

**2020**

# **Cost of Mass Participation Programmes in DSAC**

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## Executive Summary

This spending review examines the cost of mass participation programmes under the Community Sport sub-programme in the Department of Sport, Arts and Culture (previously known as Department of Sport and Recreation) housed under the *Recreation development and Sport promotion* programme.

The aim is to have the majority of the South African citizens embracing and participating in physical activities in a fun and leisurely fashion and further, create a long-term campaign of improving levels of participation of citizens in active recreation programs for lifelong wellness.

In striving to achieve this mandate SRSA rolled out a number of active recreation programmes. However, due to lack of capacity the department commissioned various event promoters to assist in organising, managing and marketing of the events. The department has equally commissioned a Non-Profit Organisation, loveLife to provide health education at these events.

Using different sources of data (Basic Accounting Systems, Vulindlela, Annual reports e.t.c) the expenditure analysis revealed the following:

- The department is spending of both event promoters and marketing/promotions which is duplicate spending in terms of marketing of the events.
- The department is providing programmes that are also provided by private companies i.e Big walk is also provided by Discovery, Spar, Coca-cola e.t.c
- The department is commissioning a private entity to provide health education instead of collaborating with the Health department to provide this service at the events.

This review therefor makes the following conclusions and recommendations:

- The department should consider the discontinuation of providing some of the programmes like Big walk, National Recreation Day and Move for health, as these programmes are already provided by the private sector. Instead the department should act as regulatory body of the programmes, through provision of programme frameworks.
- The department should consider partnering with the private sector in providing these programmes, this will result in potential savings for the department.
- The department should partner with the Department of Health to provide health education at the events, this will result in potential savings for the department.

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## Summary

In 2009 the South African government decided in striving to create an active and winning nation through the formation of the department of Sports and Recreation South Africa (SRSA), SRSA not only indicates the core focus of current endeavours, but also expresses firm commitment to keep on doing whatever it takes to have a significant and positive impact on the entire South African nation. The scope is clearly one of nationwide impact with the implication that despite the delivery of sport and recreation at three different spheres of Government, all of the actions and initiatives within SRSA's mandate will be optimally integrated and coordinated for maximum impact. It is sincerely believed that SRSA can achieve this ideal of making a difference in our nation.

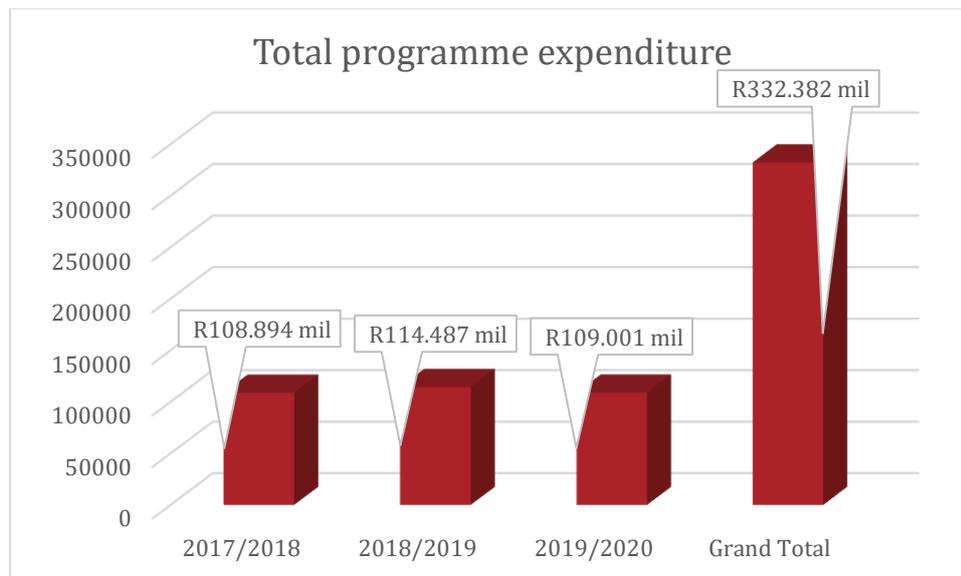
The aim is to have the majority of the South African citizens embracing and participating in physical activities in a fun and leisurely fashion and further, create a long-term campaign of improving levels of participation of citizens in active recreation programs for lifelong wellness.

