

Tuynhuys, the Cape Town Offices of The Presidency

The design features of this Annual Report are taken from photographs of Tuynhuys, the Cape Town offices of The Presidency. The Ikhamanga flower (see opposite page) has become one of the world's most known flowers. Less known is the fact that the flower (also known as the Strelitzia, Crane or Bird-of-Paradise flower) is indigenous to South Africa where it grows wild in the Eastern Cape. The flower, after which the National Order for achievement in arts, culture, literature and music is named, features prominently in the gardens of Tuynhuys.

The line drawing on the front cover is based on the central doorway carved in Teak on the first floor balcony of the Gardens-facing façade (see drawing below) of Tuynhuys. The cover drawing illustrates the magnificent fretwork of the ornamental fanlight and carved doors sometimes seen in 18th century Cape buildings. The rococo-style pattern of the fanlight is repeated as a design motif throughout the report.

The doorway and the threshold that it embodies were chosen as a design motif for this annual report for the many levels of symbolism that it represents. A door divides and separates two environments or locales, while at the same time it joins them. Also during the 17th and 18th centuries, it was obligatory in Cape Town to light a lamp on the inside of the fanlight at night so that the outside road could be illuminated for passers-by. The lamp would therefore at the same time light up the entrance hall of the abode.

Thus, the doorway which divides but also conjoins, could symbolise our historical break with the past, but also our negotiated continuity and transition. It could be seen to stand for our departure from the path of certain collective destruction and disaster towards one of a sustainable and mutually beneficial future. The door with its fanlight may thus be read as expressing metaphorically our passageway from darkness to light.

While the design ethic of the door and fanlight clearly derives from a European cultural ethos, the Cape Colony (up until the mid 18th century) was a slave-owning and bonded labour-based society and it may be reasonably assumed that the manufacture of the original door was in all likelihood executed by a skilled slave brought to the colony in the 18th century. (See pg 152 for a brief history of Tuynhuys.) In this sense the door encapsulates our history of colonialism, slavery, exploitation and oppression, indeed our tortured but nevertheless entwined history.

Whatever its actual history, for The Presidency, this mute doorway with its exquisite fanlight, represents a story which symbolises pain, passageway, empowerment and light. It tangibly denotes both the knotted legacy handed to us by destiny but also our passage into the 'age of hope'. It is seen therefore as an authentic and fitting motif of The Presidency.



Submission of the Annual Report to the Executive Authority

To the President of the Republic of South Africa, **Mr Thabo Mvuyelwa Mbeki**,
I have the honour to submit to you, in terms of section 40 (1) (d) of the Public Finance Act, No 1 of 1999,
the Annual Report of The Presidency for the period 1 April 2005 to 31 March 2006.

Trevor Fowler

Chief Operations Officer

(appointed as accounting officer in terms of section 36(3) of the PFMA).



VISION & MISSION

OUR VISION

Excellence in governance for a better life for all

OUR MISSION

Leadership, management and development of the strategic agenda of Government

OUR VALUES AND PRINCIPLES

Batho Pele (People First)

Responsibility
Accountability
Commitment to Service
Responsiveness
Courteousness
Justice
Equality
Fairness
Loyalty
Openness
Empowerment
Integrity
Excellence



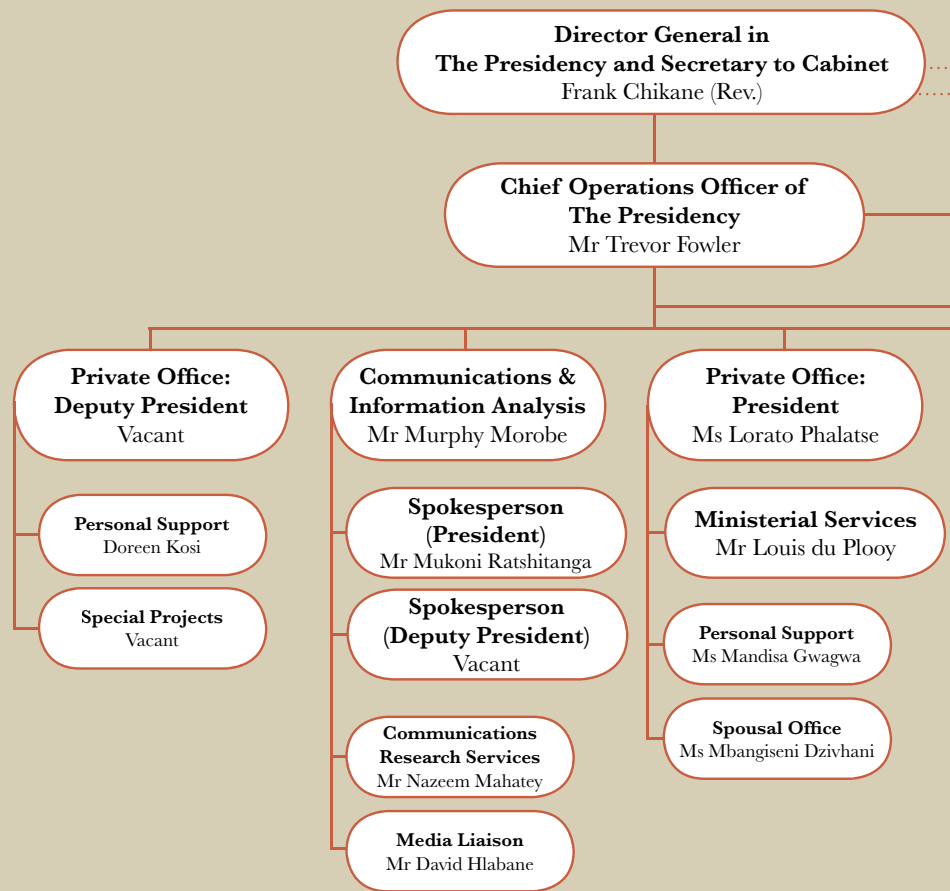
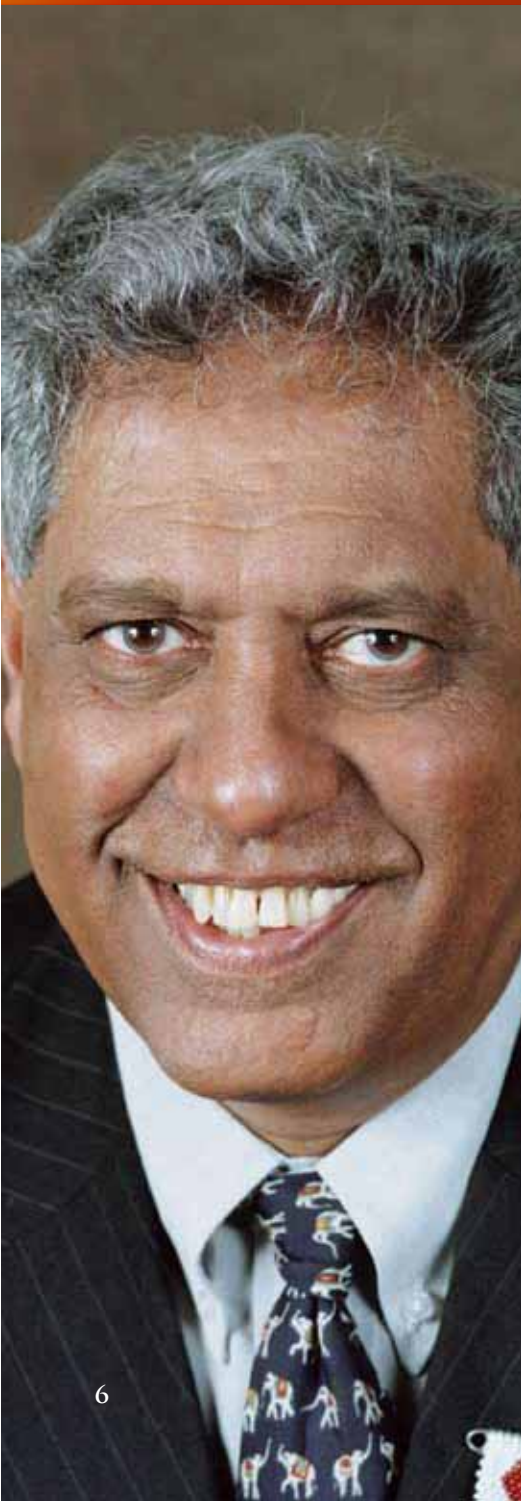
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SECTION A

ORGANOGRAM



Head of Policy Co-ordination and Advisory Services
Mr Joel Netshitenzhe

Cabinet Office
Dr Anne Letsebe

Cabinet Secretariat
Mr William Smith

Cabinet Operations
Mr Sizwe Sidloyi

**General Manager
Strategy and Operations**
Ms Dolana Msimang

**Legal and Executive
Services**
Ms Lindiwe Vilakazi

Corporate Services
Mr Fanie Pretorius

Protocol
Mr John Reinders

**Office Co-ordinator
Strategy**
Ms Xoliswa Jozana

**Chief Financial
Officer**
Mr Ken Terry

**Office Co-ordinator
Operations**
Ms Kanya Umlaw

Internal Security
Mr Elias Mahlangu

Internal Audit
Ms Khumoetsile Gaesale

**Policy Co-ordination
and Advisory Services**
Mr Goolam Aboobaker

**Justice, Crime
Prevention & Security**
Mr Loyiso Jafta

Social Sector
Dr Vusi Gumede

Economic Sector
Dr Alan Hirsch

**International
Relations & Trade**
Mr Joy Rathebe

**Governance &
Administration**
Ms Kefiloe Masiteng

Programmes
Dr Ellen Kornegay

FOSAD Secretariat
Mr Michael Cindi

**Office on the Status
of Women**
Ms Susan Nkomo


**Office on the Rights
of the Child**
Ms Mabel Rantlha

**Office on the Status of
Disabled Persons**
Vacant



PREFACE

CHIEF OPERATIONS OFFICER



The Presidency has entered the second decade of democracy in our country even more determined to pursue its mission of providing leadership, management and development of the strategic agenda of Government.

Having completed the process of introspection to measure itself against the challenge set in the previous financial year, The Presidency is now, more than ever, better positioned to execute its duties and fulfil its mandate efficiently and effectively. Our operations are purposely structured to focus on the achievement of our strategic agenda. We have also initiated quarterly reviews focusing on achieving objectives we have set ourselves.

The Presidency work is now better aligned with the objectives of Government. The change management processes have, as it was envisaged, enabled The Presidency staff to understand both the context and content of their work. Internal coherence is strengthened and there is a deeper understanding of the strategic objectives of The Presidency.

Located at the apex of Government, The Presidency has a total view of Government objectives, mandate and operations. Its role is thus clearly defined: to focus on co-ordination of co-operative governance based on its mandate.

We see our role as focusing on co-ordination of co-operative governance and, together with the relevant Government departments, enabling the local and provincial spheres of Government to link to the national government's strategic objectives.

The Forum of South African Directors General (FOSAD) include Provincial Government representatives which lends coherence to the general operations of Government in terms of co-ordinating the overall work of the three spheres of Government towards the achievements of the goals of reconstruction and development. The work of the advisers is also linked to The Presidency objectives through an advisers' forum. These structured relations tighten co-operative governance and facilitate monitoring and evaluation of Government-wide work.

*The Presidency's work is now better aligned
with the objectives of Government.*



Once again the President has engaged with the broader South African society in the interactive, democratic fashion through *Izimbizo* and Working Groups. Through *Izimbizo* capacity gaps and institutional constraints in the sphere of local Government were identified and remedial measures developed to ensure a tight, seamless governance system focused on and able to carry out the broader mandate of Government. The Presidential Working Groups, on the other hand, variously represent societal interests and are, during their close interactions with the President, able to make valuable input into the agenda of Government.

The Presidency has continued to provide support to the Political Principals to discharge their international duties relating to both the consolidation and elevation of the African agenda. Under the year in review both the President and the Deputy President continued to develop in partner-

ship with Africa and the world, focusing on post-conflict reconstruction, peace and stability on the African continent.

Mr Joel Netshitenzhe was appointed to head the Policy Co-ordination and Advisory Services (PCAS) branch within The Presidency in 2001, a task he undertook together with being the Chief Executive Officer of the Government Communication and Information System (GCIS). Cabinet decided that as of 2006, he should concentrate on policy-related work only as head of the PCAS branch. The Presidency is looking forward to benefiting from his exceptional insights into the operations and mechanics of Government in the next financial year.

Lastly, I wish to thank all The Presidency staff for their continued sterling efforts in making The Presidency a beehive of activities that support the work of our Political Principals both in the country

and abroad. As the Chief Operations Officer in The Presidency, I am exceptionally thankful to work with such a dedicated, committed and reliable staff who have made the successes in improving administration possible.

I would like to thank the audit committee for their sterling work which has contributed to our unqualified audit for the year under review (see table 16 page 94).

I hope you find this annual report useful in lending you an insight into the workings of the Presidency for the year under review.

Trevor Fowler
Chief Operations Officer

FOREWORD

DIRECTOR GENERAL

It could be safely asserted that the year under review was without doubt a very “good year” for the country and its people, especially on the economic front. Building on a trend that began picking up in 2003, when the economic growth rate reached the 3.6% mark, the economic growth rate edged towards 5% during the year under review.

Over half a million jobs were created mostly in the informal sector and more and more people requiring social assistance are now covered by the country’s social security net. South Africa is also experiencing a remarkable growth alongside the robust activities aimed at eradicating racial inequalities in the labour market and enterprise development.

Overall the figures look promising from whatever angle one looks at them. The inflation rate has been averaging 4%, with interest rates being at the lowest in terms of our historical standards. Experts in the field ascribe this positive trend to the good performance of commodity prices in the global market place with prices of steel, gold and platinum reaching higher marks not experienced in many years.

Credit, however, is also due to Government’s sound fiscal and monetary

policies and its general management of the economy. South Africa’s economic growth rate is expected to reach or surpass the 6% mark when the battery of initiatives under the Accelerated Shared Growth Initiative for South Africa, AsgiSA, which is led by Deputy President Phumzile Mlambo-Ngcuka, gains momentum.

The year under review also saw the successful holding of the country’s fourth municipal elections in which the electorate again gave the governing party an unequivocal vote of confidence in its competence to continue running the country.

One of the challenges we faced earlier during this financial year was a change of the Deputy President – from Deputy President Jacob Zuma to Deputy President Phumzile Mlambo-Ngcuka. This resulted in major changes in the personnel complement of the Office of the Deputy President, especially at the senior levels.

Looked at differently, some of these challenges were an important acid test that South Africa’s democratic institu-

The President’s and Deputy President’s involvement in peace-making and mediation efforts on our continent began to bear fruit.



tions passed beyond expectations. They also served as a maturity barometer of South Africa's decade-old democracy.

President Thabo Mbeki's remarks on the need to increase the capacity and capability of the developmental state did not exempt The Presidency. As staff, we can assure the public that enough capacity within The Presidency has been built and that the organisation is operating optimally.

Much of the success in this regard could be credited to our decision to create the position of the Chief Operations Officer (COO), which is occupied by Trevor Fowler, under whose leadership we have collectively as staff managed to stabilize The Presidency's corporate and back office functions, which are equally critical to the executive role of the institution.

The full time appointment of Joel Netshitenzhe as head of the Policy Unit has strengthened The Presidency in providing effective strategic leadership to the

rest of Government and the country. We also have an excellent team of heads of branches who ensure that all the entities within The Presidency achieve their strategic objectives.

As alluded to elsewhere in this report, the biggest organizational challenge in the next financial year is to improve the capacity of the rest of the staff to be on top of the content and knowledge inherent in their work.

The Presidency's success in realizing internal and government-wide efficiencies through, for example, a well-oiled cabinet system including effective mechanisms to relate to Parliament; an effective Policy Co-ordination and Advisory Services for the Principals in The Presidency, an effective vertical (across the three spheres of Government) and horizontal integrated system of governance at the political, management and administrative levels, etc., has enhanced government machinery to optimally respond to the imperatives of effective governance. The reality is that for

us to achieve the national strategic objectives of our country, as a developmental state, we need a capacitated Presidency to provide effective strategic leadership across the whole of Government.

Indeed, these qualitative changes in government machinery reflect our successes in managing Government and other sectors of society to bring about a better life for all through integrated service delivery.

I would like to thank The Presidency staff and all our colleagues in national departments and other spheres of government, our political principals and their advisers, and the former Deputy President, for the excellent support and co-operation during the year under review.

Frank Chikane (Rev)
Director General
The Presidency



1. INTRODUCTION



‘A South Africa that Truly Belongs to All’

When President Thabo Mbeki delivered his State of the Nation (SoNA) Address in February 2005, it was a year marking our country’s first but firm stride into the second decade of democracy.

The first decade of democracy had seen a steady movement away from South Africa’s divided past, towards the realisation of national reconciliation, national cohesion and unity, development and reconstruction of our country, based on patriotism and a common destiny.

The February 2005 SoNA heralded an era during which Government, in partnership with its social partners and South Africans at large, would begin grappling with the challenges of translating policy objectives into palpable results aimed at advancing the realization of the ideals of a society based on unity, non-racialism, non-sexism, social justice, and democracy.

And yet if 2005 represented a turning point in the political annals of South African democracy, it was equally historic as far as it marked the twin 50th anniversa-

ries of the adoption of the Freedom Charter at the epochal Congress of the People in Kliptown, 1955, as well as the *Apartheid* regime’s forced removals in Sophiatown.

A truly South African community priding itself on its cosmopolitan multiracial make-up, Sophiatown finally succumbed to the might of the racist regime in 1955 and its 50th anniversary could not have occurred at a better time in the history of our democracy.

Importantly, the SoNA spoke of the achievements of the First Decade of Democracy, especially, in terms of the incorporation of the primary tenets of the Freedom Charter into South Africa’s groundbreaking Constitution, adopted in 1996.

The Constitution provides a vision of harmonious co-existence amongst South Africa’s diverse peoples by affirming the principles of a country that “belongs to all who live in it, black and white”, and encapsulating a vision of a humane, caring and free society.

*Government’s PoA serves as a clearly defined benchmark of
Government performance.*



The SoNA outlined the contents of The Programme of Action (PoA), an accountability and monitoring instrument of Government work towards achievement of its policy objectives (the contents of which are discussed in the next chapter).

Government's PoA serves as a clearly defined benchmark of Government performance. (The PoA is available on www.gov.za)

The PoA highlighted priorities, objectives and challenges for the year under review and outlined the targeted strategies and programmes by which Government objectives and goals would be achieved.

March 2005 also saw the governing party receive an overwhelming mandate from the electorate in the majority of districts and municipalities in South Africa's third national local Government elections since 1995. The success of the elections is testimony to South Africans' will to deepen democracy and in so doing consciously contribute to the goal of a better life for all.

The implication of this electoral victory afforded Government both consistency and continuity in the implementation of its policies across the three spheres of Government.

President Thabo Mbeki used the SoNA to tell South Africans that the year in review would see a Programme of Action geared towards monitoring and implementation of Government policy on all targeted objectives as well as improving the capacity of the State to ably respond to the challenges of delivery, economic growth and development.

The eradication of poverty and fighting underdevelopment, against the backdrop of a growing and prospering First Economy and progressively integrating the Second Economy come out as the underlying theme for Government work in the year 2005.

The SoNA stressed the need for making information on access to economic opportunities readily available to people in the Second Economy one of the key elements of the Government programme in the year under review.

To speed up the pace of delivery of services for the year 2005 and the coming five-year period, the President announced that management, organizational, technical and other capacities of Government would be comprehensively improved, the better to obviate unintended entanglements and logjams to service delivery and progress resulting from the historic weakness in Government machinery.

Focused attention for 2005 would be directed at the overarching improvement of Government capacity, i.e. building a strong and efficient democratic state that truly serves the interests of the South African people.

To this end a comprehensive review of the function of Government systems across the three spheres of Government, together with proposals on the capacity of its implementing agents, would be submitted to Cabinet in 2005.

This course of action signalled renewed determination by Government at once to reconfigure and energize Government machinery for the achievements of set goals without inadvertently thwarting the means to such ends.

The year 2005 saw Cabinet continue with the work of aligning the National Spatial Development Perspective with the Provincial Growth and Development Strategies and the Municipal Integrated Development Plans. The alignment of these strategies and plans is in line with the notion of integrated governance, which should see the consolidation of development programmes in a manner that ensures the trajectory of development and reconstruction is symbiotically driven by the three spheres of Government.



On the world stage, the SoNA proclaimed the year under review as yet another chance for consolidating South Africa's position on global political issues, including multilateralism, reforming of the United Nation Security Council, South-South Relations, Southern African Development Community (SADC) and Peace and Stability as well as Post-Conflict Reconstruction in Africa.

President Mbeki also reaffirmed the need to consciously contribute to efforts towards a better Africa and a better world, to join hands with the rest of humanity to strive for human solidarity.

The Presidency, at the apex of the system of Government, continues to provide leadership and management in the development of the strategic agenda of Government. It continues to strive for excellence in governance for a better life for

all. This annual report details on the challenges of creating a better life for all as set out by President Mbeki in the 2005/6 financial year.

These challenges are:

- 1.** Achieving a higher economic growth rate
- 2.** Improving the quality of life of all South Africans
- 3.** Improving the capacity of Government
- 4.** Governance/interactive democracy
- 5.** Continental efforts and the ongoing efforts of Government to, within the context of Government's policies, focus on African development in the 21st century
- 6.** South Africa's cardinal role as one of the key countries advocating the elevation of the African Agenda.



2. KEY THEMES IN THE WORK OF THE PRESIDENCY

2.1 Economic Growth and Development

High Rate of Economic Growth

In the year under review there have been no significant changes to macro-economic management.

