on the future of sport in the country, millennium development goals, and National Sport and Recreation Plan outcomes;
6. Emphasise the responsibility of the SRSA to include gender and disability in programmes and budgets, and to educate, canvass and inform stakeholders and participants accordingly;
7. Ensure regular and systematic support to the national federations that struggle to produce documents in order to receive timeous SRSA funding transfers;
8. Encourage public debate on the nation's sport and recreation transformation;
9. Emphasise the urgent need for funding National Sport and Recreation Plan mandates.

The Portfolio Committee on Sport and Recreation recommends that the House agree to the Strategic Plan of the South African Institute for Drug-Free Sport for 2017-22, the Annual Performance Plan of Boxing South Africa for 2017-18 and Annual Performance Plan of the Department of Sport and Recreation South Africa for 2017-18, referred to it, as well as Budget Vote 40: Sport and Recreation South Africa.

Report to be considered.