### AIMS:

- To encourage South Africans to set aside an hour to being physically active
- To encourage Corporate South Africa, Government, Non-Governmental Organisations and Communities to organise themselves to actively recreate and to promote health and physical wellbeing; Individuals to pause for a day and self-introspect if they are leaving a healthy and physically active life. Importantly for individuals to commit to changing their habits and lifestyle and choose to be physically active and the department showcase a number of active recreation activities that individuals can undertake on their own at minimal cost;

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Figure i: Total programme expenditure



The department of Sport, Art and Culture (SRSA) for the period under review spends on average R109 million on these mass participation programmes annually. This funds are spread across all the below listed programmes.

The mass participation programmes examined in this study are:

- Big Walk
- Move for Health Day
- National Recreation Day
- UNITE Campaign
- Community Outreach Programme
- Indigenous Games Festival
- Rural Sport Development Programme
- loveLife funding

In striving to achieve this mandate SRSA rolled out a number of active recreation programmes. However, due to lack of capacity the department commissioned various event promoters to assist in organising, managing and marketing of the events.

Over the years the department found itself duplicating marketing and advertising work of the events, which came with financial implications. This is one of the reason for this Performance and expenditure review report.

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The report found that on average 50 per cent of the Active Nation programme expenditure is spent on Event promoters, whilst still 15 per cent of the expenditure is spent on Advertising and marketing by the department. Therefore, the report recommended that the department should reconsider and revise their implementation plans of the programmes to avoid this duplication.

The report further recommends that the department consider partnering with private companies who are providing these similar programmes. The department should assume a position of oversight on the provision of these programmes.

The report notes the discontinuation of some of the programmes, due to financial constraints. The report recommends that three-day programme of the indigenous game be reduced to a one-day event. The savings realised from that be redirected to the Rural Sport Development programme. This will ensure the department meets its mandate of equitable provision of sport and recreation.

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# 1 Introduction

This spending review examines the cost of mass participation programmes under the *Community Sport* sub-programme in the Department of Sport, Arts and Culture (previously known as Department of Sport and Recreation) housed under the *Recreation development and Sport promotion* programme.

## Scope and Purpose

The mission of the Department of Sport, Arts and Culture (DSAC) is to transform the delivery of sports by ensuring equitable access, promoting athlete development and fostering excellence at all levels of participation.

To this end, the DSAC seeks to stem the high and growing levels of inactivity all over the globe. In South Africa, the Medical Research Council study reports that 61% of the South African population is overweight or obese. As a consequence, South Africans are increasingly suffering from avoidable chronic diseases (such as high blood pressure, diabetes, hypertension, cardiovascular diseases and cancers), escalating health care costs and shortening life spans.

To promote healthier lifestyles, the DSAC's Active Nation Mass Participation programmes gives people an opportunity to participate in sports. This programme provides a wide array of sporting opportunities to cater to a broad range of participants, with an emphasis on disadvantaged communities.

The mass participation programmes examined in this study are:

- Big Walk
- Move for Health Day
- National Recreation Day
- UNITE Campaign
- Community Outreach Programme
- Indigenous Games Festival
- Rural Sport Development Programme
- loveLife funding

## **Key questions**

With the above in mind, this spending review examines the following key questions:

- What is the department spending on each mass participation programme?
- How much is the department spending per participant at the mass participation projects?
- Are there other institutions that deliver these mass participation projects, and If they are there, should the department continue providing these mass participation games?

## **2 Policy and Institutional Information**

### **Legislative framework**

The Sports and Recreation South Africa (SRSA) is mandated to develop sport and recreation activities in the country. The SRSA also coordinates relationships, services and activities between national federations, the confederations, other sport and recreation non-profit institutions in the sector, the local government, provincial governments, other national departments, and agencies. This coordination ensures a streamlined and integrated approach to the support, development and administration of sport and recreation in the country in order to address the past imbalances. This mandate of SRSA is derived from the National Sport and Recreation Act (Act No. 18 of 2007). The Act also ensures that South Africa contributes to sport, physical education and social cohesion by legislating on sports participation as well as on sports infrastructure.