The year 2005/6 has added to the increasingly positive trends in the South African economy. The annual rate of economic growth reached 4.9%. It was a second year of strong growth based on high commodity prices. South Africa benefited largely on exports revenue, and the country experienced a stable and low inflation rate of 4%. By our historical standards, the country also had a relatively low interest rate. A growing black middle class consumer market, itself a good index of the effectiveness of Government's empowerment policies, is at the same time spending money and making significant investment in the economy.

More jobs were created, especially in the informal sector, a part of the economy central to the growth of the Second Economy. Share markets have shown strong performance of over R80 billion in foreign investment flowed into the Johannesburg Stock Exchange.





Largely, the economic upswing is attributable to the transition from growth that is driven by commodity prices and household consumption to one driven by fixed investment. Consistent in the application of its economic policies over the years, Government's stable fiscal and monetary policies positively impacted on laying the foundation for the economy's upward trajectory.

Government's key targeted economic strategies were efforts aimed towards reducing costs of doing business in South Africa. To this end much focus was directed at improving communication to the investment community about services offered by Government and its related agencies. More emphasis was given to improving co-ordination between Government and the International Marketing Council and new products are being produced and disseminated.

Government has also sought to increase the rate of investment by exploiting private direct investment through an integrated approach to the 2010 Soccer World Cup. A 2010 Enterprise Development plan has been developed in conjunction with IDC aimed at identifying opportunities arising from the World Cup, focusing

on small business within the services sector (especially IT, construction and tourism).

With regard to lowering the cost structure in the economy and enhanced levels of competition, Government has transferred a total of 3250 kilometers of strategic roads of economic importance to SANRAL.

Aiming to improve telecommunications infrastructure and regulation and increase internet subscribers and broadband and ICT usage, Government has in the year under review taken a decision on developing an indicator system that will help in measuring SA progress and developing an information society; and the Second National Operator licence was awarded in December 2005.

Accelerated Shared Growth Initiative of South Africa (AsgiSA): Recognising the need for a Growth and Development Catalyst

The project known as Accelerated and Shared Growth Initiative of South Africa, AgsiSA, was born out of the framework document produced by the Deputy President's task team and presented to Cabinet on 12

October 2005. At the Cabinet *Lekgotla* of July 2005, the Deputy President was requested to head a task team comprising three Ministers from the Economic cluster, two Premiers and one city mayor to identify actions that must be taken to ensure that by 2014, poverty and unemployment are reduced by half. These over-arching objectives are consistent with the commitments made by the ANC in the election campaign of 2004.

AsgiSA was a consultative process, drawing inputs from Government departments, organized labour, the business sector as well as civil society. The approach was based on the existing binding constraints to the economy as identified by all social partners as well as identified interventions that address all the binding constraints. The interventions cover the following areas:

Macro-economic Issues

A range of micro-economic interventions are identified to address amongst others, efficiency of spending, better budgeting and ways to increase savings. Macro-economic interventions are not recommended at this stage, given that a concurrent intervention on the fiscal and monetary policies could be damaging if not well han-



dled. Volatility and vulnerability of currency from upbeat commodity prices, strong currency and resultant cheap imports are being monitored.

Infrastructure

Infrastructure backlog and increasing of capacity are being addressed from three spheres of Government, Development Finance Institutions and Public Private Partnerships. Challenges faced include supply materials and skills required.

Second Economy and SMMEs

Second Economy challenges identified include specific focus areas for women, youth and other under-privileged people. Relevant interventions were identified in areas of SMME funding, including micro-lending, co-operatives as a tool for rural development and the Extended Public Works Programmes. The regulatory environment for small business is another key factor. However, in the quest for shared and accelerated growth, AsgiSA also recognises the Second Economy's inherent wealth and intellectual capital, which hold enormous potential in efforts aimed at the decolonisation and integration of the South African economy.

Consequently, intrinsic to AsgiSA is the emphasis on the "shared" and "growth" aspects, which define the nature and character of the initiative's approach to accelerating economic growth.

Education and Skills

Skills and education have been identified as a cross-cutting challenge affecting implementation of the AsgiSA interventions, especially infrastructure. Further capitalization

of Further Education and Training (FET) colleges, improving through output of mathematics and science, addressing adult education and improving quality of education have been identified as some of the areas. Priority and scarce skills have been identified and would be addressed through a further initiative that remains a subsidiary of AsgiSA, known as Joint Initiative on Priority Skills Acquisition (JIPSA).

Sectoral Development Strategies

Several sectors were identified as potential growth drivers with a possible benefit of creating additional jobs and addressing Second Economy challenges. Tourism and Business Process Outsourcing are most advanced with several others such as forestry, biofuels and agriculture also receiving strong emphasis. Most significant challenges with various sectors are identification of appropriate incentives, relevant infrastructure and relevant skills required to increase competitiveness.

Governance and Service Delivery

The interventions identified in this area involve implementation and monitoring as well as providing appropriate leadership in various areas within Government. This would include closer monitoring of constraints to be done by the Departments in the Economic cluster, addressing regulatory bottlenecks and improving efficiency of service delivery.

Several areas of AsgiSA are being implemented by Government departments. Monitoring and reporting is done by the Economic Cluster. Evaluation is expected to gain momentum as various areas of AsgiSA are imple-

mented. Although most of the actions are acknowledged to be the responsibility of Government, AsgiSA will continue to operate as a partnership with various stakeholders.

Joint Initiative for Priority Skills Acquisition (JIPSA): (Binding constraints on economic growth)

The importance of skills in realising the broad objective of accelerated growth made the JIPSA a critical institutional instrument of AsgiSA. Launched at the tail-end of the year in review, JIPSA seeks to address the priority skills to drive AsgiSA.

Steered by Deputy President Phumzile Mlambo-Ngcuka, JIPSA is a two-tiered structure comprising a joint task team, and a technical working group. The joint task team, chaired by the Deputy President, is made up of leaders in business, labour, higher education and civil society.

The joint task team will:

- oversee the work of JIPSA and ensure that it delivers on its mandate of acquiring scarce and priority skills in the shortest time possible
- build partnerships with different institutions and social partners, and
- ensure sustainability of the initiatives of JIPSA.

The second tier, the technical working group, is made up of specialists and experts in areas ranging from research, all levels of education, labour, business and Government.

The technical working group is tasked with identifying effective ways and means of creating and acquiring skills

needed by the economy. It will ensure that systems and programmes are in place to attract the skills, and they will recommend researched interventions for decisions by the task team.

The joint task team will fast-track training and ensure that it maintains quality. Secondments and placements will be used extensively to enhance experience.

As a strategic instrument designed to address critical skills shortages, JIPSA will therefore work with both education institutions and employers, all of whom are represented in JIPSA. The Department of Trade and Industry (DTI), Department of Education (DOE), Department of Labour (DOL), Department of Science and Technology (DST) and The South African Management and Development Institute (SAMDI) are key training departments.

As a nation, South African needs to unite in partnership to reverse the trend with regard to skills and give its policies a chance to succeed in the medium to long term.

A committee of ministers, labour, business and training and education specialists lead the priority skills acquisition initiative which is primarily aimed at feeding into AsgiSA. The Umsobomvu Youth Fund (UYF) is making an invaluable contribution to the skills development of youth through a range of programmes.

The committee will also make policy recommendations with regard to South Africa's immigration laws in as far as they encumber the flow of scarce skills into the country.





2.2 Quality of Life

In the year under review and in terms of the Government Programme of Action, The Presidency continued providing strategic leadership on Government's socio-economic objectives through implementation of policies of reconstruction and development to provide a better quality of life for South Africans and thus consolidate national social cohesion. These ranged from housing, health, food security, education, water and sanitation and other critical, essential services needed by South Africa's poor, mostly in the Second Economy.

Local Government: Service Delivery

As the third sphere of Government, local Government is at the coalface of delivery. The recent public protests in a few municipalities, sparked by dissatisfaction over perceived lack of delivery on basic services bore testimony to the importance of effective operation of this level of governance.

While some local Government areas have indeed been crippled by lack of capacity, and institutional constraints, there are many that have recorded successes on their mandates.

As South Africa enters the second decade of democracy, the challenge of improving the quality of life for all South Africans remains a key priority. The year under review saw more emphasis placed on the capacitation of local Government as the critical spheres of Government located at the strategic level of delivery. Service-delivery backlogs, backlogs of infrastructure – both social and economic – and the problems of lack of technical skills

at local Government level are issues Government has sought to tackle.

Government strives for institutional capacity as a critical precondition for the optimal discharge and execution of key local Government duties for delivery of essential services. To this end, in the year under review Government has, in conjunction with the Department of Public Service and Administration, together with the National Treasury, started conceptualising a Local Government Competency Framework to ensure that institutional capacity is markedly improved. This will impact on the regulatory environment in terms of the appointment, performance and evaluation of Municipal Managers and other senior functionaries within municipalities.

Government has also enlisted the assistance of the Development Bank of Southern Africa to secure support for the professional provision of programme and project implementation. On project management, this will be hands-on support regarding conceptualisation, planning, execution and post implementation monitoring.

Some of the progress made in various parts of the country include the fact that since the introduction of the Urban Renewal Programme in 2001, 245 961 households in the urban nodes now receive free basic water. In the urban nodes of Motherwell, Mdantsane, Mitchell's Plain and Khayelitsha alone, 128 905 households now have access to free basic electricity. Also, a total of 374 733 electricity connections were made in rural nodes from 2002 up to September 2005. Government is presently developing a national Municipal Infrastructure Investment

Framework which will serve as a road map towards the goal of universal access to these services.

With respect to the contribution of Local Economic Development initiatives, current data shows that of the 53 district and metropolitan areas in the country, the economies of 13 grew consistently above the national average of 2.5% per annum over a three-year period.

Housing

The 2005/6 financial year has seen increased Government efforts to address housing challenges, with provinces spending 95% of the Integrated Housing and Human Settlement Development Grant allocated to them for the year 2005/6.

In pursuit of the objective of delivering on housing, Government has ensured that all provinces work in step with this goal, and keep to the delivery schedule as well as clearing of logjams to obviate delays in this regard.

Government has also sought to engage closer with housing stakeholders in an interactive process, forging closer relationships with communities daily affected by the scourge of homelessness, insecurity and exposure to the elements.

More emphasis has been placed on developing housing sites in places nearer to work and economic activities so that the housing beneficiaries, who are by definition poor, should be able to have easier access to work. Nine Pilot Projects initiated comprising 99 000 housing opportunities over the next MTEF period have been started in the year under review.

As the third sphere of Government, local government is at the coal face of delivery.

This was done in line with the new comprehensive human settlement plan, 'Breaking new Ground'. Examples to this end are the Brickfields in Newton, Johannesburg, the N2 Gateway and Cosmo city, all of which fall within the range of pilot programmes.

Access to infrastructure for clean basic running water was improved from 59% in 1994 to 92% in 2005.

Health

On the health front Government intensified its campaign under the slogan, 'Prevention is better than cure', embarking on a range of health promotion activities to raise the levels of consciousness on health matters to South Africans, especially those most vulnerable to disease and poverty.

The Comprehensive Plan for the Management, Care and Treatment of HIV and Aids was carried out in the context of the World Health Organisation's (WHO/AFRO) declaration of the year 2006 as a 'Year for Acceleration of HIV Prevention in Africa'. More efforts were put on the *Khomanani* campaign as a vehicle for mass mobilization against the spread of HIV. Government has up to the end of the year in review established 178 sites spread across 53 districts and has also extended nutritional interventions by providing nutritional supplement and vitamin supplementation. The assault on HIV and Aids continued with the World Aids Day commemoration held with schools





and Civil Society Organisations continuing to collect as many pledges as possible. Continued corporate pledges with the participation of companies have also made progress.

A Health Charter, of which the main aim is the strengthening of collective efforts within the health system to improve access to affordable and quality health care, is also being finalized.

Lastly, attempts to improve capacity, capability and experience within the Health Departments have seen the Minister meet South African nurses currently working in the United Kingdom, with the object of asking them to return home. Arrangements are in progress for those nurses who have already expressed the desire to return.

Food Security and Comprehensive Social Security

More than 78% of targeted children were, by September 2005, registered for a child support grant. Government has met its target, following the President's State of the Nation Address, of registering children up to the age of 14 for child support grants in keeping with Comprehensive Social Security. Government aims to have reached 3.2 million children by the 2006/7 financial year. By the end of December 2005, Government had registered a total of 3 113 628 children for child support grants.

Government is finalizing the establishment of the National Social Security Agency (NSSA), currently in the process of employing staff and establishing IT infrastructure. NSSA's main objective is to improve the system of dispensing child support and other forms of grants and thus eliminate

fraud and improve efficiency in carrying out its mandate. About 100 000 cases of temporary disabilities have been terminated as a result of reviews carried out by provinces to verify the authenticity of applicants. In the year under review 516 cases were brought to court for fraud by December 2005 with 128 convictions and savings of R5.3m and, of the 41 000 public servants receiving grants, thus far 12 000 were found to be receiving them fraudulently.

Education

The President's undertaking that no child should learn under a tree has had expression in the number of classrooms built to address this challenge. KwaZulu-Natal, Limpopo and Mpumalanga, the three provinces worst affected, have seen completion of a total of 1 757 classrooms at existing schools and a total of 4 031 classrooms under construction in the year under review. These efforts are underlined by the understanding that no effective education can take place under abnormal conditions that expose learners to an adverse learning environment and the elements.

All schools with learners under trees have been audited. From 179 schools identified, 103 had been addressed by the end of October 2005 and temporary measures have been taken by the Provinces to accommodate the learners at the other 76 schools.

More progress has also been made regarding water and sanitation at schools; 87 schools had been provided with water and sanitation by September 2005, and an additional 240 are in line to receive these basic but essential services.

All schools with learners under trees have been audited.

Government has allocated more resources to interventions in education and training, including mergers of higher learning institutions, improved teaching and learning especially in mathematics and natural sciences, and additional support to schools in poor areas.

Five of the remaining mergers in higher education took place in 2005. Of the R550 million allocated towards restructuring in the sector in this financial year, R205.4 million was reimbursed to institutions.

Water and Sanitation

The programme for the provision of water and sanitation continued to make strides in the year under review. The delivery of water remained constant at approximately one million per annum and a steady increase in the delivery of sanitation services has been recorded. The backlog of sanitation in schools has been reduced from 4 300 in September 2004 to 2 118 by March 2006, with 2 190 schools reached in the last financial year. Government has also ensured that 2 185 toilet seats were provided in the 2005/06 financial year to clinics lacking these facilities.

Approximately 19.2 million of our 22.4 million poor, i.e. 85% of all poor households are currently receiving their water free of charge.

Government is addressing the “policy challenges” that have been identified

in the implementation of the Free Basic Water policy so that all communities can benefit from this service.

Since 1994, 2 million households (8.2 million people) have been provided with basic sanitation. Access to basic sanitation improved from 48% in 1994 to 67% in 2005.

Employment

The South African economy has over the years suffered from the shedding of jobs in the formal sector, relying especially on the Second Economy for provision of small-scale jobs.

Yet, employment has generally been on an upward trend in recent years.

Over the period September 2004 to September 2005, as many as 658 000 additional jobs were recorded, and the number of employed persons rose to 12 301 000. Looking at the whole period from September 2001 to September 2005, employment grew by over a million.

After several years of successive increases, unemployment declined steadily to 4 135 000 in September 2004. A year later, in September 2005, the number of unemployed persons had risen to 4 487 000.

On the other hand, in the year September 2005, the number of discouraged work-seekers declined by more than 600 000. The rise in unemployment in the face of improving job



Interactive governance is a unique philosophical aspect of South African democracy...



prospects may therefore reflect discouraged work-seekers beginning to engage in active job-searching. By actively seeking work they become classified as unemployed.

Safety and Security

Crime prevention has proved one of the serious challenges to confront Government in recent years.

Government has in the year under review sustained Crime Prevention Awareness campaigns, with priority being given to the 169 priority police station areas and, in the light of the need to prevent criminal recidivism, to the role of wider society regarding the rehabilitation of offenders.

Sociographic profiles of 169 priority police station areas were started in cooperation with HSRC and Statistics SA as a first step towards the crime reduction developmental plans to be finalised and implemented in 2006. Government has finalised the sociographic profiles of the 169 priority police station areas and a process has been implemented to review the profiles.

Thirty community outreach and education workshops focusing on violence against women and children and SAPS service delivery were conducted in August 2005. Various other crime-prevention campaigns were carried out in the Eastern Cape, Limpopo and Gauteng.

As a result of campaigns against illegal firearms, 9 972 legal firearms were voluntarily handed over; 5 074 firearms were confiscated; 58 050 firearms were destroyed and over 376 000 rounds of ammunition were voluntarily handed over or confiscated.

The new National Drug Master Plan was finalised and presented to Cabinet for approval within the financial year.

2.3 Participatory Governance

Interactive governance is a unique philosophical aspect of South African democracy meant to deepen and entrench the values, ethos and the culture of democracy in our society. To this end The Presidency engages in a host of interactions with a cross section of representatives from a range of interest groups and communities that inform the Political Principals of the needs, problems and challenges facing different sectors in society. The Presidential *Izimbizo* programme, the Presidential Working Groups, (see Table 2, page 86), and Advisory Forums (see Tables, 3, 4 and 5, page 86 and page 87) comprise significant elements of this form of governance.

The Presidency supported the Presidential *Izimbizo* programme, which in the year under review, concentrated on *Imbizo* to municipal areas identified by Project Consolidate as most in need of support to enable them to improve service delivery (see Table 5, page 87).

These *Izimbizos* were an intervention to determine the ability of municipalities to govern, engage with society and deliver services. The outcome was the understanding of the skills and systems deficits and solutions to address the problems. At these *Izimbizos*, municipal officials are held publicly accountable for delivery and in the case of poor delivery, to give firm undertakings and develop practical programmes with deadlines to address blockages and speed up delivery of services. Through the *Izimbizos*, the President and the Deputy President have been able to identify logjams to service delivery, development and reconstruction, and, thereby, make the required interventions to remove obstacles to delivery of services in the areas concerned.

An important outcome of these *Izimbizos* has been the development of an indigent policy with regard to the provision of basic services to the poorest of the poor. An indigent policy has been approved and implementation guidelines are being finalized for a pilot to commence in 2006.

Other interventions that work in tandem with Project Consolidate are the establishment of ward committees, 80% of which were operational during the year under review, and the deployment of the cadre of Community Development Workers (CDWs) across South Africa's municipalities. Furthermore, the consolidation of the local sphere of Government saw the launch of over 65 Multi-Purpose Community Centres (MPCCs) countrywide, with the ultimate goal of ensuring that each of South Africa's 284 municipalities has a multi-departmental services access point.

Along with Project Consolidate, *Izimbizos* constitute a critical form of Interactive Governance that serves to deepen the system of democracy in the country.

Through the Presidential Working Groups, the Political Principals are able to interact with key stakeholders in society, the better to bring these stakeholders within the processes that lead to policy formulation and improved governance, thereby enriching the ethos of democratic governance.

There are two Presidential Forums, namely the Presidential International Advisory Council on Information Society and Development (PIACISD) and the International Investment Council (IIC). Grappling with national challenges of development in a fluid and uncertain global environment, the President took the initiative of creating these advisory councils to tap into the best minds on economic and IT policy direction.

First held in 2001, the PIACISD was necessitated by the need to tap into the available international expertise to help the country enhance the growth of the ICT sector in South Africa.

The input received from the council has assisted the government in its endeavours to bridge the digital divide, build a sustainable human resource base, and attract local and foreign direct investment.

Consolidation of Social Cohesion

Social cohesion is one of the key challenges in a society emerging from a system of Government and society premised on the objectives of racial and



In August 2002, South Africa and Mali signed an agreement expressing the two countries' commitment to undertake a Government-to-Government project aimed at conserving the manuscripts at the Ahmed Baba Institute and at rebuilding the library and archival infrastructure of the Institute.

In South Africa a Trust with Dr (Minister) Essop Pahad as Chairperson of the Board of Trustees was established and is administered through the Development Bank of South Africa.

The Project is now at the point where the training of conservationists of Mali has proceeded successfully and work has commenced with the building of a new Ahmed Baba Archive and Library Centre off the Sankore Square in Timbuktu.

The training aspect of the Project is run and co-ordinated through the Department of Arts and Culture and the initial phase in this regard was completed last year. In 2005 Minister Pahad visited Tunisia, which offered to provide additional support for the project. A Memorandum of Understanding between the three Governments is currently being finalised.

Fundraising for the Trust received particular attention from Minister Pahad. A wide-ranging strategy of engaging the Muslim Community and the Private Sector in particular, was embarked upon. This strategy saw two fundraising dinners being held in Cape Town and Johannesburg. Additionally, the Trust arranged a dinner hosted by the South African and Malian Presidents in October. The Trust raised in excess of R25 million.

Building commenced in the current financial year and it is envisaged that the new centre will be completed in the 2nd quarter of 2007.

APRM Self-assessment

African Peer Review Mechanism APRM country-self assessment process is an African Union mechanism that was voluntarily agreed to by Member States for purposes of self-monitoring in relation to democracy and clean and good governance.

Its purpose is to encourage the adoption of policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated sub-regional and continental economic integration through sharing of experiences and reinforcement of successful and best practice, including identifying deficiencies and assessing the needs for capacity building.

The *APRM* rates amongst some of the most successful of Government's efforts at increasing and deepening the levels of participation during the year under review. Using the four APRM themes whose subject matter ranged from political governance to corporate governance, the self-assessment process re-energised South Africa's rich history of civic participation as all sections of society collectively interrogated the nation's social, political and economic standing.

A combination of intensive marketing campaigns and social mobilisation around the country's self-assessment helped deepen the levels of understanding of the long-term objectives of the APRM amongst its citizens. Of particular significance were messages



*The SA-Mali Project is led and overseen by Minister in
The Presidency, Minister Essop Pahad.*

ethnic divisions that purposely defined people, socially, economically and geographically.

Some of the main objectives of Government, such as the further entrenchment of democracy in our country; transforming our country into a genuinely non-racial society; transforming our country into a genuinely non-sexist society; eradicating poverty and underdevelopment, within the context of a thriving and growing First Economy and the successful transformation of the Second Economy, are, mainly, foundations upon which a socially cohesive nation can be built. During the year under review, Government has sought to review the impact of socio-economic transformation on social cohesion in communities and across society, including issues like non-racialism and non-sexism, the role and place of family, value systems, identity and moral regeneration. To this end The Presidency embarked on a Macro Social Study, to determine the impact of ongoing socio-economic change.

The study will focus on the material and spiritual condition of South Africans, the demographic nature of social mobility, national identity and the demographic profile with regard to macro-social indicators and the context within which Government's policies of a caring society and human solidarity are played out in the face of the tensions inherent in a market-based economy. The final report will be ready during the next financial year.

2.4 Continental Efforts

The Presidency continued to provide vital support, through the relevant branches and units, to the President's and Deputy President's ongoing efforts to "consolidate the African Agenda".

In keeping with the strategic agenda of contributing to a better Africa, South Africa has in the year under review continued to strive for social, economic and political stability across the continent alongside other member countries of the African Union (AU). Central to these is South Africa's ongoing post-conflict reconstruction support in the Democratic Republic of the Congo (DRC), Burundi and Sudan, amongst others, as well as its role in the continental roll-out of the African Peer Review Mechanism (APRM) process.

SA-Mali Project

President Mbeki's vision of the African Renaissance, equally espoused and supported by the African Union, assumed a firmer shape with a move to make the SA-Mali Project, which is about the preservation and archiving of the medieval Mali manuscripts and thus its intellectual and cultural heritage, Nepal's cultural project. The SA-Mali Project is led and overseen by Minister in The Presidency, Minister Essop Pahad. The priceless collection of ancient documents covers subjects as varied as astrology, science, economics, culture, medicine, law and geography. The SA-Mali Timbuktu project has its origins in President Mbeki's State Visit to the Republic of Mali in November 2001 when he visited the Ahmed Baba Institute in Timbuktu which contains one of the most important collections of medieval Arabic-script manuscripts in Africa, if not the world.

Progress has been made in terms of redeployment of the military component of the SADC Standby Force.

around the fact that the APRM process is not exclusively about reviewing Government activities. Rather, the APRM process is about reviewing the nation as a whole as part of a process in which Government is also entitled to assess other societal sectors including business and civil society formations.

Consolidating the SADC

South Africa's approach towards promoting the African Agenda in the region, the continent and the world continues to be underpinned by a foreign policy regime that recognises that South Africa's fate is tied up with that of the region, the continent and the world as a whole. South Africa's foreign policy is also driven by a deep sense of solidarity and responsibility as part of the collective effort to make a better Africa and a better world. South Africa continues to play a role in efforts to normalise the political and economic stability in the region. Furthermore, South Africa was part of an international observer mission during the Zimbabwe December 2005 Senate Elections.

South Africa has deployed Government officials to the SADC Secretariat in Gaborone, Botswana, to assist in alleviating the capacity challenges of that institution. The movement of human resources from South Africa to the region would be made easier with the finalisation of a draft secondment policy for the country's Government officials. Progress has been made in terms of redeployment of the military component of the SADC Standby Force. An

SANDEF member who will serve in the Permanent Planning Element from January 2006 has been appointed. The restructuring of the SADC is largely complete. The challenge is to implement the SADC Programme of Action, in particular the Regional Indicative Strategic Development Plan.

Consolidating the AU

As one of the major architects of the African Union (AU), President Thabo Mbeki firmly believes that the realisation of the African Renaissance hinges on the strengthened capacity of the AU and its attendant institutions. Emphasis on capacity building is informed by an appreciation of the centrality of the AU as a vehicle for providing continent-wide coherence of a plethora of undertakings either by individual states or regions to turn Africa into a continent that can truly claim the 21st century in terms of development and reconstruction, peace, stability and democracy for her people.

Specific interventions by The President with regard to building the capacity of the AU and its auxiliary structures took the form of ongoing lobbying of the public and private sectors as part of a drive to recruit appropriately skilled personnel to fill up critical posts within the AU, the AU Commission as well as the SADC.

During the year under review, South Africa also played an active role in several AU platforms that sought to sharpen the institution's vision and strengthen its capacity to go about the business of turning the continent around and advancing the African Agenda. Notable amongst these was participation at the December 2005 AU conference which sought to refine the vision and approach of the continent's political

union, contributing towards the draft legal instrument that will see the setting-up of the African Court of Justice and the African Court on Human Rights and People's Rights.

Even more significant in consolidating and building the capacity of the AU during the year under review is that South Africa, alongside Libya, was given a mandate by the AU to examine how the restructuring and positioning of African financial institutions could contribute towards project or programme funding across the continent.

The South Africa-Libya brief, whose scope will cover institutions such as the African Development Bank (ADB) and other development finance entities, moves from the basis that it is time for Africans to take an overall ownership of their own developmental needs right down to the level of programme or project finance. Pension funds are amongst the biggest investors worldwide and those of the African continent are not an exception. Yet the irony is that the investment patterns of most African pension funds indicate that much of their money is invested outside the continent amidst constant calls for foreign direct investments on the continent.

Post-Conflict Reconstruction

Intrinsic to South Africa's foreign policy are ongoing efforts to promote peace and stability across the African continent, which is a pre-requisite to harnessing its legendary resources to improve the living conditions of all its citizens. The South African National Defence Force (SANDF) has deployed 339 of its members to the troubled Darfur region of Sudan as part of the African Union Mission in Sudan (AMIS), while investments in

South Africa continues to play a role in efforts to normalize the political and economic stability in the region.

the post-conflict process in the Democratic Republic of Congo (DRC) are yielding positive results. The people of the DRC would have gone to the polls in July 2006 for the first time in over forty years after the unequivocal referendum on the Constitution in December 2005 and its subsequent adoption.

Similar post-conflict reconstruction included South Africa's mediatory and facilitative role in Burundi, Somalia and the Ivory Coast, where President Charles Banny was inaugurated as Prime Minister after a process brokered by Presidents Mbeki and Obasanjo (Nigeria), under the auspices of the AU. South Africa further extended supporting efforts to the Governments of Uganda, Tanzania and Kenya in the course of developing and consolidating the East African Economic Community, reflecting the President's continued commitment to the African renewal project.

Of specific relevance in South Africa's contribution towards resolving conflicts across the continent and elsewhere during the year under review is a process towards finalising the promulgation of the Prohibition of Mercenary Activities and the Prohibition of Certain Activities in Areas of Conflict Bill, which is aimed at curbing mercenary or illegal military activities by South African citizens in conflict zones, without constraining legitimate business or humanitarian efforts. A similar piece of legislation, the Draft White Paper on Peace Mis-





sions, which was finalised during the year under review, is going through a similar process.

2.5 Consolidating the African Agenda: South Africa, Africa and the World

Country after country across the continent is increasingly moving towards an ethos that puts peaceful resolution of conflicts and embracing democratic processes as a pre-requisite to good governance. This positive and welcomed development is confirmed by the United Nations (UN) Economic Commission for Africa (ECA) 2005 synopsis of research on good governance, which goes on to describe the continental trend as being “markedly different from that [of] a decade ago”.

Though pleased with the continent’s advancement towards democracy, the ECA report also notes the unevenness of the trend, particularly in conflict-ridden countries. It further highlights areas requiring attention such as the need for deepened public participation amongst some of the seemingly well-performing states. Within its own borders, South Africa continues to forge ahead with the implementation of the prerequisite policies and programmes aimed at putting the country on the path to prosperity, driven by the fact that the milestones that should define the second decade of democracy are intricately linked to the efficacy of the country’s governance and administration, coupled with high levels of public participation.

Solidarity with the South

Over and above the SADC, AU and NEPAD commitments, The Presidency’s supportive role in enabling

South-South solidarity and co-operation saw the President participate in several bi-national commissions and forums

both the President's and the Deputy President's roles in cementing South-South solidarity and co-operation saw the President participate in several bi-national commissions and forums. Amongst the highlights during the year under review was President Mbeki's co-hosting of the Asian-African Summit in April 2005, which resulted in the launch of the New Asia-Africa Strategic Partnership (NAASP). A strong sentiment that emerged throughout the Summit was the need to in future place more emphasis on the economic bonds to match the existing strong political ties that already exist amongst the participating countries.

The 2005 Asian-African Summit marked the fiftieth anniversary of a relationship forged by independent African and Asian states that began at the 1955 Bandung Conference in Indonesia and has for many years after the adoption of what is commonly known as the Bandung Declaration consistently supported the struggle against colonialism in general and *apartheid* in particular.

Network forming and relationship building also took the form of participation in international forums with a particular bias towards issues of interest to the South and developing countries. For instance, The Presidency played an active role in supporting the President's role at the 2005 World Summit on Information Society, in Tunisia. The Summit broadly explored

strategies aimed at bridging the digital divide that defines the rich countries of the North and those of the South by specifically harnessing Information and Communication Technology (ICT) to achieving developmental goals.

South Africa was part of the May 2005 Non-Aligned Movement (NAM) Ministerial meeting on the status and advancement of women in society, and also hosted the India-Brazil-South Africa (IBSA) Focal Points Meeting, which fed into the programme of the IBSA Summit at the end of 2005.

SA on the global stage

The President, both at the level of the country and through the agency of the AU's NEPAD, continued championing the cause of Africa's economic development with the same passion and vigour as displayed by his pursuit of social and political stability across the continent and the world.

Highlights from the President's diary during the year in review include his participation in the G8 Summit at Gleneagles, Scotland, which led to renewed commitment by the developed countries to double development aid to Africa to about \$25 billion per year by 2010 through the agency of a joint G8/Africa Action Plan.

President Mbeki also visited the United States of America (USA), which included briefing sessions with President George W. Bush in which matters ranging from peace-keeping in South



*After the Germany 2006 Soccer World Cup competition the world
will turn its attention to South Africa.*

Africa, Overseas Development Aid and the African Growth and Opportunity Act (AGOA) were discussed.

Principals in The Presidency actively participated in the Progressive Governance Heads of State and Government Summit in February 2006. The Conference provided a platform for participating countries to explore the notion of a developmental state and its practice. South Africa also successfully hosted the prestigious World Economic Forum (WEF). The local and international business leaders attending the WEF pledged their support to the recommendations of the Africa Commission. Under the leadership of The Presidency, South Africa's foreign policy with regard to ongoing global issues of the day continued to be guided by an unwavering belief in multilateralism, which is underpinned by the fact that no state, weak or powerful, is an island in the global scheme of things.

It is in this spirit of multilateralism and interdependence that South Africa continues to make its positions and responses clear on issues ranging from the ongoing strife in Iraq, the Middle East and the stand-offs involving Iran over the exploitation of nuclear energy.

In the year under review South Africa participated in the United Nations Millennium Review Summit, which assessed the progress made towards the achievement of the Millennium Development Goals (MDGs), and

continues to play a central role in efforts aimed at reforming the UN into a kind of multilateral institution that puts the interests of global stability, peace and prosperity at the centre of its existence.

South Africa 2010

After SAFA won the right to host the World Cup in 2010, it established a Section 21 company to take responsibility for the arrangements of the event – SA 2010 FIFA Local Organising Committee (LOC) – and 5 Ministers officially sit on the Board of the Section 21 Company.

Government established a separate co-ordinating 2010 Structure under the leadership of a Director General level appointment – this includes a Technical Task Team chaired by the Finance Minister. This is not in competition with the SA 2010 LOC but assists with the LOC interaction and co-ordination with Government and in particular the guarantees Government provided to FIFA. All host cities' agreements were signed on January 2006.

After the Germany 2006 Soccer World Cup competition the world will turn its attention to South Africa. This offers a unique opportunity to showcase South Africa's, and by extension, Africa's ability to hold its own on the global stage. The important refrain resonating throughout the country's communication strategy is the fact that this is an African World Cup and that the whole continent is behind the country's efforts to host this historic event. South Africa 2010 comes at a time when Government has rolled out programmes such as AsgiSA, JIPSA and the EPWP, all of

which are meant to positively impact on the growth of the Second Economy and the overall development and reconstruction of our country.

2.6 Conclusion

Assessing the work of The Presidency, or Government as a whole for that matter, is more than merely ticking off tasks against the programme of any given financial year. Much of the work is cumulative, with each year's programme being informed by the previous year's work. It also involves casting a reflective net at the past to inform the work of the present and the future. Worth noting in terms of our links to the past is the fact that the year under review marked the 50th Anniversary of the Freedom Charter, which continues to be more than an inspiration to efforts at constructing a South Africa that truly belongs to all.

This annual report seeks to catalogue the work of The Presidency and Government as measured against the 2005/6 Programme of Action. It is in this context an instrument for bringing the country's citizenry into Government's confidence with regard to the complexities and scope of governance as we enter the second decade of freedom. Above all, the annual report of The Presidency is one of many statutory vehicles through which the country's executive accounts to the nation and through which it could be held accountable.

Importantly, the concluding part of the year under review, February 2006, saw the President deliver the State of the Nation Address that captured the all-expressive theme of 'An Age of Hope'. The President was therefore reflecting on the steady progress the

country has been making in moving away from and overcoming the challenges of the past.

However the President also reiterated the objectives that face Government even as it continues to speed up economic progress, give momentum to the developmental trajectory and effect reconstruction of our council.

Building a non-racial, non-sexist society, striving towards the notion of a developmental state marked by safety and security, as well as, bridging the gap between the First and Second Economy, unpinned by the values of *Batho-Pele*, *Ubuntu-Botho*, and a humane and caring society, are some of the lofty objectives that will continue to characterise the efforts of the South African Government into the second decade of democracy.

These objectives are the configuration of Government's policies and programmes and with each step towards their achievement South Africa is incrementally realizing the aims of the 'Age of Hope'.





SECTION B

BRANCH REPORTS

This Section of The Presidency Annual Report deals with the work of individual Branches and seeks to provide the reader with an understanding of the internal workings and operations of The Presidency as a 'Government department'. This section should be read in conjunction with the organogram on pages 6-7 which gives a diagrammatic overview of the structures of The Presidency.

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3. STRATEGY AND OPERATIONS

3.1 Office of the Director General

The Director General, as the Head of The Presidency, is broadly responsible for providing strategic leadership for The Presidency. In particular, the Director General provides strategic support to the President, Deputy President and the Minister in The Presidency in their respective responsibilities. He is also Secretary of the Cabinet and the Chancellor of National Orders. The role of the Director General in The Presidency differs significantly from that of other Directors General in Government in that he is not an Accounting Officer in terms of The Public Finance Management Act (PFMA), 1999. The Accounting Officer is the Chief Operations Officer who is also Deputy Head of The Presidency. The Director General is further responsible for many of the functions that would normally be performed by the Executing Authority in The Presidency, as delegated to him by the President.

The reconfiguration of the role of the Director General in 2004 was necessitated by the imperative to enable the Director General to maximally perform the oversight role in the executive management of Government by providing strategic support to the President as Head of State and





head of the national executive. He also supports the Deputy President and the Minister in The Presidency in their responsibilities and functions, including those assigned to them by the President. Moreover, as Secretary of the Cabinet, he is expected not only to provide strategic advice to Cabinet but also to ensure that policy development within the responsibilities of the Ministries is consistent with broad goals of Government as laid out in key documents such as the Medium Term Strategic Framework (MTSF), State of the Nation Address (SoNA) and The Presidency Budget Vote speeches. He fulfils his role of assisting the President in his executive management of Government through the integrated structures of the Forum of the South African Directors General (FOSAD), the Policy Co-ordination and Advisory Services (PCAS) structures and those of the Cabinet system.

The Office of the Director General thus serves the purpose of providing strategic support to the Director General to efficiently and effectively execute his role as Head of The Presidency and Secretary to Cabinet, including his oversight role in the executive management of Government. It provides strategic support to the Director General to focus on:

Specific Tasks

- Providing strategic support to the President, Deputy President and the Minister in The Presidency
- Providing support to the Political Principals with regard to their parliamentary responsibilities, for example, SONA, Budget Vote speeches, parliamentary questions, Leader of Government Business, NCOP Address
- As the Chancellor of National Orders, he ensures the participation of South Africans in the nomination process for National Orders by convening the meetings of the Advisory Council on National Orders to consider nominees and recommending the nominees to the President; and oversees the award ceremonies for National Orders
- Managing matters related to the prescribed funerals of specific Office Bearers, Judges and individuals as determined by Cabinet
- Assisting the President with the periodic credentials ceremony for the accreditation of new Heads of Missions
- Providing overall responsibility for ceremonial and nation-building activities in The Presidency
- Overseeing the national and international programmes of the President, Deputy President and the Minister; Izimbizo; the Presidential Working Groups (national and international) and other Public Participation Programmes
- Overseeing the prescribed services for former Presidents, Deputy Presidents or Vice Presidents and widows of former Presidents, Deputy Presidents or Vice Presidents
- Participating in the assigned specific national security meetings like National Intelligence Coordinating Committee (NICOC), National Security Council (NSC)

The Director General supports the Deputy President and the Minister in The Presidency in their responsibilities and functions, including those assigned to them by The President.

and National Conventional Arms Control Committee (NCAAC)

- Convening and chairing the meetings of the Advisory Forum in The Presidency
- Convening and chairing the meetings of Top Management in The Presidency.

Structures and Co-ordination within Government

- Providing oversight role in the monitoring and evaluation of the Government's Programme of Action
- Providing overall oversight on the Integrated Governance outcomes in the structures of Government (DG Clusters and Cabinet Clusters) and NEPAD programmes in Government departments
- Providing strategic support and advice to Cabinet as Secretary of the Cabinet
- Convening and chairing the Forum of Directors General and its Management Committee (MANCO)
- Providing support and advice to the President in his interaction with civil society through the Presidential Working Groups.

The Office of the Director General continued to provide support to the FOSAD Secretariat as the Director General chairs the meetings of FOSAD MANCO and the bi-annual FOSAD workshops. There has been a notable shift in the focus of the meetings of FOSAD MANCO from management to strategic issues, which is a commendable improve-

ment. The office also efficiently coordinated the monthly meetings of Top Management and Advisers Forum in The Presidency and the thrust of these meetings was strategic, in line with the strategic role of the Director General in his support of the President in the executive management of the strategic agenda of Government.

Highlights of the financial year 2005/2006

Visit to the People's Republic of China

The Director General visited the People's Republic of China from 15 – 23 May 2005 at the invitation of Ambassador LIU Guijin. The purpose of the visit was to strengthen the relations between South Africa and China. He held meetings with high-level officials, including the Secretary General of the State Council, Deputy Minister of Foreign Affairs in charge of African Affairs and the Head of the Research Centre on Development.

Forum of Permanent Secretaries to Heads of State and Government in the SADC region:

The Director General attended the Forum of Permanent Secretaries to Heads of State and Government in the SADC region in Botswana in June 2005. This was the second meeting of the Forum under the chairpersonship of Botswana. The delegates included Permanent Secretaries and Directors General from Angola, Botswana, Democratic Republic of Congo, Lesotho, Swaziland, Mauritius, Malawi, Mozambique, Namibia, Tanzania, South Africa, Zambia and Zimbabwe. The theme of the meeting was "Harmonization of Produc-

tivity and Performance Improvement Initiatives of the Public Service in the SADC region”.

South Africa is the founding member of the aforementioned Forum, which was established in 2004 in South Africa. It was created as a platform for facilitating consultation and exchanging of views for Heads of Civil Services in the SADC region, amongst others. The meeting in 2005 looked at the possibility of institutionalizing the Forum of Permanent Secretaries to Heads of State and Government in the SADC region.

Sabbatical Leave

The notion of sabbatical leave is practiced within the academic field and the Director General became the pioneer in bringing the benefits of this academic practice to Government in 2005. He was given six weeks of his capped leave and six weeks of paid leave to document key aspects of the establishment of the cabinet system and The Presidency in the first ten years of democracy. During this period, the Director General was attached to the University of the Witwatersrand, which provided both academic facilities and support. HE was able to achieve an increased understanding in academic circles of key aspects of South Africa's transition to democracy through lectures, papers and seminars.

There is currently a process underway to formalize sabbatical leave in government.

The 27th Roundtable Conference of the African Association for Public Administration and Management (AAPAM)

The Director General participated for the first time in the 27th AAPAM Roundtable Conference which took place on 5 – 9 December 2005. He attended the conference on 5 – 7 December 2005. The 27th AAPAM Roundtable was hosted by the Government of the Republic of Zambia and was graced by over 180 delegates from 20 countries. These included Ministers of Government, Members of Parliament, Heads of Public Services and Secretaries to Cabinet, Directors General of Staff Colleges and Management Development Institutes, Chairpersons of Public Service Commissions and other statutory bodies, Senior Government Officials, representatives of international organizations, management consultants, academics and researchers in institutions of higher learning. The countries represented at the Roundtable included: Angola, Botswana, Cameroon, Canada, Ghana, Kenya, Lesotho, Malawi, Mauritius, Namibia, Nigeria, Sierra Leone, South Africa, Swaziland, Seychelles, Tanzania, Gambia, Uganda, United Kingdom and Zambia. The United Nations Department of Economic and Social Affairs (UNDESA), the Canadian International Development Agency (CIDA), the Institute of Public Administration of Canada (IPAC), the Commonwealth Secretariat and the Economic Community of West Africa (ECOWAS) were among the development partners represented at the Roundtable.