### **Legislative mandate**

The work of SRSA is governed by the following acts:

- National Sport and Recreation Act (Act No. 18 of 2007, as amended)
- White paper on Sport and Recreation
- National Sport and Recreation Plan (NSRP)
- The Safety at Sports and Recreational Events Act of 2010 (Act 2 of 2010)
- National Development Plan
- Constitution of South Africa

### **Policy Stakeholders**

- The macro body or confederation, namely South African Confederation and Olympic Committee (SASCOC) as envisioned in the National Sport and Recreation Amendment Act
- Provincial departments responsible for Sport and Recreation

- Public entities administered by SRSA
- Sport and Recreation bodies recognized by SRSA
- Non-profit organisations / institutions (NPI) recognised and funded by SRSA

SRSA is an affiliated member to The Association for International Sport for All (TAFISA) which is a non-governmental and non-profit organisation under the auspices of the United Nations and the International Olympic Committee. TAFISA's vision and mission is to achieve an Active World by globally promoting and facilitating access for every person to Sport for All and physical activity

Governments' Medium Term Strategic Framework advocates also for the promotion of social cohesion across society through increased interaction across race and class, with the goal that we can establish a diverse, socially cohesive society with a common national identity. The mass participation programmes, address the SRSA's commitment to promote participation in sport and recreation. This goal is also outlined in the White Paper for Sport and Recreation as to encourage citizen's access to sport and recreational activities.

This is further auctioned in the National Sport and Recreation Plan in two strategic objectives: Strategic Objective 1: To improve the health and well-being of the nation by providing mass participation opportunities through active recreation; and Strategic Objective 3: To promote participation in sport and recreation by initiating and implementing targeted campaigns

To ensure all safety protocols are followed at the mass participation events, the department of Sports and Recreation adopted the Safety at Sports and Recreational Events Act of 2010 (Act 2 of 2010), this Act was drafted as a result of the Ellis Park soccer tragedy and the subsequent findings of the Ngoepe Commission of Enquiry.

### 3 Process maps

Figure 1 shows the different steps involved in delivering the mass participation programmes. As well as the steps, the diagram below shows the different institutions involve in each step (from conceptualising of the event to the implementation of the event).