The 2005 Roundtable addressed issues of contemporary relevance and concern, and drew on the insight and experiences of policy makers, senior public officials, corporate and civic leaders, and renowned public admin-





istration and management scholars. Currently, an effort is being made to establish a South African National Chapter of AAPAM.

3.2 Office of the Chief Operations Officer

In the last financial year, the office of the COO was augmented with the appointment of an Office Manager and additional administrative support. This expansion has allowed the office to ensure that the COO is supported in his role as the Accounting Officer and in ensuring that the administrative and strategic operations of the institution are carried out efficiently.

During the financial year, the office has ensured that the robust engagements with staff on the strategic direction of The Presidency that were initiated in the previous financial year are intensified. This resulted in heightened awareness on the part of staff of the critical significance of organizational cohesion within The Presidency. Several initiatives were put in place that were aimed at creating a more democratic and participatory style of management in the organization. This was achieved through the establishment of cross-functional task teams within The Presidency.

The Task Teams were responsible, among others, for pursuing the change management goals that were developed through the staff engagement process mentioned above. The task teams were also responsible for ensuring that “burning issues” within The Presidency are dealt with and managed in a manner that is fully

endorsed by all. The signing of the Living Leadership Pledge by Top Management is another key milestone that was achieved through the activities of the Task Teams. During the past financial year, the Office of the COO has been able to streamline the organizational operations. The systems that were developed in areas such as Performance Management, Strategy Management and Branch Management have not only improved, but have allowed for the alignment of organisational activities to the strategic objective of strengthening leadership and management capability with The Presidency.

The systems have also brought inter-branch alignment across The Presidency. There is much better branch co-ordination, especially around reporting systems on organizational performance management. There is a robust system of information gathering relating to the outputs and the targets for the implementation of strategic objectives as reflected in the Strategic Plan 2005 – 2009. The office of the COO has also been able to co-ordinate the establishment of a dynamic administrative system for the monitoring and evaluation of the implementation of Government Programmes.

Although this system is at an early stage of development, when fully established it will allow The Presidency to gather, assess and report on the information thus facilitate management by the heads of the six branches in The Presidency. While the office of the COO has enjoyed a level of success at implementing its objectives, there are still constraining

challenges that need to be addressed in the next financial year. The main challenge is the more rigorous alignment of strategic plans to the financial resources and the system of development of more realistic targets that can be managed through continuous improvement of Business Plans by senior managers in The Presidency.

3.2.1 Internal Audit

The primary objective of the internal audit function is to provide a comprehensive service to The Presidency to ensure that adequate measures and procedures are in place for sound economic, effective and efficient management as required by the Public Finance Management Act and Treasury Regulations. Internal Audit conducts audits to assist management to ensure the effectiveness of the organization's system of internal control, risk management and governance systems.

Owing to unfilled posts in the Internal Audit unit, the unit entered into a co-sourced arrangement with the PricewaterhouseCoopers Consortium for the performance of the 2005/06 financial year audits. Part of the mandate was the transfer of skills and to assist with building capacity within the unit.

In line with the Treasury Regulations, the scope of internal audit is to determine whether The Presidency's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure that:

- Risks are appropriately identified and managed
- Interaction with the various governance groups occurs as needed
- Significant financial, managerial, and operating information is accurate, reliable and timely
- Employee actions are in compliance with policies, standards, procedures and applicable laws and regulations
- Resources are acquired economically, used efficiently and adequately protected
- Programmes, plans and objectives are achieved
- Quality and continuous improvement are fostered in the organisation's control process; and
- Significant legislative or regulatory issues impacting on the organisation are recognised and addressed appropriately.

A risk-based strategic approach was adopted which took into account the results of the risk assessment workshop and discussions with management conducted by Internal Audit and the PricewaterhouseCoopers Consortium during November 2005. Our approach involved gaining an understanding of the work of each focus area/division and identifying risks associated with that focus area/division. It further included the development of internal audit plans based on the risk profile of The Presidency. The focus of audit reviews was limited to:

- Business risk identification and rating process
- Risk management review

- Fraud prevention plan review
- Financial audits
- Human Resources Management audits
- Asset management review
- Compliance audits
- Financial reviews
- General and application reviews of Information Technology systems.

Internal Audit managed to complete its annual operational plan for the 2005/06 financial year as approved by the Audit Committee. The overall outcome of the 2005/06 audits indicated that there are areas in the internal control system that need improvement and as in the previous financial year, insufficient capacity remains a concern particularly in areas such as Finance.

3.2.2 Internal Security

The Internal Security Directorate has the responsibility of ensuring a safe and secure environment within The Presidency and the residences of the Political Principals. This task is ensured with the co-operation of the following security agencies:

- National Intelligence Agency (NIA)
- South African Secret Services (SASS)
- National Communication Centre (NCC)
- South African Air Force (SAAF)
- South African Military Health Services (SAMHS)
- South African Police Services (SAPS)
- Emergency Services (ES)



In line with the role of co-ordination of security organs of State, the following committees were established in the year under review:

- Joint Planning committee (JPC) established in terms of the National Key Points Act 1980 Act (102 of 1980)
- Internal Security Committee (ISC) established in terms of the Minimum Information Security standards 1996 (MISS) document.

Internal Security has participated and assisted in the co-ordination of the following major events in The Presidency.

- The Opening of Parliament in February 2006
- *Izimbizo* organised in different Districts since March 2005.

The Internal Security Directorate has developed a Security Awareness Induction Course which all new Presidency employees have to complete. It also promotes awareness campaigns in The Presidency with the involvement of other security agents. The Directorate has completed the draft Security Policy for The Presidency, while an Occupational Health and Safety Policy and a Presidency Contingency Plan will be finalised in the current financial year.

For much of the year under review, the Directorate was overseen by an acting head. A Director of Internal Security was appointed in January 2006.

3.3 Legal and Executive Services

The Constitution and various other legal instruments impose obligations on, and empower the Political

Principals in The Presidency as well as The Presidency as a Government department. The Legal and Executive Services Unit therefore provides Legal and Executive Services to the Principals in The Presidency as well as to the rest of The Presidency to ensure that these obligations are met and powers exercised within the ambit of the law. It also provides support to the Legal Advisers to the President and Deputy President, and to the Independent Commission for the Remuneration of Public Office Bearers.

The Legal and Executive Services Unit identified as its strategic objectives for the year under review: enhancing capacity within the component; rolling out an internship programme; improving on the document management system; and ensuring compliance with policy statutory directives of The Presidency and time frames for Executive Acts.

The major achievements of the unit during the past year were:

- A very successful workshop on the Executive Acts of the President was held with various departments, which resulted in enhanced quality of Executive Acts, and strengthening of the working relationship with relevant Government departments
- A total of 1287 Executive Acts of the President were processed by the unit, and signed by the President (See Table 7, page 88)
- The Unit has managed to fill a number of critical vacancies, and is currently almost fully staffed. Internship and Learnership Programmes were rolled out in the unit. Two interns and one learner are currently employed in the

unit, and are completing a project to record all Presidential appointments since 1994 on an accessible and appropriate database, which would aid in the management of re-appointments arising from expiry of the terms of these appointments

- With regard to court challenges, most of the cases brought against the President have been with regard to his position as Head of Government. A close link with line function departments continues to be maintained. Co-ordination in the handling of these matters has improved
- The administrative support performed to the Independent Commission for the Remuneration of Public Office Bearers has shown significant improvement. Amongst the most significant achievements in this regard are: the production of a professional Annual Report, introduction of a filing and monitoring system, conducting of information road shows, and production of professional and timeous meeting packs and records.

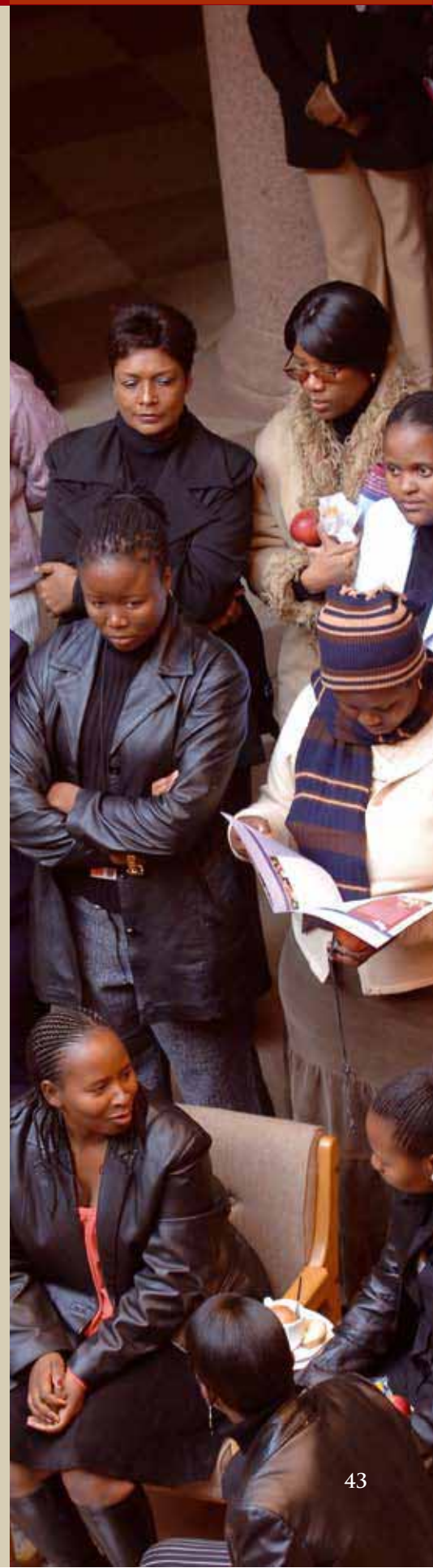
The Unit has significantly improved its administration and document management systems in respect of the Independent Commission for the Remuneration of Public Office Bearers, and in respect of Executive Acts. Similar improvements are expected from the document management system being implemented in the Legal Services

component in the unit. Lack of capacity for research, and for support to the Leader of Government Business, and to monitor The Presidency's adherence to governance policies and pre-prescripts remain challenges. The Unit has already begun to address these issues innovatively and co-operatively.

3.4 Corporate Services

3.4.1 Human Resources Management

In the period under review, The Presidency undertook an intensive re-examination of the operation, functions and roles of the Human Resources Management Unit. As part of this process of introspection, evaluation and client feedback and appraisal, the HRM Unit was found wanting in many areas of work, while in others the expectations were well beyond the capacity of the HRM. To address these and other perceived shortcomings, a new approach to human resources management was decided on. The new approach is predicated on viewing the HRM Unit as a manager of human resources policy implementation and as a strategic support resource for line managers. More powers relating to career incidents are delegated to line managers who assume greater responsibility and accountability in the management of their staff, while the HRM Unit oversees macro-level policy implementation. Another outcome of the review was the identification of the need for a change management process which involves staff in decision-





making while sensitizing them to the vision and mission of The Presidency. A result of the implementation of this change management process which involves the identification and training of certain staff as internal change agents has been a shared understanding and a growing consciousness at levels below management of the strategic objectives and vision and mission of The Presidency.

In complying with the Employment Equity Act, the Office conducted an intense process to audit its policies and practices. The outcome of the process resulted in benchmarking The Presidency policies and practices in relation to the best. In particular, progress has been made to ensure that the Performance Planning cycle, and the assessment cycle are more focused, structured and accountable in 2006/07. The Policy on Performance Management for levels 1-12 is soon to be consulted throughout The Presidency.

In response to the National Skills Development Strategy which promotes the acquisition of skills and knowledge through the internship of new graduates, ten interns were appointed in The Presidency. The HRM Unit also embarked on an Office Administration Learnership Programme for both interns and existing employees.

3.4.2 Information Technology and Knowledge Management

The Information Technology and Knowledge Management Directorate has continued to upgrade the

IT systems, processes and security in the year under review. Two specific projects were implemented: An Information Security Policy for The Presidency and a project to re-number all the IP addresses of the network. The roll-out of the Integrated Document Management System (IDMS) was continued; and a Correspondence Process was piloted.

The IDMS will significantly enhance the integrity of information and the prompt and accurate processing of documents and information.

3.5 Protocol and Ceremonial Services Chief Directorate

The Protocol and Ceremonial Services Chief Directorate provides professional protocol and ceremonial services to the Political Principals. It strives to conform to international standards. The Chief Directorate ensures that functions and public engagements (locally and abroad) attended or hosted by the President and the Deputy President are properly managed and co-ordinated. The Chief Directorate also co-ordinates and facilitates the international programmes of the Political Principals in consultation with the Director General in The Presidency and the Chief of State Protocol in the Department of Foreign Affairs. The Protocol and Ceremonial Services Chief Directorate also has responsibility for the Updating of the Table of Precedence, and administering the use of National Symbols (the National Flag, National Anthem, Coat of Arms and the image of serving and former Presidents and

Heads of State) in collaboration with the Registrar of Patents and Trade Marks in the Department of Trade and Industry and the Bureau of Heraldry. Events and public engagements include:

- Conferences, Meetings, Courtesy calls, national and Municipal Izimbizo, State Banquets, Official Luncheons/Dinners, Special Official and Official funerals and launching of projects
- Ceremonial opening of Parliament
- Presentation of Letters of Credence or Letters of Commission by Heads of Mission-Designate. (See Table 6, page 87) for a full list of Letters of Credence/Commission presented)
- Arrival ceremonies for State, Official and Working Visits of Foreign Heads of State or Heads of Government
- Swearing-In Ceremonies, (Acting President, Deputy President, Ministers, Deputy Ministers)
- Investiture Ceremonies (National Orders Awards Ceremonies)
- Assisted and supported in the compilation of a State, Official and Provincial Funeral Policy Manual which was approved by Cabinet in 2005.

3.5.1 National Orders

Each year The Presidency recognises individuals who contribute to making South Africa and the World a better place through the awarding of National Orders.

Tables 4 and 5 (See page 87) provide the complete lists of National Award recipients and categories in the year under review. The current Advisory

Council on National Orders was instituted on the 31 January 2006 at Tuynhuys in Cape Town.

3.6 Chief Financial Officer

3.6.1 Finance

The Finance Directorate is responsible for providing financial services to The Presidency, which includes payments, subsistence and travel, bookkeeping and other accounting services in line with the PFMA and departmental policies. The Directorate met its objectives in the closing of the financial year and ensured that the financial statements reflect the inputs and outputs of the organisation.

During this year The Presidency was able to appoint a Director, who is focusing on re-alignment of the unit to ensure that changes in the legislative and accounting environment can be accommodated. This focus will ensure that the financial policies and systems used in the organisation encourage compliance, and also to improve and strengthen the internal control environment. With the appointment of the Director, as well as other key positions, significant progress has been made in addressing the skills shortage that was experienced within the Finance unit.

3.6.2 Supply Chain Management

The Supply Chain Management directorate is responsible for providing supply chain services to The Presidency, which includes the management of tenders, transport services, asset management and the procurement of all goods and services. All these services are provided within the legislative framework that guides supply chain.

The Presidency has over the past year made a major effort to appoint a new Director as the previous incumbent went on retirement. A number of interviews have been held during the year but we have not been in a position to appoint as the candidates, did not meet the requisite skills for the post. The Presidency will continue trying to find a suitable candidate for the post as it is of critical importance to fill the post in order to fulfill its obligations in terms of Supply Chain Management.

Even with the constraints highlighted above, the Directorate met its objectives in the closing of the financial year and ensuring that the financial statements reflect the inputs and outputs of the organisation. One of the major achievements has been that The Presidency was able to ensure that its asset register met the requirements as prescribed by the Accountant General.

3.6.2 Budget and Internal Control

During the financial year the budget office was able to effect greater alignment of the budget to the strategic direction of The Presidency.

The Presidency has significantly enhanced its internal controls by creating capacity within this environment.



4. COMMUNICATIONS

The Presidency's interaction with all levels of South African society and on the international arena requires an alert and professional communications effort.

The political context of the Communications Branch requires that the Branch stays up-to-date with political developments, debates, policies, legislation and issues. This dimension of work serves as the knowledge-base of the Branch's work, and fundamentally informs the content of all its work.

A second dimension of the Communications Branch work entails the functions performed and the outputs delivered: These include the delivery of draft speeches, statements, advisories, briefing notes, media liaison services, publications, website and intranet articles, annual reports, brochures, library services, parliamentary drafting, etc. Some of these are further divided into sub-services (e.g. library). A third dimension of the Branch work entails the support, administrative and management systems which underpin its work and make it possible for the Branch to plan and deliver services and outputs. The fourth dimension of the Communication Branch is to work towards the strengthening of internal communications. This, under the year in review, entailed the launching of The Presidency internal newsletter, a quarterly





publication which reflects on the internal environment of the institution, and the introduction of the notion of a Saamdrom (a quarterly social gathering intended to enable information-sharing and commingling between staff, especially senior managers and general staff).

4.1 *Imbizo* Unit

The Presidential *Izimbizo* Programme for the year under review concentrated on the municipalities identified under the Department of Local Government and Administration's (DPLG) Project Consolidate, that is, municipalities identified as in need of assistance. These municipalities were required to report on five key performance areas viz. Service Delivery and Infrastructure (water, electricity, roads etc.); Local Economic Development; Municipal Financial Viability; Municipal Transformation and Institutional Development; and also Good Governance. The main aim was to gain a deeper understanding of specific local Government challenges and to rally the whole of Government including state-owned enterprises in finding solutions for enhancing service delivery and thus restoring public confidence in the local Government system.

Key areas of concern raised were:

- Lack of coherent Local Development (LED) Strategies, poor municipal man-

agement, and capacity

- Scarcity of skilled personnel such as engineers and LED specialists
- Poor communication between council and communities, non-functioning of ward committees, and the slow pace of basic service delivery.
- Inadequate support from provincial governments and national departments for municipalities.

At the conclusion of each municipal *Imbizo*, municipalities were provided with a framework which summarized the issues raised, and gave direction on the post-*Imbizo* process for the province and the district municipality. The framework, proposed interventions and suggested implementation timeframes, as well as follow-up and progress reports are to be submitted to the DPLG. A total of 100 municipalities were engaged with during the municipal *Izimbizo*. These were made up of 58 Project Consolidate local municipalities and 1 Metro, 27 non Project Consolidate Municipalities and 14 Districts. (See Table 8, page 88 for full list of Presidential *Izimbizo*.)

The Presidential *Izimbizo* Programme ranks among Government's most successful programmes. It has been characterised by active participation of all spheres of Government, state-owned

enterprises and the private sector. Invaluable lessons have emerged which will make palpable impact on Government response to local Government challenges.

In addition to the Municipal *Izimbizo*, the President also visited the community of Sutherland (Northern Cape) for the inauguration of the single largest telescope in the southern hemisphere, the Southern African Large Telescope (SALT), on 10 November 2005. The inauguration was not only attended by international professionals and partners, but was also relayed to the rest of the community and school children of the Namaqua District who had assembled on the local sports field in town.

4.2 Media Liaison Unit

The Media Liaison Unit of the Communications Branch is the public face of The Presidency. The Unit communicates The Presidency's policy positions to the public through the media and serves as the press office of The Presidency.

The Unit provided an effective media relations service focusing on building and cementing relations with the print and electronic media, and ensuring that positive relations with journalists are established and maintained. It is



responsible for processing telephone enquiries from the media (upwards of 30 calls a day), organizing media briefings, dealing with media correspondence to The Presidency and requests for messages of support from the President. The Unit also has the duty to distribute promptly the President's speeches to all media, Presidency staff and members of the public and ensure that the speeches are posted on the Government website.

Media Liaison oversees a roster of available media liaison officers to ensure that at least one is available at all times and enlists the audio-visual services of the Government Communication and Information System (GCIS) for video recording of selected Presidential engagements. It also drafts publishable statements and occasional newspaper articles for publication.

In the year under review, the Media Liaison Unit held intensive and frank engagements with key stakeholders in the media. These engagements were reinforced by a series of one-on-one interviews as well as group interviews between the President and members of the media (*inter alia*, SABC Radio and Television, *The Sunday Times*, Independent Newspapers, *City Press*, Media24, Metro FM, Il Sole 24 Ore, CNN, REUTERS, *Washington Post*, Voice of America and *New York Times*).

Key events for the year under review included: the National Orders Ceremonies held in April and September 2005; celebrations of Freedom Day (April 2005); Women's Day (August

2005); Reconciliation Day (September 2005); launch of the Telescope (2005); SA-Mali Timbuktu Fund-raising Dinners; State of the Nation Address (February 2006); and the commemoration of the life of OR Tambo held in Watville, Benoni, in 2005. It also publicised the work of Presidential Working Groups established expressly to promote interaction between Government and various sectors of society to advance the people's contract. These were Working Groups on: Big Business, Black Business, Commercial Agriculture, Higher Education, Youth, Women, Religious Communities. Other Presidential Advisory Groups are the International Investment Council and the Presidential International Advisory Committee .

On the international scene, the major events included: the New Asian-African Strategic Partnership (April 2005); UNGA (September 2005); the G8 Summit in Gleneagles; the Progressive Governance Summit (February 2006); and numerous outgoing and incoming Official, Working and State Visits.

The Media Liaison Unit contributed through consistent, conscious and proactive communication, messaging and creation of effective media opportunities to the promotion of the Presidency's vision – excellence in governance for a better life for all. It has ensured that all engagements and activities of the President, both domestic and international, received appropriate exposure and publicity (in both domestic and international media). Communication around Presidential events was informed by

In the year under review, the Medial Liaison Unit held intensive and frank engagements with key stakeholders in the media.

the express need to enhance understanding of the significance of such events and South Africa's participation therein, and also to explain how these contribute to consolidating the agenda of Government.

4.3 Speechwriting (President)

In his capacity as Head of State, President Mbeki has been in great demand as a speaker, both within the country, but also across the African continent and the world. In the year under review he has thus addressed a wide range of audiences including Governments, academic, political, business and civil society.

The past year has witnessed momentous launches and inaugurations in the fields of science and technology, paleontology, arts and culture, and the inaugural conferences of several African Union and African Renaissance-inspired associations, including the African Union Ministers of Transport and Aviation Summit and the African Organisation of English-Speaking Supreme Audit Institutions and (Auditors). The President addressed and officially inaugurated the Southern African Large Telescope at Sutherland; the Maropeng Visitor Centre at the Cradle of Humankind; and The Origins Centre at the University of the Witwatersrand. The President, who initiated the SA-Mali Project, ad-


dressed fundraising dinner events to raise funds for the preservation of ancient Mali manuscripts.

Ten years of historic milestones continued in the past year with the President addressing the Intelligence Services Day and the Day of Reconciliation during which the tenth anniversaries of the establishment of the new democratic intelligences services as well as the Truth and Reconciliation Commission were celebrated, respectively. The President continued his engagements with religious groups and addressed, inter alia, the Muslim Judicial Council and the inauguration of the Chief Rabbi of South Africa.


The President journeyed across South Africa to celebrate Freedom Day in KwaZulu-Natal; Youth Day in Kimberley; Heritage Day in Taung and the Day of Reconciliation at Freedom Park. In each address, he re-affirmed Government's commitment to and promotion of national unity and cohesion in our multicultural, vibrant society, to achieve a better life for all, especially the marginalised and vulnerable, including: women, children, youth, the elderly and persons with disabilities.

In February 2006, the President addressed a joint sitting of Parliament to deliver his annual State of





The Speech Writing Unit, together with Department Foreign Affairs, prepared draft speeches for the formal addresses and speaking notes for the informal remarks as well as background information.



the Nation address as well as addresses to the National Council of Provinces and the National House of Traditional Leaders.

He addressed various social partners including business organisations, trade unions, academia and civil society formations. Among the highlights was a visit to the Anglo Zimele exhibition, which showcased Anglo American SA's BEE entrepreneurs; Business Unity SA; the National Teaching Awards; SAWEN conference; the Local Government Bargaining Council Sector Summit; the National Anti-Corruption Forum; Free State InterGovernmental Infrastructure Summit; and addresses to the World Chambers Federation and World Petroleum Congress as well as at the opening of the new Law Faculty Building and OR Tambo Law Library at the University of Pretoria .

The President travelled extensively abroad on official and State visits during which he delivered formal addresses, informal remarks and off-the-cuff remarks. The Speechwriting Unit, together with the Department of Foreign Affairs, prepared draft speeches for the formal addresses and speaking notes for the informal remarks as well as background information. Among the countries visited in the year 2005-6 by the President were: Italy (2005 and 2006), Dubai, Chile, Democratic Republic of the Congo, Singapore, Indonesia, Gabon, Republic of Congo, and Uganda. The Speechwriting Unit

received positive feedback for the President's addresses from a number of organisers abroad, including the 26th Singapore Lecture; the address to the Universidad de Chile (which was published in April 2006 in the Latin American Report, UNISA Department of Latin American Studies); and the Morgan Stanley CEO Summit in Venice, Italy. The President also hosted various State banquets/official dinners/official lunches for visiting Heads of State and Government. The Speechwriting Unit prepared, together with the Department of Foreign Affairs, toast remarks in honour of the Presidents of Botswana, Tanzania, and Palestine and for the United Nations Secretary General.

At all of these events, albeit to local communities, or distinguished international audiences, whether the President is required to deliver informal off-the-cuff comments or remarks, a formal speech, a key-note address or a paper, require considerable research and speech-drafting support. The Speechwriting Unit, under the aegis of the Political Adviser to the President, is responsible for the drafting of Aides Memoir, background research files, speech notes and draft speeches for the President. For the year under review over fifty formal addresses were prepared.

4.4 Communications Research Services

The Communications Research Services Directorate is responsible for communications research in The Pres-

idency. It oversees all media and information research in The Presidency and underpins the work of all other communications sub-units. For the year under review the main strategic objective of this Directorate was to improve the management, access and sharing of information within The Presidency and the public access of Presidency Information through the finalisation of the Presidency Website Project.

The Communications Research Services Directorate oversees three operational units, namely: the Presidency Library and Knowledge Management Centre; The Presidency Website and Intranet; and the Media Research and Monitoring Unit.

The Presidency Library and Knowledge Management Centre caters for the research and information needs of Presidency Management, researchers and staff in The Presidency. It operates electronic subscriptions services for books and journals, inter-library loans and a modest collection of hard-copy books and journals.

The Presidency Website which has been in development since last year is at the final stages of development. The project to develop the publicly available website was set back with the resignation of the website manager in December 2005 but is now back on track. The Presidency Website will be publicly launched in the near future. The Presidency Intranet Project will seek to re-develop the existing Presidency Intranet which is for the use of Presidency staff only.

The Media Research and Monitoring Unit is responsible for media monitoring and other research needs of The

Presidency. The Unit drafts media responses and articles for the Political Principals and for The Presidency in general. It also manages the research and writing for other Presidency publications projects such as the National Orders ceremonies, the Presidency Annual Report and Presidency brochures. The unit also assists other units in The Presidency such as The Speechwriting Unit with writing and research processes.



5. CABINET OFFICE



The primary objectives of the Cabinet Office Branch are to ensure the existence of efficient structures and systems for effective management, co-ordination, monitoring and evaluation of Government business. Its main focus is the enhancement of decision-making, effective co-ordination with Ministries and the facilitation of the implementation of the Government's Programme of Action (PoA). The Branch carries the responsibility of facilitating accelerated service delivery and the achievement of the strategic objectives of The Presidency through the promotion of an integrated approach to governance. This means achieving high levels of co-ordination and liaison with and between all Government departments towards improving the capacity of Government and the implementation of Cabinet decisions.

The Cabinet Office continues to facilitate Cabinet's monitoring of itself in respect of matters under discussion in Cabinet and post-Cabinet i.e., the implementation of decisions and resolutions. In the planning cycle of the year under review, the Cabinet Office achieved its objectives- its achievement rate stood at 95%. The Cabinet Office has worked closely with the Policy Co-ordination and Advisory



Services (PCAS) in supporting the formulation of the strategic direction of Cabinet *Makgotla*. Providing briefing sessions for newly appointed Ministers, Deputy Ministers, and National Directors General and Ambassadors continued to be an important dimension of the branch. This year the Branch also conducted an orientation programme for the Northern Cape Cabinet Secretariat and Premier's Office. To add impetus to this initiative a booklet explaining the functioning of Cabinet, its Committees, and Support Systems has been completed and published. This will assist immensely in the advocacy of the integrated approach to governance for accelerated service delivery.

As part of its management of Government business, in the 2005-2006 financial year the branch ensured the effective management of 87 Cabinet Committee meetings held. Furthermore, 23 Cabinet meetings and 3 Cabinet *Makgotla* held (See Table 1, page 86).

The Cabinet Office continues to strive towards the provision of cutting-edge technology to enhance the quality of decision-making in Government. The development of the electronic CabEnet System still under construction will facilitate and improve integrated collaboration, decision-making and implementation. The PCAS Branch is in the process of finalising the design

of the system to align it with the reporting requirements and monitoring/tracking the implementation of Government's Programme of Action (POA). The next stage of development is the use of the system for tracking the implementation of Cabinet decisions. The pilot phase of a Collaboration and Document Management Programme in the electronic CabEnet System was signed off during December 2005. This programme seeks to promote on-line collaboration and secure distribution of documents. Planning for the roll-out of the next phase to all users is currently underway. This would happen during the next reporting cycle.

The responsibility of managing the office of the Leader of Government Business (LOGB) was transferred to Cabinet Office. The LOGB is specifically responsible for managing the affairs of the National Executive in Parliament; the programming of Parliamentary business initiated by the National Executive and for arranging the attendance of Cabinet Members and Deputy Ministers in respect of Parliamentary Business; and for the Cabinet's Legislative Programme. At the beginning of each year the LOGB, after interaction with Ministries and Government Departments, submits to Parliament a list of Bills to be introduced by the Cabinet to Parliament. The LOGB may also request an urgent Bill to be fast-tracked through Parliament.

For the next year, Cabinet Office will strive to ensure that the pace of implementation of Cabinet decisions is enhanced through effective communication and implementation plans, and maintaining the pace of the orientation of all public servants.

Office of the Leader of Government Business

A further aspect of the co-ordination of Government is its Constitutional obligation to interface and relate with Parliament. In this regard, the President appointed Deputy President Phumzile Mlambo Ngcuka as the Leader of Government Business (LOGB) with the express mandate and duty to manage the interaction between Cabinet and Parliament. The LOGB is responsible for the affairs of the national executive in Parliament, the programming of parliamentary business initiated by the national executive and arranging the attendance of Cabinet Ministers and Deputy Ministers in respect of parliamentary business.

As stipulated in Section 91 (4) of the Constitution of the Republic of South Africa Act 108 of 1996, the Office of the LOGB undertook a number of tasks.

During the year under review, the LOGB interacted with Government departments and guided them in the devel-



opment, prioritisation and implementation of the Legislative Programme. Guided by the State of the Nation Address and other priorities as identified by the National Cabinet *Makgotla*, the Office of the LOGB was able to assist departments in identifying priorities. The Office conducted monthly checks on the progress of the implementation of the Legislative Programme. As a result, there was a reduction in the number of requests, both for urgent bills that had not been part of the initially-submitted programme and unexpected fast-tracking of bills through Parliament to meet an unforeseen deadline. By maintaining this close and regular contact with departments, the Cabinet Office, the Policy Co-ordination and Advisory Services (PCAS) and the Office of the LOGB were able to enhance the overall planning, co-ordination, evaluation and monitoring capacity of The Presidency.

As a result of systems and measures put in place and implemented during the previous and present years in review; departments responded by reducing the number of bills proposed and instead focused on

the control of the quality of the legislation introduced. The Office of the LOGB also focused on maintaining an open communication between the State Law Advisers, the Parliamentary Committees and the departments, thus ensuring that any gaps and blockages were immediately dealt with. This was achieved, as evidenced by the reduction in the number of bills proposed and fewer amendments made on the principal bill.

During the year under review, the LOGB ensured that questions to Parliament (written and oral) were answered by Members of the Executive timeously.

A quarterly report of all unanswered questions at the end of each Parliamentary term is compiled and submitted to Cabinet as a reminder to the Ministers concerned.

A report on Parliamentary Affairs is tabled in every Cabinet Meeting by the LOGB without fail. The LOGB may request that an urgent Bill be fast-tracked through Parliament. (See Table 11, page 91).





6. PRIVATE OFFICE OF THE PRESIDENT

The branch is responsible for planning and co-ordination of support services to the President, the First Lady and the Minister in The Presidency.

The Private Office consists of the following units:

- Office of the Deputy Director General
- Personal Support and Advisory services
- Spousal Office; and Ministerial Services.

The strategic objectives of the Private Office are aligned to those of The Presidency, which are derived from the strategic priorities and policies of Government.

- To enable the Presidency to provide effective leadership, management and development of the strategic agenda of Government
- To ensure that the President and Minister in The Presidency effectively participate in nation-building efforts, bring Government closer to communities, and take initiatives to improve service delivery especially at local government level
- To support the President and Minister in The Presidency in global and continental affairs
- To maintain effective co-ordination with other branches in The Presidency, Government departments and civil society in supporting the participation of

the Principals in the Public Participation Programme.

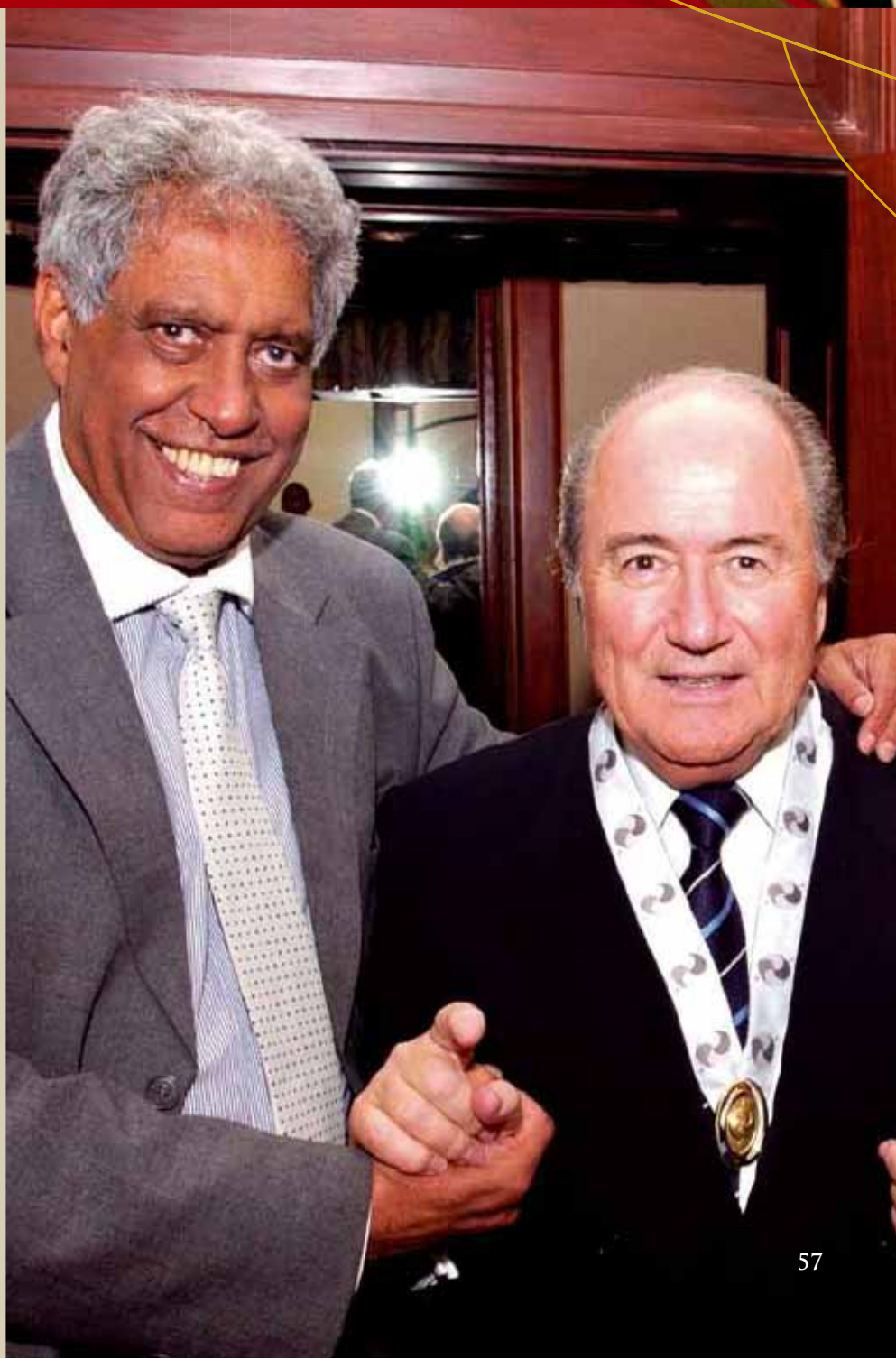
The programmatic agenda of the President is mainly managed through the Diary of the President. The Private Office gives due emphasis to activities which allow the President to interact with communities and sectoral formations. These include the Presidential *Izimbizo* Programme and meetings of Presidential Working Groups.

Similarly the agenda, interactions and interventions of the Minister in The Presidency are managed and coordinated through a comprehensive annual, weekly and daily diary. In terms of the Minister these include the standing meetings of the Executive and Parliament, the agencies under his control regarding Government Communication, the Media Development and Diversity Agency (MDDA), International Marketing Council and the National Youth Commission. It further includes a broad range community and sectoral grouping interactions and a specific focus on the Minister's role and responsibility regarding the 2010 FIFA Local Organising Committee and the SA-Mali Timbuktu Project. Ministerial Services provide all logistic, protocol research, speech writing and ad-

ministrative arrangements for the Minister in The Presidency both domestically and internationally. This also includes services and support to two Special Advisers to the Minister in The Presidency.

Co-ordination with the areas of interest and responsibility of the Minister includes Government Communication and Information System, the International Marketing Council, the MDDA and the National Youth Commission. In addition to the above the Minister serves as the Chairperson of the SA Democracy Education Trust Board of Trustees, and the SA-Mali Timbuktu Trust. He also serves as a Member of the Board and the Exco of the SA 2010 FIFA LOC.

The Spousal Office has in the year under review ensured that the spouses of the Political Principals engage more with rural communities and with vulnerable groups. In the coming year, greater emphasis will be placed on engagements which will allow the President to interact more with rural communities. The branch is in the process of developing processes and systems to follow-up on issues raised during interaction with the public. This will enable the Private Office to follow up with departments so that service delivery can be improved. Through efficient co-ordination with the Department of Foreign Affairs, other de-



The Branch is responsible for planning and co-ordination of support services to the President, the First Lady and the Minister in The Presidency.



partments and units within The Presidency, careful logistical planning, the Branch has contributed significantly to ensuring that all international and regional visits of the President and the Minister in The Presidency are successful.

The Spousal Office provides support for the spouses of the President and Deputy President. In the past year much effort has gone into building the capacity of the Office and physical resourcing.

In the year under review, the Office organised the following events under the aegis of the spouses of the President and Deputy President, respectively:

- In July 2005, the South African Women in Dialogue (SAWID) conference was held. At this conference convened by the First Lady, Mrs Zanele Mbeki, women representing all nine Provinces gathered in Pretoria to share stories and to gather information and dialogue on issues of importance to them. More than 50 workshops took place over three days and participants had an opportunity to participate in commissions on issues that affected women and children and agreed on actions. SAWID is a non-partisan movement that cuts across race, class, age and political ideology with the aim of uniting women in their diversity to share hopes, achievements and frustrations
- On 6 August 2005, Mrs Zanele Mbeki hosted a fundraising Golf Day at the Bryntirion Estate Golf Course. On the day Cabinet members, senior Government officials and members of the business fraternity met to interact in an informal environment while playing golf.

Mrs Mbeki invited the Afrikaanse Handelsinstituut (AHI) to organise this event with the aim of raising funds for The Nation's Trust, an NGO established in 1995 to fund and support youth business development. A total of R100 000 was raised for The Nation's Trust

- The Schools Tour to the Union Buildings is an ongoing project arranged by the First Lady that aims to expose rural children to the workings of Government, the history of the struggle, through an organised tour of the Union Buildings and the presidential estate, Mahlamba Ndlopfu. The first beneficiaries of this project were the Province of North West, which through its Provincial Department of Education, arranged for 60 pupils from the most rural and disadvantaged part of the province to visit Pretoria. The tour was a huge success
- As part of the 16 Days against Violence Against Women and Children Campaign, the spouse of the Deputy President, Mr Ngcuka undertook a project that targeted 300 about-to-be released male prisoners at Leeuwkop Prison in Johannesburg. The project was a collaborative effort between the Spousal Office, The South African National Institute for Crime Prevention and the Reintegration of Offenders (NICRO), Men as Partners and the Department of Correctional Services and focused on rehabilitating male perpetrators of gender-based violence. It emphasised the need to start identifying male attitudes and behaviour that fuel violence against women, reminding men that they possess the power to stop the cycle of violence wherever they are. The event was well covered in the media and coincided with a fundraising golfing event and gala dinner at the prison to raise funds for organizations that work with victims of gender based violence

- In December 2005 a Tour of the Union Buildings by Older Persons was organised with the assistance of the Gauteng Department of Social Welfare and an NGO called Age in Action. After a brief tour and talk on the history of the buildings conducted by the Department of Public Works the tourgroup was addressed by a 1956 Women's March leader, Ms Sophia Williams-De Bruyn at the Women's Memorial at the Amphitheatre of the Union Buildings. A number of women in the group also turned out to have been part of the 1956 March. To coincide with this event the Human Rights Commission held a launch during this event of a book called "Faces of Age" edited by Human Rights Commissioner, Mr T. Manthata.

To commemorate the 10th year since the establishment of the TRC, the Spousal Office, at the request of Mrs Mbeki, used the President's State of the Nation Address as an occasion to invite representative testifiers from the nine Provinces to Parliament. After the opening of Parliament, the Spousal Support Office hosted a tea party for the International Diplomatic Spouses at Genadendal at the invitation of Mrs Mbeki.

In January 2006, the South African Women in Dialogue organized a workshop to assist women to do an assessment of Government as well as their respective organizations in terms of the four pillars of the APRM process. The workshop was a great success and encouraged women to take an active role in their own development. The workshop recommendations fed directly into a national consensus on the Programme of Action for the country.



7. PRIVATE OFFICE OF THE DEPUTY PRESIDENT

The Branch is responsible for the planning and co-ordination of all support services to the Deputy President. The Office of the Deputy President is an administrative branch dedicated to providing support to the Deputy President in the discharge of constitutional and political mandates.

In June 2005 there was a change in the Political Office, with Deputy President Phumzile Mlambo-Ngcuka appointed and assigned all the responsibilities of the former Deputy President Jacob Zuma, with the exception of his responsibilities for conflict resolution in Burundi. These assigned responsibilities included Leader of Government Business, Moral Regeneration, Traditional Leadership, and the South African National Aids Council (SANAC). Additional responsibilities assigned to the Deputy President were AsgiSA and JIPSA, and these are dealt with elsewhere in this report (see pages 17 to 19).