Figure 1: Process map for mass participation programmes



Figure 2: Institutional role-players

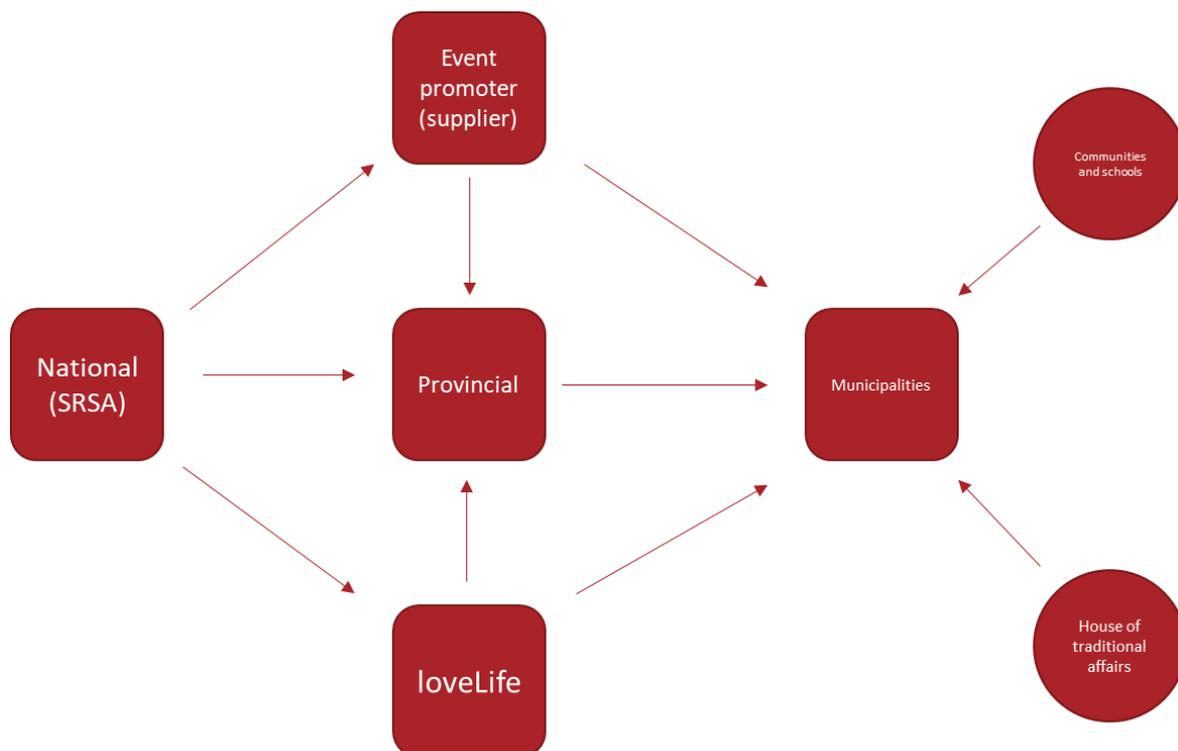


Figure 2 shows the different role players, their responsibilities and relation to each other in the mass participation programmes.

- National Department (SRSA) –is the main role player and custodian of the programmes. The department is responsible for developing the governance frameworks, guidelines, provides oversight and the budget for the programmes.
- Event promoters – are private companies or contractors commissioned by the department to coordinate, promote and deliver the event. These promoters are the main implementing agents of the programmes, responsible for making sure people are attend the events and that proceedings go according to plan.
- LoveLife – The department uses loveLife (a non-profit organisation) to deliver physical and health education at its events. This institution receives its funding from the SRSA to fulfil this mandate.
- Provinces and municipalities – The mass participation programmes are delivered in collaboration with provincial governments and implementing agents and working closely with the event promoters. Provinces and municipalities provide facility planning and management at the events.
- Communities and schools – are the participants at the events.
- House of Traditional Affairs (HTA) - Because these sporting events happen at local or communities, the HTA promotes the role of traditional leadership; promotes nation-building; promotes peace, stability and cohesiveness of communities; develops, preserve and promote culture (especially at the Indigenous games festival) and traditions of communities.