7.1 Burundi

The successful mediation role of South Africa in Burundi was underscored by the formal invitations to President Mbeki, and former Deputy President Zuma as the mediator, to participate in the inauguration of President Nkurunziza on 26 August 2005 (see page 70).

7.2 Leader of Government Business

The Branch supported the Leader of Government Business (LOGB) by

developing effective systems and procedures for co-ordinating and monitoring the programmes of Government in Parliament. During the year under review, the Cabinet Office was tasked with creating an Office of the LOGB to further institutionalise and enhance the support of the Deputy President. The Branch continued to provide support to enable the Deputy President to perform the political functions in relation to the LOGB.

The change of leadership under the year in review had a major impact on the Branch operations and expenditure patterns. Some of the major impacts were changes in Advisory Support (see Tables 13 and 14, page 94) and Personal Support Services to the new Deputy President.

7.3 Moral Regeneration Campaign

Headed by the Deputy President, this national campaign on moral regeneration continues to be driven under the rubric of the Moral Regeneration Movement (MRM). The MRM has engaged communities in a process





that seeks to generate a moral vision for all South Africans. Through the creation of a social movement, it has sought to engender collective responsibility to reclaim the nation's social and moral values and to build the society envisioned by our Constitution.

Both the former Deputy President, Jacob Zuma, and the current Deputy President, Phumzile Mlambo-Ngcuka undertook several consultations with the key stakeholders of the MRM, and gave keynote speeches in the conferences and workshops of the MRM.

In a process which started in August 2005 and which culminated in the MRM Annual Conference of 28 to 30 November 2005, the MRM undertook provincial 'roadshows' led by the national co-ordinators of the movement. These activities were sponsored by the Department of Arts and Culture (DAC), the South African Broadcasting Corporation (SABC) and the Transnet Foundation. In addition, the MRM undertook initiatives in partnership with civil society structures such as faith-based organizations and various Government departments during the 16 Days of Activism for no

Violence against Women and Children campaign in November 2005. The MRM is also working in partnership with the Department of Social Development to strengthen family structures through its Family Programme. It also continues to support the project of the Nelson Mandela Metro and the Department of Correctional Services to rehabilitate prison inmates.

National Government has promoted the work of the MRM within all spheres of Government and has encouraged the offices of the Premiers and Executive Mayors to participate in the various activities of MRM. These have resulted in numerous initiatives to integrate 'moral regeneration' into departmental programmes and other partnerships with civil society formations at local level to build a caring society, thereby improving the social health of the nation.

In MRM workshops held in May 2005 and February 2006, the importance of supporting Government programmes and policies such as on poverty eradication, job creation, Batho Pele and fighting corruption, was stressed as in-

dispensable for the inculcation of a sense of self-reliance, patriotism and civic duty and responsibility.

7.4 Traditional Leadership

While the line function department for traditional leadership is the Department of Provincial and Local Government, the Deputy President has been assigned political oversight over this area of work. The Office of the Deputy President (ODP) jointly organized a consultation workshop in October 2005 with the National House of Traditional Leaders, Department of Correctional Services and the National Prosecuting Authority, towards the development of a Procedural Manual to serve as a guide for traditional leaders in their role in the fight against domestic violence. The Manual was launched in November 2005 during the 16 Days of Activism for no Violence against Women and Children campaign.

After Deputy President Phumzile Mlambo-Ngcuka's visit to the Rharhabe Kingdom in December 2005, the Office of the Deputy President (ODP) has been supporting a development project run by the traditional leaders within the Kingdom. The ODP has drawn in the support of



the Department of Environmental Affairs and Tourism and is assisting in the replication of this development project by the AmaNgwane Tribal Authority in KwaZulu-Natal.

7.5 Cultural, Religious and Linguistic Affairs

Former Deputy President Jacob Zuma gave keynote speeches in events organized by the religious organizations and a conference on languages that was hosted by Department of Arts and Culture in 2005. Deputy President Phumzile Mlambo-Ngcuka also participated in a number of events and meetings of the religious communities during the past financial year. The Deputy President also held a meeting with the President of the Academy of the African Languages (ACALAN), Mr Adama Samassekou of the Republic of Mali which was a follow-up to a meeting the former Deputy President had held with the President of ACALAN in January 2005. The meeting discussed the plans for the Year of African Languages in 2006, which is one of the projects towards the implementation of the AU Language Plan of Action for Africa. ACALAN was established by the then president of Mali, Alpha Oumar Konare, who is now the President of the Commission of the AU. Because of the reputation of South Africa in implementing our national language policy and the promotion of multilingualism, the Steering Committee of the Implementing the Language Plan of Action for Africa (ILPAA) has expressed the wish that SA play a pivotal role in the 2006 Year of the African Languages.

7.6 South African National Aids Council (SANAC)

Chaired by the Deputy President, the main objective of the South African National Aids Council (SANAC) is to provide leadership, political oversight and guidance to the HIV and Aids programme of Government. SANAC was established following the recognition of the need for strong political leadership as well as the participation of all other sectors in the co-ordination and monitoring of the response to this challenge.

In the year under review a greater emphasis was placed on advocacy, mobilization (including of resources), capacity building and the establishment of forums in terms the country's strategic plan on HIV, Aids and tuberculosis.

SANAC sector members were represented at and participated in the World Aids Day Celebration held in Durban in December 2005. SANAC sector members also visited and evaluated sites of projects funded by the Global Fund in the Western Cape. SANAC also participated in the National TB Day campaign.

SANAC and the leadership of both the former Deputy President and current Deputy President have impacted significantly on the overall Government response to the HIV and Aids challenge of the country. (See page 21 for further details).





8. POLICY CO-ORDINATION AND ADVISORY SERVICES

The Policy Co-ordination and Advisory Services (PCAS) Branch, headed by a Director General and assisted by a Deputy Director General, comprises seven Chief Directorates. Five of these CDs are responsible for the five policy sectors - Economic, Social, Governance, International Relations and Justice and Crime Prevention. The sixth Chief Directorate deals with the three Programmes - offices on the Status of Women (OSW), Rights of the Child (ORC) and Status of Disabled Persons (OSDP). The seventh CD deals with medium-term planning. There is also a FOSAD Secretariat Directorate that provides support to FOSAD, FOSAD MANCO and DG Clusters.

The core mandate of the PCAS is to facilitate through the DG Clusters integrated and strategic policy formulation by Government as a whole, monitor and evaluate implementation and interpretation of policies/programmes, advise Principals in The Presidency on matters requiring their attention and contribute to the implementation of specific programmes. In the case of OSDP, OSW and ORC, the core function includes co-ordination for integrated delivery with regard to gender, disability and children (GDC). The PCAS, largely through the OSDP, OSW and ORC, has the responsibility of raising awareness, advocacy, co-ordination and mainstreaming gender, disability and children (GDC) issues.

The mandate of the PCAS is carried out through interface with DG Clusters, Departments, a monitoring and evaluation system to review Government's outputs and outcomes, identification of gaps and

uncertainties in policy and praxis and in the implementation of specific projects, as well as through interaction with Political Principals in The Presidency.

During the year under review, the PCAS co-ordinated and supported the development of a government-wide monitoring and evaluation framework with clear indicators. The overall objective is to facilitate better monitoring, benchmarking and setting of standards for information to be used in assessing the performance of the State over time. The PCAS also continued to provide sound advice to The Presidency Principals on Cluster related issues, including all Cabinet memoranda that are tabled at the Cabinet Committees, Parliamentary questions and policy-related matters.

The PCAS contributes yearly to the development of the Medium Term Strategic Framework (MTSF). The MTSF serves as a backdrop to guide planning and budget-





ing across the three spheres of Government. Within the context of the Medium Term Strategic Framework (MTSF) and the Medium Term Expenditure Framework (MTEF) processes, the PCAS participated in the relevant committees and contributed to the development of these planning frameworks. The same applied with regard to the development of CabEnet and the Executive Information Management System (EIMS).

The work of the Policy Unit also included assisting in finalising the Government's Programme of Action (POA). The POA was finalised by Cabinet at the end of February 2005, and regular reports on progress and briefings were made to Cabinet and to the media.

The PCAS also collects, analyses and summarises end-of year-reports from departments in preparation for the January Cabinet *Lekgotla*. The January *Lekgotla* serves as a core process which inputs directly into the President's State of the Nation Address, to which the policy unit contributes.

The PCAS also provides administrative support to FOSAD and its Clusters, advisory structures like the International Investment Council, and the President's interaction with major opinion-formers, through forums such as Working Groups.

8.1 Social Sector

In the period under review the Social Sector participated in preparations for meetings of the Social Sector DGs Cluster, the Forum for South African Directors General (FOSAD) Management Committee, Social Sector Cluster's Task Teams and attended Social Sector Cabinet Committee meetings. The Social Sector also attended other meetings in structures in which it serves, such as the Financial Services Charter Council Board. It also took part in numerous structures aimed at co-ordinating and monitoring policy making and implementation, and seminars and workshops. Such involvement resulted in various tangible outcomes in relation to socio-economic policies and implementation of relevant programmes.

The Social Sector also produced numerous policy/ programme inputs, analytical contributions, answers to Parliamentary questions, memoranda, advisory services and commentaries/summaries. Also, in relation to the Government Wide Monitoring and Evaluation Framework, the Social Sector contributed in the development and populating of social development indicators. It also played a role

in updating progress of the Government's Programme of Action.

The Social Sector completed planning and preparations, including preparation of the Business Plan, Project Plan and tender documents, for the first ever South African National Panel Household Study/Survey on income dynamics, called the National Income Dynamics Study (NIDS). The Social Sector also undertook numerous exercises as part of the youth development function, including facilitating the President's Youth Working Group meeting, relevant memoranda and draft frameworks. The Social Sector also intervened in various major programmes and projects of Government, steering them forward.

The Social Sector also organised meetings of the Youth, Higher Education, and National Religious Leaders Forum Working Groups.

The Social Sector Cluster has 11 priorities: comprehensive social security; comprehensive health care; nutrition and food security; broadening access to and improving quality of education; urban renewal programme and integrated sustainable rural development pro-

gramme; enhancing social cohesion and social capital, including the promotion of national identity; meeting the housing demand and addressing human settlement; youth development; Expanded Public Works Programme, including Early Childhood Development and Home and Community Based Care; and social crime prevention. In all these priorities, the Social Sector played and continues to play an active role in providing strategic input in the various project cycles of these programmes – be it conceptualisation, implementation, co-ordination, monitoring and evaluation. Specifically, in the case of NIDS, the Social Sector drafted the proposal, raised funds and issued a tender for the project while, as in the case of the Macro-social report, it wrote the document, updated it, distilled policy implications and is in the process of drafting appropriate strategies.

The appointment of dedicated human resource capacity for youth development-related issues in the Social Sector has already begun to bear fruit. As a result a cluster-wide Integrated Youth Development Framework has been developed for which Business Plans for all identified interventions are ready; The Presidential Youth Working Group has met and coincided with the launch of a Jobs and Opportunities database; and a Youth Development Workshop was held in preparation for a National Youth Policy Conference in 2006. In addition, the Social Sector through the Youth Desk renders assistance to the Deputy President and to the Minister on youth development matters.

Following a decision that was taken at the Presidential Higher Education

Working Group meeting of March 2005, a Presidential discussion document on creating an adequate higher education system for contemporary South Africa and subsequently a discussion document on the strategic thrusts for the Higher Education sector were developed. The Social Sector, assisted by Departments of Education and Science and Technology, drafted respective documents under the leadership of Political Principals. The first document took forward the matter of the lack of visibility of Higher Education institutions. The second document focused on practical proposals, in the form of high-level strategic thrusts, for ensuring an effective role of the Higher Education sector. The process is ongoing.

Within the context of the Religious Leaders Working Group, the Social Sector was instrumental in the drafting of the Memorandum of Understanding between the Government and the National Religious Leaders Forum that was signed between the two parties – paving the way for co-operation and partnerships on various development programmes and projects.

South Africa's commitments to the African Union (AU) and to the United Nations (UN) had a significant bearing on the responsibilities of the Social Sector. With respect to the AU's African Peer Review Self-Assessment Mechanism, the Social Sector contributed to the drafting of the chapter on socio-economic development in South Africa. With regard to the UN, we played a critical part in the discussion and the drafting of the Common Country Assessment and the United Nations Development Assessment Framework documents. Also

critical was the part that we played in the discussion and agreements concerning partnerships between the South African Government and all the UN agencies working in South Africa. The same also applies to the discussions and agreements between the South African Government and the United States Government and Japanese agencies working in South Africa. Currently, we are making a contribution to the shaping of the European Union involvement in South Africa and to the rest of the continent, through South Africa. As recognition of the significant role and place of the Social Sector, it was invited to make presentations, and duly did so, at numerous international conferences/forums.

8.2 Economic Sector

The role of the Economic Sector of the Policy Unit in The Presidency is to provide strategic support for the refinement of the goals of economic policy and its effective implementation. The core activities remain overseeing the co-ordination and monitoring functions of the Economic Cluster of Directors General, the Economic Sector Cabinet Committee and the Investment and Employment Cabinet Committee. The work of the Economic Sector includes assisting in finalising the POA, monitoring its implementation, participating in and making contributions to the DG's Economic Cluster meetings and the Focus Groups of the Economic Cluster, participating in the management committee meetings and workshops of the Forum of South African Directors General (FOSAD). The Chief Directorate also collects, analyzes and summarises end of year reports from departments in preparation for the January Cabinet *Lekgotla*.

The Economic sector also supported the meeting of the economic working groups with the President and members of his Cabinet. Through the year there were meetings of the Black Business, Big Business, Business Unity South Africa, Trade Union and Farmers working groups, as well as meetings of the Joint Working Groups of all the economic working groups with the President and members of Cabinet. In total, 10 meetings were convened through the year.

Other key points of interaction were the two meetings of the President's International Investment Council (IIC) (See Table 3, page 86). The IIC consists of the President, members of his Cabinet and an invited panel of top business leaders from Europe, the Americas, Asia and Africa. The IIC provides advice to the President on key matters relating to business development and investment, and provides an opportunity for Government to sound out its strategies. The IIC made significant contributions to ideas about marketing South Africa and in the development of the Accelerated and Shared Growth Strategy for South Africa (AsgiSA). Another important forum is the annual meeting with the President's International Advisory Council (PIAC) (See Table 5, page 87) on the Information Society and Development. This is an international panel of top ICT executives and experts who meet with the President and a group of Ministers (see Participatory Governance, p25) During the past financial year engagements with the working groups and the councils has been very productive. The first IIC meeting of 2005 resulted in a challenge to Gov-

ernment from the international councillors to set clear and ambitious targets for growth and to draw citizens into a national campaign for growth.

This resulted in the development of the Accelerated and Shared Growth Strategy which was tested in Cabinet and with the Working Groups, initiated in October 2005, and launched in February 2006. Interactions with the councils and Working Groups resulted in the development of a programme that has a strong practical orientation and is widely accepted.

The Economic Sector also recently helped to establish the new Panel of Economic Advisers for The Presidency. (See Table 4, page 87) The purpose of the panel is to advise the President on economic matters in regular meetings and from time to time. The panel provides the President and The Presidency with a sounding board for new ideas, a source of independent, informed, constructive criticism concerning existing policies and programmes, and valuable perspectives on priorities and possible new programmes. In the past, the appointment of an individual Presidential Economic Adviser resulted in a new official rather than a lively independent perspective. The Economic Sector has participated in several activities to strengthen the quality and variety of policy research. These include the Conflict and Governance Facility (CAGE) initiative financed by the European Union (EU) supporting research in conflict and governance related issues, the Employment Promotion Project (EPP) sponsored by the British DFID agency and managed by the Development Policy Research





Unit at the University of Cape Town, Trade and Industry Policy Strategies (TIPS), and the Human Sciences Research Council. We have co-hosted several policy workshops with Trade and Industrial Policy Secretariat (TIPS), the Institute for Justice and Reconciliation, the EPP, the German GTZ agency, and Com-mark, have hosted several focused policy seminars, and participated in many domestic and international policy meetings, including the French AFD's conference on doubling development aid and the World Bank's ABCDE Conference in Dakar. The Economic Sector has made presentations to domestic trade unions, business groupings, universities and think tanks, from time to time.

The Chief Director went on an international roadshow to communicate with investment fund managers in London, New York and Boston, and accompanied the Director General in The Presidency on a visit to China. The Economic Sector regularly meets with representatives of local business and other economic groupings, international investors and international agencies to convey information about Government's economic policies and plans and to elicit information that may have a bearing on decision-making in Government. Meetings with investors are undertaken in order to provide a level and quality of communication that the managers of huge international funds or companies appreciate. Presentations usually included a description of the AsgiSA programme, while questions from investors focused on whether the climate for growth in South Africa would remain positive. The past year saw re-

cord inflows of portfolio investment and some major direct investments.

The Economic Sector has been directly engaged in several policy projects. These include: the Regulatory Impact Assessment (RIA) project; the Small Business Regulatory Environment project; and the Accelerated and Shared Growth for South Africa (AsgiSA) initiative. The RIA project, jointly managed with the National Treasury and supported by the DTI and the Department of Labour, was an investigation into how other countries have developed systems to avoid new laws and regulations having unintended negative consequences for growth and employment creation. The outcome of the research project was then fed into a broader discussion process in Government.

The Small Business Regulatory Environment, undertaken in conjunction with the same four departments involved research into the impact of tax laws, labour laws, municipal regulations and sector-specific regulations on the development of Small and Medium Enterprises (SMEs). The research found that there were significant unnecessary constraints on SMEs in all four areas. On considering the outcome of the research, Cabinet agreed that: the Minister of Finance would continue the roll-out of planned reforms in tax administration for SMEs; the Minister of Labour would lead a review on labour laws and the administration of labour law; the departments of Provincial and Local Government and Trade and Industry would drive a process to persuade and enable municipalities to improve the environment for SMEs; and relevant individ-

ual departments would review their sector laws in an effort to encourage SME development. The implementation of these decisions is part of the Programme of Action for 2006/07.

The other major policy project has been the Accelerated and Shared Growth Initiative for South Africa (AsgiSA). This is the new national programme to increase capacity to grow the economy and share its fruits, approved in Cabinet in October 2005. Working with several other government departments, including the Treasury, the DTI and the Department of Public Enterprises, the policy unit assisted the Deputy President in the development, communication and implementation of the AsgiSA project. We have also provided direct support to the Joint Initiative for Priority Skills Acquisition (JIPSA), one of the institutional outcomes of AsgiSA.

The Economic Sector has also supported a range of other governmental projects driven by other government departments. These include the Expanded Public Works Programme, the Industrial Policy Framework exercise, several sector strategies, including strategies for the Business Process Outsourcing Industry and the Biofuels industry. The Economic Sector has also been involved in the implementation of the Financial Services Charter through participation on the Charter Council, and in other aspects of the development of the charters and codes for Broad Based Black Economic Empowerment.

8.3 International Relations and Trade Chief Directorate

Government's broad foreign policy direction is founded on principles

that reflect our domestic policy. Consequently it is pursued under the general theme of building a better Africa and a better world. It continues to be anchored on four pillars: Consolidation of the African Agenda; Deepening South-South Co-operation; Global Governance: Politics and Security and Global Governance and Socio-Economic matters. The overarching role of the International Relations and Trade Chief Directorate is to facilitate the integrated co-ordination and implementation of Government's international relations, trade and peace and security priorities.

To this end the Chief Directorate had set itself the following key result areas:

- Strengthening the role of PCAS in the co-ordination of the implementation of Government's African and global agenda;
- Ensuring the role of PCAS in monitoring and evaluating the extent of the implementation or otherwise of the priorities of Government; and
- Providing policy and advisory services with respect to programmes and policies emanating from cluster departments for consideration and approval by the Political Principals and the Cabinet Committee and Cabinet.

In giving effect to these key result areas, the Chief Directorate participated in the deliberations on various matters tabled in Cluster meetings and meetings of FOSAD to ensure that programmes and policies so tabled were consistent with and aligned to the Constitution, international instruments, legislative prescripts and overarching policy of Government pertaining to international relations, trade and peace and security issues.





In addition to these activities the Chief Directorate played an active part in the activities of the three main committees of the DGs' International Relations, Peace and Security Cluster, namely, the African Renaissance, Peace, Security and Stability, and the Economic Development Committees. Further the Chief Directorate is involved in the activities of the Permanent Trade Forum [PTF] and in this regard attended the World Trade Organization Ministerial Conference in December, 2005.

In the context of monitoring and evaluating the implementation of Government's Programme of Action (PoA), the Chief Directorate made certain that the quality of information submitted by departments for the purposes of updating the PoA Progress Report was of the highest standard. In this regard the Chief Directorate played a critical role in ensuring that appropriate indicators are developed and populated as well as in the collection of baseline data.

During the reporting period, some milestones were recorded in the context of pursuing the objective of attaining the vision of a better Africa and a better world. In relation to the creation of a better Africa, a key area which received a lot of effort and resources was in the establishment of peace, security and stability in countries on the continent afflicted by conflict as well as contributing to their post-conflict-reconstruction. The peace initiatives have resulted in the adoption of a new constitution and

electoral law in the Democratic Republic of Congo, thereby paving the way for the holding of democratic elections in July, 2006. Similarly, efforts in Burundi culminated in the holding of free and fair elections, which led to the election of President Nkurunziza. The President, as mediator, also played a critical role in ensuring that the peace negotiations in the Cote d' Ivoire remained on track. In this regard the President together with Nigeria's President Obasanjo brokered the appointment of an interim Prime Minister, Mr Charles Konan Banny, in terms of a UN Security Council Resolution.

The advancing of the African agenda also found expression in promoting and lending support to implementation of NEPAD priorities. A major development in this connection was the launch of South Africa's country assessment in terms of NEPAD's Peer Review Mechanism. The Peer Review Mechanism looks at four themes, namely: democracy and political governance, economic management, corporate governance and socio-economic development. Its main objective and purpose is to promote the adoption of laws, policies and practices that lead to political stability, high rates of economic growth, sustainable development as well as continental economic integration.

As part of efforts geared towards the implementation of NEPAD, The Presidency participated in the G8 Summit at Gleneagles, Scotland, the climax of which was the renewed

The advancing of the African agenda also found expression in promoting and lending support to implementation of NEPAD priorities.

commitment by the developed countries to double development aid to Africa to about \$25 billion per year by 2010 as well as cancelling of the debt of a number of highly indebted and poor countries on the Continent. Ensuring the realisation of the commitments by the G8, a joint G8/Africa Action Plan is being developed integrating AU/NEPAD and G8 planned interventions.

The cultivation of South-South relations was elevated to a higher level through the holding of the Asian-Africa Summit, the highlight of which was the adoption of the New Asia-Africa Strategic Partnership (NAASP). Indonesia and South Africa as Co-chairs of NAASP have been tasked with the development of a Joint Plan of Action.

The President participated in the United Nations Millennium Review Summit, the purpose of which was to assess the progress made towards the achievement of the Millennium Development Goals and to take any necessary and additional decisions to help all humanity move towards the realisation of these goals.

8.4 Governance and Administration Chief Directorate

The primary function of the Governance and Administration Chief Directorate is to ensure effective policy co-ordination and implementation of key Government priorities, provide strategic advice on governance and administration relating to Government programmes and perform monitoring and evaluation. It also provides strategic policy support to both the Governance and Administration Directors General Cluster and





Cabinet Committee on Governance and Administration.

The Chief Directorate has also been at the forefront of Government's efforts to augment the capacity of the public service so that it can meet the developmental needs of our society. Such efforts have included assessing capacities of various State institutions to plan, design and implement various Government programmes. The question of reviewing and strengthening the capacity of the State is a major intervention which enjoys sustained attention at Presidential level, in the interests of establishing a strong developmental state. Part of strengthening public service capacity involves identifying skills needs in the public service and implementing necessary measures to attract and recruit such skills into the service. There is also a concerted effort to assist the local sphere of Government to increase its capacity. There is a further realisation that the capacity of the State to execute its responsibilities also depends on its relationship with society. In this regard, there are several initiatives to strengthen the institutions that bring the State and society together, both at national and local levels.

The Chief Directorate works very closely with other oversight departments such as the Department of Public Service and Administration (DPSA), Department of the Provincial and Local Government (DPLG), National Treasury, Government Communication and Information System (GCIS), Statistics South Africa (Stats SA) and the Office of the Public Service Commission (OPSC) on matters pertaining to intergovernmental relations, co-ordination and integration.

The relationship with other service delivery departments is guided by monitoring and evaluation principles for assessing progress made in implementing Government's programme of action. Provinces are included in the Governance and Administration cluster to effect the integration of intergovernmental issues. They report annually to The Presidency on the implementation successes and challenges, which are further communicated to the Presidential Co-ordinating Council. The CD also prepared a millennium MTSF document which it distributed to Premiers' offices and to Directors General.

In terms of integrated governance, the Policy and Co-ordination and Advisory Services branch, of which Governance and Administration is part, supports initiatives around the intergovernmental system, and review of powers and functions undertaken by Department of Provincial and Local Government (DPLG). The Chief Directorate developed a strategy for monitoring and evaluation for the implementation of the Community Development Workers (CDW) programme.

In terms of integrated service delivery, initiatives around implementation of the local government strategy in the period 2006-10 are being supported. Support to Local Government involves capacity building, review of legislative frameworks and improvement of accountability and performance management systems. These include Project Consolidate and Project Khaedu that are led by the DPLG. Good governance initiatives include implementation of the anti-corruption strategy. The *Izimbizo*

programme is also supported as an initiative for deepening democracy and bringing Government closer to the people. The Chief Directorate is currently involved in the interdepartmental task team to finalise the framework for a unified public service looking into conditions of service, transformation of local government and mobility of staff across the three spheres of Government.

During the course of the year, the Chief Directorate also worked tirelessly in developing the Executive Information Management System (EIMS), a project aimed at strengthening Monitoring and Evaluation in The Presidency. Enhancement of the system had been completed by the end of March and will greatly facilitate electronic reporting on the Programme of Action once fully implemented.

The second leg of Monitoring and Evaluation is around the government-wide monitoring and evaluation system. To date the framework was further elaborated at the January 2006 Cabinet *Lekgotla*. The major outputs for this process are the refinement of development indicators for the period 2005-2014 and the collection of baseline information to be used in evaluating performance of Government in 2009 and 2014. A multifaceted approach was used to collect baseline information for government-wide development indicators including collection of datasets and reports from relevant organizations. 65% of baseline information has been collated. Draft principles and practices for monitoring and evaluation across Government (including norms and standards) have

been developed for further consultation.

It will further co-ordinate and support the development of a government wide monitoring and evaluation framework with clear indicators over the coming year. This will facilitate better monitoring, benchmarking and setting of standards for information to be used in assessing the performance of the State over time.

8.5 Justice, Crime Prevention and Security Chief Directorate

The Chief Directorate has discharged all the generic responsibilities of the Policy Unit: viz. facilitating the determination of cluster priorities for presentation and ratification by Cabinet *Makgotla*; facilitating the implementation of the priorities, notably through attending meetings of the various task teams of the cluster; making inputs into amendments to the Medium Term Strategic Framework; attending meetings of the Medium Term Expenditure Committee; rendering support to the cluster of Directors General and the Cabinet Committee; and processing the progress reports of the cluster, including the end-of-year reports of the departments of the cluster.

Cabinet approved the priorities of the cluster, which implemented most of the activities that made up its programme of action. The MTSF was approved by Cabinet. Important to

Cabinet approved the priorities of the cluster, which implemented most of the activities that made up its programme of action.



The OSDP contributed in the development of the Communication Strategy for the implementation of the disability definition as directed by Cabinet.



note in this regard is the fact that the MTSF guided the processing of departmental submissions to the MTEC processes and the subsequent deliberations of the MINCOMBUD and Cabinet.

When the Commission of Inquiry into the mandate and location of the Directorate of Special Operations was sitting, the Chief Directorate liaised extensively with the Chairperson of the Commission, the relevant Directors General and Ministers. The main focus concerned substantive matters relevant to the task of the Commission

Apart from attending meetings of the National Intelligence Coordinating Committee (NICOC), the Chief Directorate facilitated a meeting between the President and the intelligence agencies to discuss approaches to enhancing the capacity of the intelligence agencies. The objective in this regard is to facilitate regular meetings between the Ministers with responsibility for Intelligence – Ministers of Safety and Security, Defence and Intelligence - and with their respective Directors General and the President. These regular meetings should ensure better co-ordination, focused collection and production of intelligence and closing the gap between the secret services and the principal client. Further, the NICOC started a process of aligning the national intelligence priorities with decisions of Cabinet *Makgolla*. And it also started a process whereby each priority has its goal specified, and this approach helps improve the management of in-

telligence processes to be in line with the prescripts of the monitoring and evaluation.

The Chief Directorate played a significant role in the approaches to be used to investigate the alleged intercepted e-mails and chat-room conversations by the Inspector General for Intelligence.

After the 2006 January Cabinet *Lekgotla*, the Chief Directorate facilitated a few meetings of the National Security Council, where it provided both substantive and administrative support. In this regard, the NSC has developed its programme of action.

8.6 Programmes Chief Directorate

The Programmes Chief Directorate comprises four directorates which have oversight over activities related to policy, advocacy, capacity building, mainstreaming, international liaison and networking with regard to children's rights, women and disabled persons.

8.6.1 The Office On The Status Of Disabled Persons (OSDP)

The OSDP is one of the three in the Chief Directorate Programmes. The core functions of this unit are to advocate for rights of Persons with Disabilities (PwDs) in Government, to mainstream rights of PwDs, in Government programmes, to develop and analyse policies on the rights of PwDs, to facilitate delivery of services regarding the rights of PwDs, to network and liaise with local, na-

tional, regional and international stakeholders, including civil society at local and national levels. The OSDP also monitors and evaluates delivery of rights of PwDs, does capacity building; liaison with Parliament, including promotion and development strategic disability focused research. This unit facilitates the development and implementation of cross-cutting programmes in addition to its core functions.

The guiding framework for the work of the OSDP is the Integrated National Disability Strategy (INDS) developed in 1997. The INDS provides the key indicators of the degree to which disabled persons are excluded from accessing basic goods and services. However, there has been a shift towards the mainstreaming of disability in society, which will be reflected in a National Disability Policy, which is still under development.

The OSDP undertook the following research projects aimed at mainstreaming disability in Government's Programmes of Action:

- A research project on service delivery gaps to persons with disabilities of Government departments in all provinces. This research was requested by the Deputy President and a report will be submitted in the near future
- A research project on local Government and the implementation of disability-related policies within the Integrated Development Plans (IDPs)
- A research project on relevant disability specific indicators and how they fit within the Govern-

ment Wide Monitoring and Evaluation System.

Through an OSDP Awareness Raising Project funded by the Flemish Government, the OSDP has completed a number of projects (See Table 12, page 93).

The OSDP worked with the South African Local Government Association on local Government programmes, and also participated in the planning and organization of the 16 Days Campaign of No Violence against Women and Children.

Preparatory work was done for the implementation of an Economic Empowerment Project for People with Disabilities funded by the Danish Government. The project will be implemented over a period of two years and will include conversion of sheltered workshops for people with disabilities into viable business entities through on-site training. To this end, the OSDP has forged partnerships with various Government departments, including National Treasury, the Department of Labour, the Department of Social Development and the Department of Environmental Affairs and Tourism. In the year under review, the OSDP contributed in the development of the Communication Strategy for the implementation of the disability definition as directed by Cabinet.

The work on the implementation of the disability definition was accomplished through the Health Task Team of the DG's Social Cluster and is related to the assessment





tools for disability grants and free health care. OSDP conducted four meetings of the Inter-Provincial Forum (Provincial OSDPs) and four meetings of the Inter-Departmental Co-ordinating Committee on Disability. The OSDP co-ordinated the official South African celebration of the International Day of Disabled Persons 2005 in Rustenburg, North West province under the theme: Rights of Persons with Disabilities: Development in Action.

With regard to advocacy, the OSDP made the following presentations and co-ordinated the following conference:

- A presentation on disability strategy at a workshop of the Department of Land Affairs
- A presentation on the budget vote to the Joint Monitoring Committee on the quality of life of children, youth and persons with disabilities
- A presentation to the Social Cluster on the disability definition and its impact on the free health care and disability grants
- A presentation of the "Disability and the Media" Policy guidelines to media practitioners
- A Conference on Inclusive Information and Communication Technologies (co-ordinated in partnership with the Department of Communications). The conference was attended by representatives from African countries.

The Office participated in the workshop on Devinfo for Millennium Development Goals monitoring in SADC held in Botswana. It participated in the 6th and 7th *Ad*

hoc Committee meetings of the UN in the process of developing the UN Convention on the Rights of Persons with Disability. It coordinates the South African delegation in conjunction with the department of Foreign Affairs and will make input into the draft text of the convention. The Office attended a partner's meeting in Addis Ababa, Ethiopia, in order to strengthen a partnership between civil society and Governments in Africa. It also attended the board meeting of the Secretariat of the African Decade of Persons with Disabilities which will set up a task team after consultation with the Inter-Provincial Forum members.

Between 25 and 29 November 2005, the OSDP co-ordinated the visit of the UN Special Rapporteur on disability to South Africa.

8.6.2 The Office On The Status Of Women (OSW)

The national Office on the Status of Women is the principal coordinating structure for the National Gender Machinery (NGM). The office is responsible for the development and management of the national gender programme.

The OSW works in close collaboration with the Commission on Gender Equality (CGE) and the Joint Monitoring Committee on the Improvement of the Quality of Life and Status of Women (JMCQLSW) as co-facilitative agents of the NGM. In this position the OSW works with Government officials within the cluster system to translate Government commitments to gender equality

and women's empowerment into implementable action plans. It is also responsible for ensuring that the National Policy Framework for Women's Empowerment and Gender Equality is implemented, and that the implementation is monitored and reported on.

As part of its mandate, the Office also plays a pivotal role in liaison with civil society organizations as one of the key stakeholders to the advancement of the national gender programme.

Strategic Objectives for the year under review are as follows:

- To co-ordinate and promote the implementation of The National Policy Framework on Women Empowerment and Gender Equality
- To mainstream gender equality into Government programmes, legislation and processes
- To provide and implement a co-ordination framework for effective consultations within the National Gender Machinery
- To raise awareness on gender issues and advocate for equal opportunities for women and men in all spheres of life, and
- To facilitate training on gender mainstreaming.

The South African National Policy Framework for Women's Empowerment and Gender Equality (NGPF) was endorsed by Cabinet in 2000.

The Policy Framework which aims at gender mainstreaming to achieve women's empowerment and gender equality is multi-sectoral and requires that sector-specific guidelines be developed at departmental and cluster levels to outline how sectors will implement the provisions of the NGPF.

The OSW has supported the development of generic sector strategies and policies with the following priorities:

- Poverty eradication (The Department of Social Development developed a strategy for women empowerment)
- Women's participation in the economy with emphasis on the Second Economy
- Eradication of violence against women and children (the OSW participates in the Justice, Crime Prevention and Security cluster; the National Coordinating Task Team on Trafficking, and the Victim Empowerment Programme (VEP))
- Capacity building and skills development
- Women's health (the Ministry of Health has developed appropriate sector guidelines).



...it is the responsibility of all Public Sector managers to mainstream gender within Government's day to day work



The strengthening of gender machinery within Government remains an important challenge especially with regard to the requirements of the NGPF in respect of the establishment of Gender Focal Points (GFP) in Government departments. As stated in several of the President's State of the Nation Addresses, it is the responsibility of all Public Sector managers to mainstream gender within Government's day to day work.

To this end the OSW undertook the following key activities towards mainstreaming in the year under review:

- A gender analysis of Government's Programme of Action. This analysis was done with national GFPs and was used in the development of the draft National Gender Programme of Action on Women's Empowerment and Gender Equality 2005-2015
- A Gender Mainstreaming Training Manual. This manual is aimed at building capacity and understanding of Government strategy on mainstreaming of public sector managers
- A Review of the 'Education for All, Goal 5' report on the South African progress in gender equality
- Addressed Parliament's Joint Ad Hoc Committee on Democracy and Good Political Governance hearing on specific matters raised by the committee
- Provided input for the development of national indicators co-ordinated by the Department of Land Affairs, as well as the development of national

indicators for all clusters. This project is co-ordinated by Statistics South Africa and The Presidency

- Meeting with the Department of Foreign Affairs on South Africa's role in the 'Friends of Helsinki Process' and to determine the role and responsibility of the OSW. The Helsinki Process on Globalization and Democracy was due to culminate in a 'Helsinki Conference' in 2005. South Africa is a 'Friend of the Helsinki Process' and has offered to facilitate the proposal on gender issues.

The OSW undertook the following activities towards improving planning and co-ordination:

- In terms of the South African National Policy Framework for Women's Empowerment and Gender Equality, the OSW convened four National Gender Machinery meetings to discuss and track progress of the gender programme of Government. Though the machinery, which is mandated by Cabinet to define the national gender programme, is in place, a key challenge which remains is to ensure Cabinet level participation in this process
- The OSW held strategic planning meetings with all the Gender Focal Points and the Provincial OSW co-ordinators and another with provincial OSW co-ordinators. These were aimed at strengthening the co-ordination between Government departments and the OSW, as well as Provincial OSWs and the OSW,

The OSW is involved in awareness-raising within society and within Government departments.

well-defined strategic plans, and key focus areas of work. Arising from these were decisions to assign OSW staff to support specific provinces, and a mechanism to track progress and discuss other key strategic issues regularly

- The OSW provided co-ordination, budgetary and secretariat support to the Presidential Working Group on Women (PWGW) which advises the President on matters of women's empowerment
- The OSW held two planning meetings to discuss the development of the National Gender Plan of Action, attended by the Parliament's Joint Monitoring Committee on the Improvement to the Quality of Life and Status of Women (JMC IQL SW), the Commission on Gender Equality (CGE), National GFPs and Provincial OSWs, and Civil Society (NGOs, CBOs, FBOs, etc)
- The OSW participated in the Provincial Hearings conducted by the JMC IQL SW in Gauteng and KwaZulu-Natal on the National Instruction on the Domestic Violence Act, the Maintenance Act as well as the National Gender Policy and status of GFPs.

As co-ordinator of South Africa's participation in the United Nations' Commission on the Status





of Women (UN – CSW), the OSW convened and facilitated national consultative meetings in preparation for the 49th and 50th sessions of the CSW, participated in and co-ordinated the national delegation at both conferences and the co-ordinated reporting back to the National Gender Machinery.

In addition, for 2005 the OSW has hosted the following international delegations:

- Joint United Nations' Population Fund (UNFPA) and Zimbabwean Government's Study tour on Gender Based Violence July 2005
- Ambassador Moreno, the Director of The United Nations International Research and Training Institute for the Advancement of Women (UN-INSTRAW) from Mexico in January 2005.

With regard to advocacy, the OSW is involved in awareness-raising within society and within Government departments and bodies at National, Provincial and Local levels of Government's policies on gender equality, women's empowerment and gender mainstreaming. Within the public service it has emphasized in its work the popularizing of the National Policy Framework for Women's Empowerment and Gender Equality, while within broader society, it has profiled matters of gender and women's empowerment through the celebration of National and International Days pertaining to women. Presentations on the Policy Framework were made to the Department of Science and Technology, the Western Cape

Women's Caucus, the Department of Justice, the Department of National Intelligence, and the Department of Social Development. The OSW also made submissions for the Government-Wide Monitoring and Evaluation Framework.

The Office participated in National Women's Day, 16 Days of Activism on No Violence against Women and Children, Pan-African Women's Day, and Rural Women's Day. The Office was also involved with the commemoration of the 49th anniversary of the Women's March in the Limpopo Province and currently serves on the Inter-Departmental Task Team (led by the Department of Arts and Culture) to manage the commemoration of the 50th anniversary of the 1956 Women's March. The Office participated in the drafting of sub-regional, regional and international instruments for women's empowerment. These included: the Solemn Declaration by AU Heads of States on Gender Equality in Africa; the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa; and the SADC Declaration on Gender and Development and its Addendum on the Prevention and Eradication of Violence against Women and Children. The OSW was also called on to provide technical assistance to the preparations for the 2006 SADC Council of Ministers meeting and participated in the development of the SADC Gender Policy and Strategy. The OSW has compiled numerous reports on National, Regional, Sub-regional and international instruments to which South Africa is a signatory.

8.6.3 The Office On The Rights of the Child (ORC)

The Office is defined by mainstreaming of a child-centred governance approach, policy analysis of evolving policy to ensure sensitivity to children's rights and the co-ordination of integrated policy implementation. One of the central objectives and challenges of the ORC is the Monitoring and Evaluation (M&E) of delivery on the children's rights as a constitutional mandate.

As its name implies, the ORC's core area of work is in Children's Rights. Specifically this entails the development and promotion of Government policy, national capacity and advocacy. In the year under review, the ORC aimed at: establishing better systems for mainstreaming a child-centred governance approach; the development of a system to monitor and evaluate children's rights delivery in Government; and, strengthening of strategic children's rights management and leadership capability both in the Provincial ORCs and Children's Rights Focal Points at all spheres of Government.

The ORC held numerous consultative meetings with Government structures and civil society at national and provincial levels, to produce a number of policy documents.

The ORC did preparatory work with the Departments of Public

Enterprise and Housing to facilitate their contribution to the National Children's Rights Mainstreaming Programme. Similar meetings with other Departments are envisaged. Meetings were held with the Offices of Directors General in the Western Cape, North West, Free State, and Gauteng to negotiate the efficiency of children's rights mainstreaming systems in these Provinces. Agreements to strengthen operational systems were reached.

The office also briefed Parliament's Joint Monitoring Committee on the Improvement of Quality of Life of Youth, Children, and People with Disabilities on the mainstreaming of children's rights. This was done to ensure alignment in the understanding, interpretation and application of children's rights mainstreaming in Government.

The ORC supported the Minister in The Presidency in a meeting with FOSAD on the strengthening of mainstreaming and Monitoring and Evaluation systems and programmes in Government and in the M&E and Mainstreaming Task Teams. The ORC also facilitated the involvement of approximately 20 150 children in the National Children's Day programme. With regard to the establishment of Monitoring and Evaluation Systems for Children's Rights, the ORC initiated a process to mainstream sectoral or child-specific indicators, into the Government-Wide M&E



The ORC was involved in key international instruments pertaining to children's rights.



PCAS has been tasked with the job of reviewing the 2014 Scenarios



Indicators Framework. This will ensure that child-specific information and data will be disaggregated from other data collected. An M&E Operational Framework to guide M&E activities in the ORCs and Children's Rights Focal Points was developed. The Office analysed Government department's year-end Programme of Action (PoA) reports to evaluate children's rights mainstreaming gaps and recommended strategies for continuous improvement.

The Annual Sectoral Performance Evaluation and Planning Meeting of all Provincial ORCs and CR Focal Points at all spheres of Government was convened by the ORC.

The ORC also organised the first National Children's Rights Advisory Council Meeting which brought together Government and civil society structures. The M&E capabilities of the office were strengthened when staff attended a training course on the Development Information M&E Systems for Millennium Development Goals in Botswana. The course was organised by UNICEF. The Office in turn conducted a training course on Mainstreaming, Policy Analysis, M&E and Co-ordination of integrated Policy Implementation for Provincial ORCs and CR Focal Points to strengthen operational competencies.