## 4 Performance Analysis

Figure 3 Participation per programme

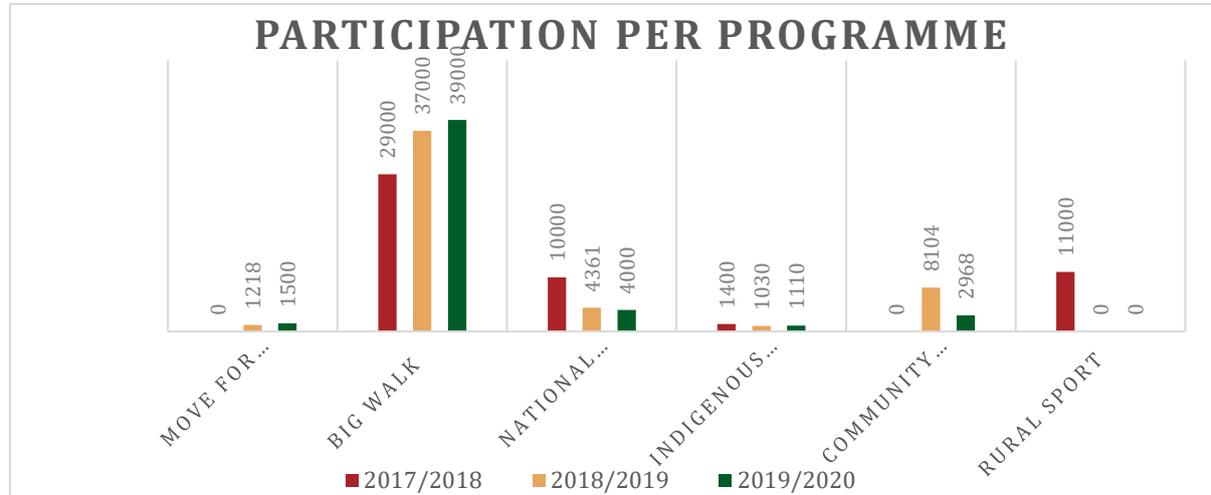


Figure 3 shows the attendance at each event over a 3-year period, from data extracted from the annual reports of the years between 2017/18 to 2019/20. There has been a noticeable general increase in the participation and attendance of the mass participation events. However, despite the general improvement in participation, some events have experienced fluctuations. For instance, Community outreach and National Recreation Day were plagued by bad weather which affected attendance. Whilst other events (such as rural sport) had to be discontinued due to budget cuts and the departments inability to finance those programmes. Overall, the Big Walk attracts the highest number of participants with Move for Health getting the lowest numbers over a 3-year period.

## 5 Expenditure Observations

### 5.1 Methodology

For this analysis, data was collected from various sources:

Financial data was collected from Basic Accounting System (BAS) matched and compared with Vulindlela database.

Performance data was collected from departments annual report of the years under study and departments internal data records.

The chart below shows the processes followed when undertaking analysis:

Figure 4: Analytical process



Figure 4 shows: The data was cleaned characterised using pivot tables, list and mapping in order to make it easier to understand, analyze or visualize. When sorting data expenditure buckets were also created using excel functions such as such as sumif, index, matching and v-lookups. Descriptive analysis of the data was used in this review. This include the trends, Growth, Rank, Share and Pareto analysis.

## 5.2 Total expenditure

Part of the responsibility and mandate of the Department of Sport and Recreation now Department of Sport, Arts and Culture is the development and promotion of active sport and recreation in South Africa. This entails means the department is responsible for making sure that the people of South Africa participate in recreation that keeps them active, fit and health. To achieve this mandate, the department uses a sub-programme (Community sport) to roll out the mass participation programmes.

This section provides the programme expenditure as a percentage of the total. Most of the funding is spent on three types of expenditure: (i) event promotion (contractors), health education (transfer to loveLife) and advertising.

### 5.2.1 Expenditure by type

Figure 4: Total community sport expenditure

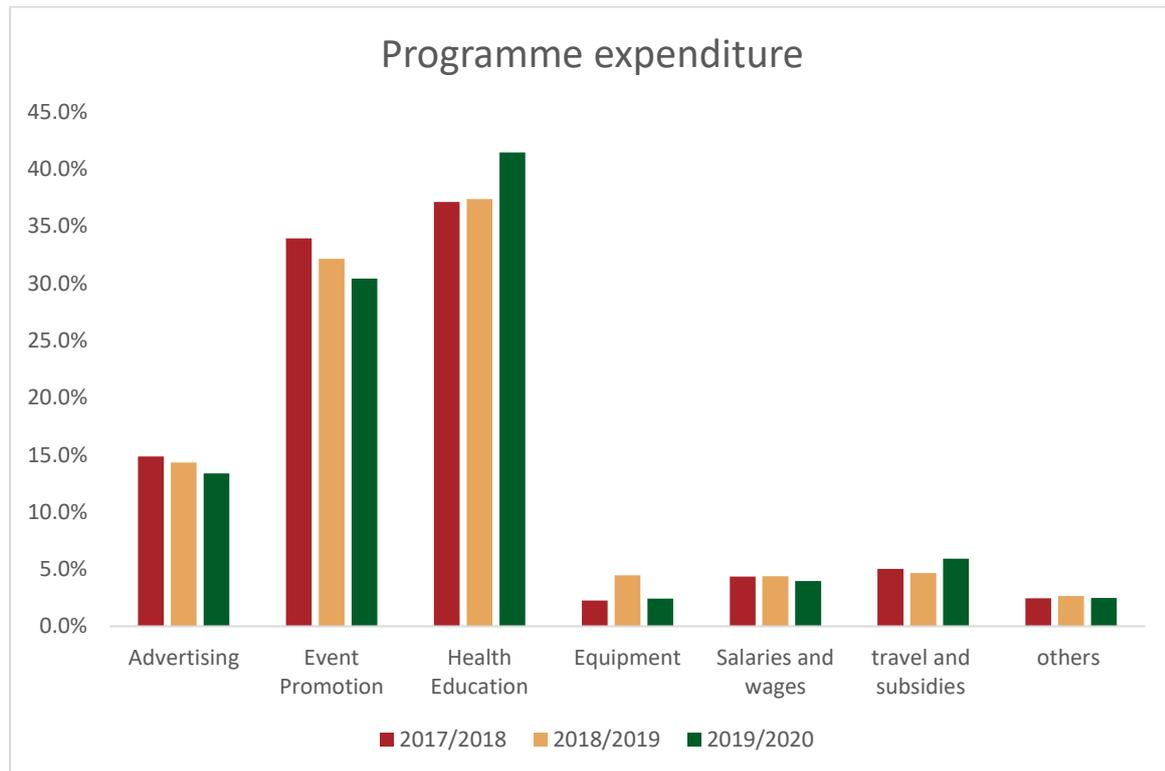
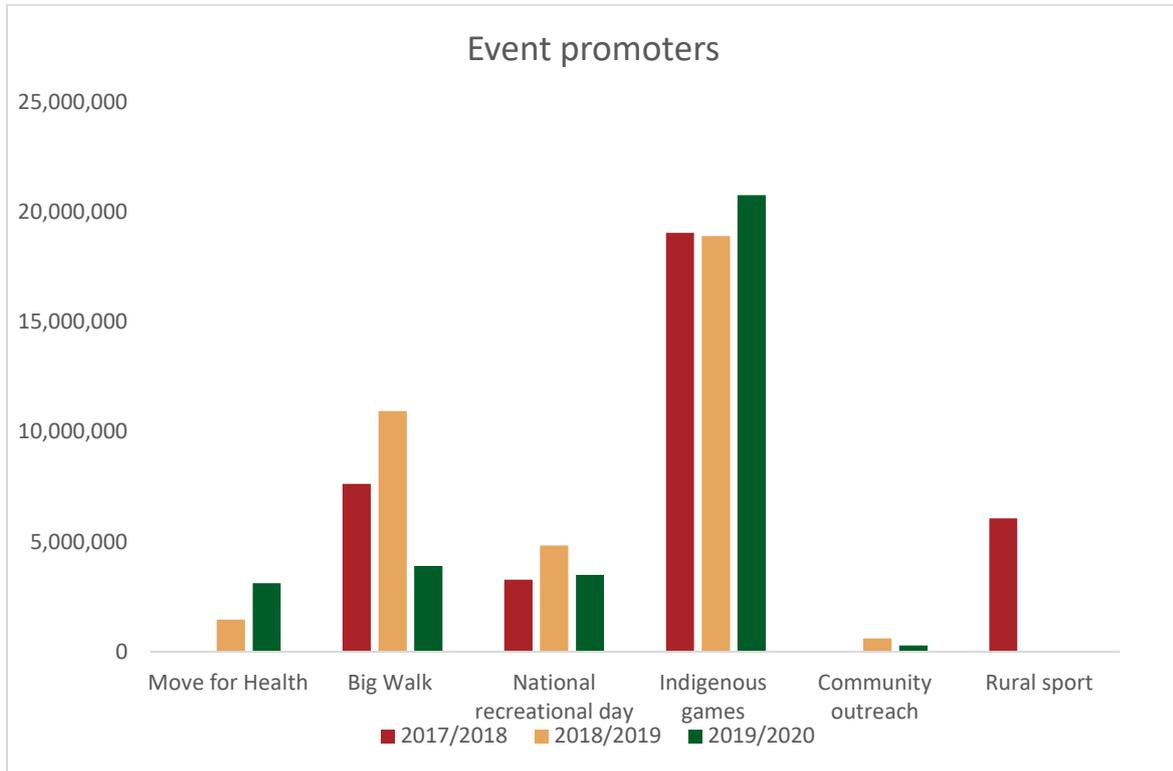


Figure 4 shows the different expenditure groups of the sub-programme. The groupings were made from the economic classification of the sub-programme, using the expenditure buckets technique.

The department spends on average 32 per cent of the programme's budget on event promoters. At the same time, the department is also spending close to 15 per cent on advertising of the events. If the Department is marketing the event and the promoters are also promoting the event, then it raises questions about whether there is duplication of work and responsibilities.

The department equally spends on average 2.5 per cent of the budget on equipment of the games at the events.

Figure 5: Expenditure per event



As Figure 5 shows there is no discernible trend in expenditure across events. This is mainly because of inconsistent participation and various budget cuts. The Department spends the most on the indigenous games, mainly because it is a 3-day event, followed by the big walk. Expenditure on the Big Walk is driven by the high numbers of participants. The other event to take note of is the rural sport events, which were discontinued by the department due to departmental financial constraints and budget cuts.

## 5.2.2 Expenditure by participant

Table 1: Expenditure per participant per day

		2017/2018	2018/2019	2019/2020	Total
Move for Health	Amount	R0	R1 461 478	R3 118 447	R4 579 925
	Participation	0	1 218	1 500	2 718
	cost per participant	R0	R1 200	R2 079	R1 685
Big Walk	Amount	R7 630 529	R10 935 985	R3 905 969	R22 472 483
	Participation	29 000	37 000	39 000	105 000
	cost per participant	R263	R296	R100	R214
National recreational day	Amount	R3 272 838	R4 834 147	R3 499 061	R11 606 047
	Participation	10 000	4 361	4 000	18 361
	cost per participant	R327	R1 108	R875	R632
Indigenous games	Amount	R19 042 825	R18 890 994	R20 758 422	R58 692 241
	Participation	1 400	1 030	1 110	3 540
	cost per participant	R13 602	R18 341	R18 701	R16 580
Community outreach	Amount	R0	R610 050	R281 500	R891 550
	Participation	0	8 104	2 968	11 072
	cost per participant	R0	R75	R95	R81
Rural sport	Amount	R6 056 873	R0	R0	R6 056 873
	Participation	11 000	0	0	11 000
	cost per participant	R551	R0	R0	R551

Table 1.1: Cost of the Indigenous games per day

	2017/2018	2018/2019	2019/2020	Total
Indigenous games	R13 602,02	R18 340,77	R18 701,28	R16 579,73
Cost per day	R4 534,01	R6 113,59	R6 233,76	R5 526,58

The Indigenous games festival has the highest cost per participant. This is mainly because the event is hosted over 3 days, unlike the other events that are for one single day. However, the cost per day is on average R5 600, and it remains the highest cost event in the Mass Participation Programme. The Indigenous games festival include transportation, accommodation, food and other event related costs, which explains why spending is much higher. It is also worth noting that the National Recreation Day and Move for Health both have high cost per participant despite relatively low participation numbers.

## 6 Options and Recommendations

From the above analysis, it is evident that the department is spending a significant amount of money on event promoters. A function that the department can internalize to avoid duplicate spending in both advertising and event promoters.

Because of this clear duplication, the department should reconsider and revise their implementation plans of the programmes, to avoid the above duplication and create savings.

In recognition of the World Walking Day, many companies like Coca-cola, Spar, Discovery have supported and hosted similar physical activity and/or mass participation programmes (BIG WALK). With the aim of promoting walking as a leisurely activity suitable to the young and elderly and encourage movement as part of day to day lifestyle.

For possible savings, the department could discontinue providing programmes like the Big walk and the National Recreation Day on their own, the department can partner with these private companies. This will result in savings for the department equally not compromising service delivery, coverage and participation of the programmes.

Due to the unfortunate continuous budget cuts, the department was forced to discontinue some of its programmes. This included one of the mass participation programme, the Rural Sport development programme. This was done despite the departments mandate of ensuring equitable access to sport and active recreation programmes.

To redress this, the department is providing a 3-day event of the Indigenous games, whilst all other programmes are single day events. The department could make this event a one-day event, this will ensure that the savings made are re-directed to the Rural sport development programme.

The department is spending a significant amount on health education at the programmes. loveLife is commissioned to provide this service. The department can realise savings, if they can partner with the Department of Health to provide this service at the events, as the Department of Health is better equipped and capacitated to provide this service at low costs.