The Office has initiated a process which will co-ordinate collective action towards the development of a Comprehensive National Policy Framework for the Protection & Development of Vulnerable Children in SA.

The ORC was involved in key international instruments pertaining to children's rights. The Office reached agreement with UNICEF on a Children's Rights Collaboration Protocol. This protocol has yet to be approved by the Minister in The Presidency. It did a briefing on children's rights for Parliament's Joint *Ad Hoc* Committee on Democracy and Good Governance as part of the AU Peer Review Process, and participated in the India-Brazil-South Africa (IBSA) economic and social development dialogue in Brazil which presented further opportunities for the ORC to explore the strengthening of National Children's Rights Programmes in IBSA.

8.7 The Forum of South African Directors General Secretariat (FOSAD)

The Forum of South African Directors General (FOSAD) is a forum of all Heads of National Government Departments and Provincial DGs. FOSAD was established by Cabinet to foster integrated approach to governance with a view to improving Government planning, decision-making and service delivery. The Secretariat of FOSAD is located within the PCAS.

During the year under review, the five FOSAD Clusters (also called DG Clusters) met every month to deal with issues related to policy, planning and implementation of Government policies and programmes in an integrated, co-ordinated and co-operative manner. FOSAD Clusters also provided policy support to the Ministerial Cabinet Committees and play a key role in the preparations of Cabinet *Makgotla*. Another key aspect of the work of the Clusters was to deliberate on the Government's Programme of Action and to prepare bi-monthly implementation reports to Cabinet.

These reports are used to update the information of the implementation of the Programme of Action on the Government Website. Two Strategic Planning Workshops were held by FOSAD with a view to consider the reports of the Clusters in preparation for the Cabinet *Makgotla* of July 2005 and January 2006. The main highlight of the FOSAD Workshop held at the end of the year under review was the signing of the Public Service Pledge by the Directors General as a pledge of commitment to professional ethical conduct by the top public service leadership. This formed part of the implementation of the Public Sector Anti-Corruption Strategy as mandated by Cabinet to the Anti-Corruption Co-ordinating Committee.

8.8 Planning Chief Directorate

The overarching role of the Planning Chief Directorate is to facilitate the articulation and co-ordination of Government planning priorities and objectives.

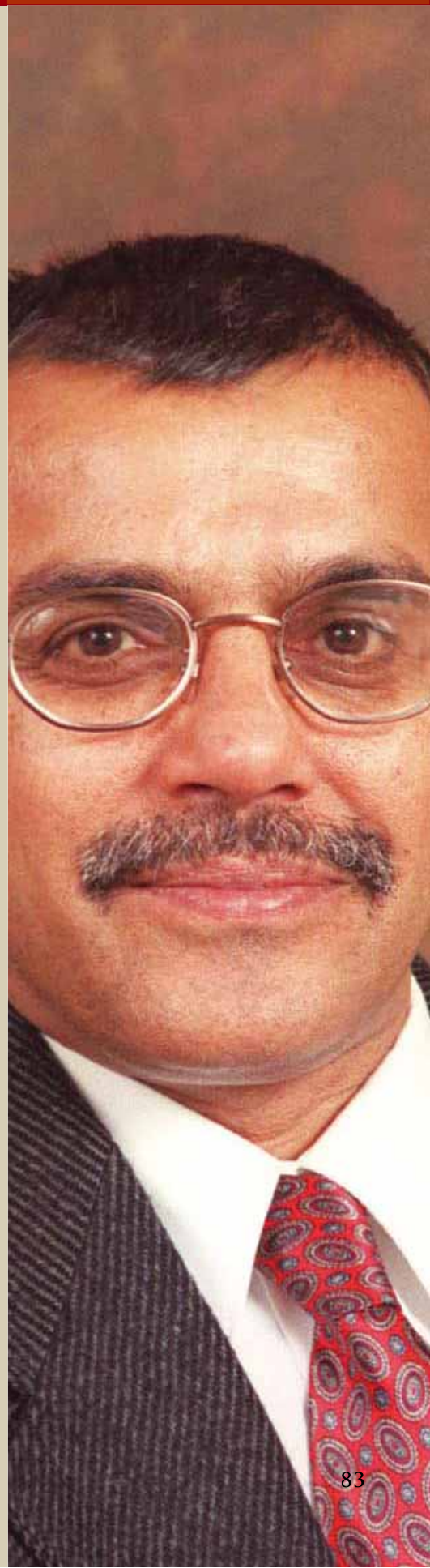
The following key result areas form the core of the work of the Chief Directorate:


- Supporting the development and preparation of the Medium Term Strategic Framework (MTSF)
- Strengthening the National Spatial Development Perspective (NSDP) as an important medium-term planning and policy co-ordination initiative and embedding it as a mechanism for the optimum alignment of infrastructure investment and development decisions within Government
- Using scenarios to interrogate policy and promoting scenarios as a management tool for the appraisal and development of plans and strategies in Government
- Undertaking high-level policy research and analysis.

The Development of the MTSF

The MTSF sets out Government's broad strategic direction and provides a high-level review of the strategic development challenge that Government has to confront during its term. It takes into account the electoral mandate of Government and the key challenges that have to be taken into account in fulfilling that mandate. The MTSF is used as a backdrop to guide planning and budgeting across the three spheres of Government. The MTSF is meant to inform the five-year strategic plans that national and provincial departments are expected to table alongside their budgets.

The MTSF is annually reviewed (in the light of new developments and experience in actual implementation)





during the July Cabinet *Makgotla*. The Chief Directorate prepares an annexure on the strategic issues arising from the major processes and discussions underway in the *Makgotla* and distributes this to the offices of all Directors General at provincial and national level as well as to the offices of National Ministers and Premiers.

The annexure along with the base document, are meant to inform the main thrust of departmental and provincial programmes and budgets.

Strengthening the National Spatial Development Perspective (NSDP)

The PCAS implemented three key interventions to strengthen the links between municipal Integrated Development Plans (IDPs), Provincial Growth and Development Strategies (PGDS) and the National Spatial Development Perspective (NSDP).

The first related to the formulation of guidelines for the preparation of PGDS. The PCAS undertook a highly consultative and collaborative series of workshops and discussions with provinces and the national departments of Provincial and Local Government, Trade and Industry, Environment

and Tourism and National Treasury to produce a set of guidelines for the preparation of PGDS in line with the approach and methodology of the NSDP. The second intervention was linked to the first and entailed the assessment of the nine PGDS against the guidelines. A three-pronged approach to the assessment was adopted entailing a self-assessment, an independent assessment and a peer-review. The nine provinces were divided into groups or provincial clusters of three so as to allow 'peer reviews' and horizontal learning within these groups. One consultant team (consisting of 2 persons) was appointed to do the independent assessments and co-ordination of the peer-reviews in each group.

The purpose of the assessments was three-fold:

- To assess the current state of PGDSs in the nine provinces
- To identify the gaps and weaknesses between the PGDS and the "best practice" suggested in the guidelines
- To make recommendations on the changes to be made to improve the quality of the PGDSs so that they serve as effective overarching development framework for provinces, guide and align the development plan of provincial Government as well as other spheres, sectors and

role players and contextualise national imperatives and ground them within the social, economic, demographic, environmental and spatial realities of each province.

Nine provincial assessment reports were produced as well as a consolidated report drawing out the main lessons. In the 2006/07 fiscal year, the PCAS will be supporting provinces to implement the recommendations coming out of the assessments. The third intervention related to updating the NSDP in the light of new data and information. The updated NSDP was presented to the FOSAD workshop in December as well as the January Cabinet *Lekgotla*. Final publication of the updated NSDP is expected to take place in September 2006.

Scenario Building

PCAS has been tasked with the job of reviewing the 2014 Scenarios. The review will need to consider steps to 'complete' the 2014 process, as well as to engage in a process of scanning the long-term environmental changes to enable Government to better prepare for the challenges which shall be posed by 2019. The review process began in 2005 with a workshop of those representatives from Government and civil society who were involved in the Core

Team of the 2014 scenario process. The objective of the workshop was to reflect on the 2003 process with a view to drawing out the important lessons for the next scenario building process.

The meeting helped to highlight weaknesses in the use of the scenarios and some problems with the process of generating the scenarios as well as the way in which they were communicated and presented. On the basis of the discussions at the workshop, the PCAS prepared a project proposal which sets out a way forward to address the weaknesses of the 2014 process and exploits its strengths and the implementation of a process to enable Government to appreciate the environment which will mark the period *circa* 25 years of our freedom and in which future policy will be played out. Through a series of intense research and discussions, the project is intended to reflect on issues which will help Government better appreciate probable trajectories of the nation's development towards 2019.

Policy Research and Analysis

The PCAS engages in a range of policy dialogues and research and analytical activities organized either by it or by other agencies. Included

in the activities organized by the Chief Directorate was a policy dialogue on migration dynamics with key researchers and demographic experts and a study on the spatial distribution of infrastructure investments.

As part of its ongoing work within the PCAS, the Chief Directorate regularly comments on various policies and legislation of Government.



9. TABLES

TABLE 1: Cabinet Committee Meetings

Cabinet Committee meetings	Chairperson	Number of Committee meetings over the period 2005-2006
Cabinet Committee on International Relations, Peace and Security	President/Deputy President	11
Cabinet Committee on Investment and Employment	President/Deputy President	5
Cabinet Committee for the Economic Sector	President/Deputy President	21
Cabinet Committee for Justice, Crime-Prevention, Peace and Security	President/Deputy President	11
Cabinet Committee on Governance and Administration	President/Deputy President	21
Cabinet Committee for the Social Sector	President/Deputy President	18
Cabinet Meetings	President/Deputy President	23
Cabinet <i>Lekgotla</i> Meetings	President/Deputy President	3

TABLE 2: Presidential Working Groups

Youth Working Group	Big Business Working Group
Higher Education Working Group	Black Business Working Group
National Religious Leaders Forum	Women Working Group
Labour Working Group	Commercial Agriculture Working Group

TABLE 3: Members of the International Investment Council (IIC)

Mr Masaki Miyaji	Corporate Adviser Mitsubishi Corporation
Mr Naill FitzGerald KBE	Chairman Reuters Group PLC
Dr Martin Kohlhaussen	Chairman of Supervisory Board of Commerzbank AG
Prof Dr H C Juergen Schrempp	Former Chairman of the Board of Management of DaimlerChrysler
Mr Ratan Tata	Chairman of Tata Sons Limited
Tan Sri Dató Mohd Hassan Marican	President and Chief Executive Officer of Petroliam Nasional Berhad (PETRONAS)
Mr Percy Barnevik	Chairman of the Board of AstraZeneca PLC
Sir Samuel Jonah	Non Executive Chairman Anglo Gold Ashanti
Mr Frank Savage	Chief Executive Officer of Savage Holdings
Ms Anne Lauvergeon	Chairman of the Executive Board of AREVA
Mr Lakshmi N. Mittal	Chairman and Chief Executive Officer, Mittal Steel Company
Mr William Rhodes	Senior Vice Chairman, Citigroup, and Chairman, Citibank.
Mr Viktor Vekselberg	Chairman Renova
Mr Roger Agnelli	CEO Companhia Vale do Rio Doce (CVRD)
Sir Anthony O'Reilly	Chairman Independent News & Media

TABLE 4: Members of the Panel of Economic Advisers

Dr Iraj Abedian	Ms Viv McMenamim
Dr Haroon Borat	Mr Lumkile Mondli
Dr Ruel Khoza	Ms Gloria Serobe
Mr JP Landman	Dr Rejoice Simelane

TABLE 5: Presidential International Advisory Council on Information Society And Development (PIACISD)

Mr Sergio Giacoletto	Vice President: Europe & Africa, Oracle Corporation
Ms Esther Dyson	Chair, EDventure Holdings Inc.
Mr David Potter	Chairman, Psion Plc
Dr Henry Chasia	Executive Deputy Chairperson, Nepad eAfrica Commission
Mr Mark Shuttleworth	Director, HBD Venture Capital
Prof Seymour Papert	Founding Faculty Member, Media Laboratory
Mr Rudi Lamprecht	Board member, Siemens AG
Mr Jacques Dunogue	President of Area 4, Alcatel
Mr Jorma Ollila	Chairman & CEO, Nokia
Mr Reza Mahdavi	Vice President EMEA, Cisco Systems Europe
Prof Hasso Plattner	Chairman and CEO, SAP AG
Mr Jean-Philippe Courtois	President of Microsoft Europe, Middle-East and Africa, Microsoft EMEA
Mr Hans Ulrich Maerki	Chairman of the Board, IBM EMEA SAS
Mr Mark Hurd	CEO & President, HP
Prof Manuel Castells	Professor of Sociology, University of California, Berkeley
Mr Thierry De Beaucé	Special Adviser to the Chairman for International Affairs, Vivendi
Mr Masood Jabbar	Executive Vice President, Global Sales Operations, Sun Microsystems Inc
Ms Carly Fiorina	Former CEO, HP
Mr Rajendra S Pawar	Chairman, NIIT
Mr Craig McCaw	Chairman & CEO, Eagle River was at Teledesic

TABLE 6: *Izimbizo* of the President and Deputy President during 2005

President		
Date	Province	District
08 May 2005	North West	Bojanala
16 July 2005	Free State	Lejweleputswa
23 July 2005	Eastern Cape	O R Tambo
07 August 2005	Limpopo	Greater Sekhukhune
30 September 2005	Northern Cape	Frances Baard
16 October 2005	Gauteng	Sedibeng
29 October 2005	Mpumalanga	Gert Sibande
10 December 2005	KwaZulu Natal	Ilembe
14 December 2005	Western Cape	City of Cape Town

TABLE 6 (continued)

Deputy President		
Date	Province	District
05 August 2005	Western Cape	Central Karoo
20 August 2005	Northern Cape	Siyanda
30 September 2005	Limpopo	Mopani
04 November 2005	Mpumalanga	Nkangala
03 December 2005	Eastern Cape	Amathole
08 December 2005	Gauteng	Metsweding

TABLE 7: National Orders Table of Categories

ORDER	AWARDED FOR
The Order of Baobab,	sustained and long service to the community;
The Order of Luthuli,	contribution in the struggle for democracy, nation building, human rights, peace, and conflict resolution;
The Order of Mapungubwe,	exceptional South Africans who have made an impact both at home and beyond the country's borders to the benefit of South Africa;
The Order of Ikhamanga,	contribution in the areas of art, culture, literature, music, sport and journalism;
The Order of Companions of O R Tambo,	foreigners who have contributed to South Africa's cause;
The Order of Mendi for Bravery.	acts of bravery displayed by South Africans.

TABLE 8: National Orders Recipients

ORDER OF	AWARDEES
Order of Baobab - April 2005	Marjorie Manganye
Order of Baobab - April 2005	Ethel Barlow
Order of Baobab - April 2005	Revel Fox (Posthumous)
Order of Baobab - April 2005	Urbania Bebe Mothopeng
Order of Baobab - April 2005	University of Fort Hare
Order of Baobab - April 2005	Job Richard Rahebe
Order of Luthuli - April 2005	Edward Joeph Daniels
Order of Luthuli - April 2005	Frene Noshir Ginwala
Order of Luthuli - April 2005	Fish Keitseng (Posthumous)
Order of Luthuli - April 2005	Mildred Ramakaba-Lesiea
Order of Luthuli - April 2005	Kwedie Mzingisi Mkalipi
Order of Luthuli - April 2005	Abdulla Mohamed Omar (Posthumous)
Order of Luthuli - April 2005	Madimetja Laurence Phokanoka
Order of Luthuli - April 2005	Archibald Mncedisi Sibeko
Order of Luthuli - April 2005	Christmas Fihla Tinto

ORDER OF	AWARDEES
Order of Luthuli - April 2005	Dorothy Nomazotsho Zihlangu (Posthumous)
Order of Luthuli - April 2005	Flag Marutle Boshielo
Order of Luthuli - April 2005	John Langalibalele Dube (Posthumous)
Order of Luthuli - April 2005	Anton Muziwakhe Lembede (Posthumous)
Order of Luthuli - April 2005	Isaac Bongani Tabata (Posthumous)
Order of Mendi for Bravery - Sept 2005	Simon John Mthombeni
Order of Mendi for Bravery - Sept 2005	Grant Nigel Kirkland
Order of Mendi for Bravery - Sept 2005	Solomon Kalushi Mahlangu
Order of Ikhamanga - Sept 2005	Nontsomi Mildred Mangxola
Order of Ikhamanga - Sept 2005	Nobesuthu Getrude Mbadu
Order of Ikhamanga - Sept 2005	George Tebogo Mokgalagadi
Order of Ikhamanga - Sept 2005	Mahlathini Simon Nkabinde (Posthumous)
Order of Ikhamanga - Sept 2005	Hilda Tloubatla
Order of Ikhamanga - Sept 2005	Marjorie Wallace (Posthumous)
Order of Ikhamanga - Sept 2005	Peter Edward Clarke
Order of Ikhamanga - Sept 2005	Harold Athol Fugard
Order of Ikhamanga - Sept 2005	Bonisile John Kani
Order of Ikhamanga - Sept 2005	Stephanus Johannes Lombaard
Order of Ikhamanga - Sept 2005	Sophie Thoko Mgcina
Order of Ikhamanga - Sept 2005	Allina Ndebele
Order of Ikhamanga - Sept 2005	Henry Nxumalo
Order of Ikhamanga - Sept 2005	Lucas Radebe
Order of Ikhamanga - Sept 2005	Archibald Campbell Mzolisa Jordan (Posthumous)
Order of Ikhamanga - Sept 2005	Nicolaas Petrus van Wyk Louw (Posthumous)
Order of Mapungubwe - Sept 2005	Tebello Nyokong
Order of Mapungubwe - Sept 2005	Himladevi Soodyall
Order of Mapungubwe - Sept 2005	Frank Reginald Nabarro
Order of Mapungubwe - Sept 2005	John Maxwell Coetzee
Order of Mapungubwe - Sept 2005	Aaron Klug
Order of The Companions of OR Tambo - April 2005	Motsamai Keyecwe Mpho
Order of The Companions of OR Tambo - April 2005	Vladimir Gennayevich Shubin
Order of The Companions of OR Tambo - April 2005	Cheddi Jagan (Posthumous)
Order of The Companions of OR Tambo - April 2005	Jawaharlal Nehru (Posthumous)
Order of The Companions of OR Tambo - April 2005	Ahmed Sukarno (Posthumous)
Order of The Companions of OR Tambo - April 2005	Diallo Telli Boubacar (Posthumous)
Order of The Companions of OR Tambo - Sept 2005	Sheikh Yusuf (Posthumous)

TABLE 9: Letters of credence/commission presented

Date of ceremony	Name and Country
1 April 2005	HE High Commissioner Mr Pengiran Dato Paduka Haji Yusof Bin Pengiran Kula, Brunei Darussalam
	HE Ambassador O Thorsheim, Kingdom of Norway
	HE Ambassador D Bunnag, Kingdom of Thailand
	HE Ambassador HJ Tuunanen, Republic of Finland
	HE High Commissioner Ms DM Carter, Republic of Trinidad and Tobago
20 May 2005	HE Ambassador J Kimonyo, Republic of Rwanda
17 June 2005	HE Ambassador Mr Tran Duy Thi, Socialist Republic of Vietnam
	HE Ambassador Mr Lae Briët, European Union
	HE Ambassador Dr Mi Tal, Hashemite Kingdom of Jordan
	HE Ambassador Mr Qasim Al-Rammah, Republic of Iraq
	HE High Commissioner Mr Py Boateng, United Kingdom of Great Britain and Northern Ireland
29 July 2005	HE Ambassador M-J Odongui-Bonnard, Republic of Gabon
	HE High Commissioner Mr P N M Mswane, Kingdom of Swaziland
	HE High Commissioner Mr S Pal Republic of India
	HE High Commissioner Ms N Haider, The People's Republic of Bangladesh
23 September 2005	HE Ambassador M G Neto, Republic of Angola
	HE Ambassador A Möllander, Kingdom of Sweden:
	HE Ambassador A Sandis, Hellenic Republic
	HE Ambassador R Gil-Casares, Kingdom of Spain
	HE Ambassador I Baruch, State of Israel
11 October 2005	HE Ambassador C F Calderón, Republic of Peru
	HE High Commissioner O A Ashiru, Federal Republic of Nigeria
06 December 2005	HE Ambassador G J Pomi, Oriental Republic of Uruguay
	HE High Commissioner Justice M P H Rubin, Republic of Singapore
	HE High Commissioner M I Dossa, Republic of Mauritius
19 April 2006	HE Ambassador R Karapetian, Republic of Armenia (Non-Residence)
	HE Ambassador D P Jevi, Bosnia and Herzegovina
	HE High Commissioner A Qureshi, Islamic Republic of Pakistan
	HE Ambassador O B Bachir, Saharawi Arab Democratic Republic
	HE High Commissioner F A Fazenda, Republic of Mozambique

TABLE 10: Completion of Executive Acts

Presidential Minutes and Acts dealt with by Legal and Executive Services: 2005	
Type	Number
Proclamations	27
Pardons	257
International Agreements	143
Other (appointments of ambassadors and consulate-generals, judges and awarding of medals to SAPS, etc.)	291
TOTAL	714

Presidential Minutes and Acts dealt with by Legal and Executive Services: 2005	
Type	Number
Assent to Acts of Parliament	39
Authorization of Foreign Visits by Ministers	356
Authorization of Foreign Visits by Deputy Ministers	133
Leave of absence by Minister	19
Other (appointments made by the President, and appointments of commissions of inquiry , etc)	19
TOTAL	566

Executive Acts of the President Processed:**1 280****TABLE 11: Bills introduced between 1 April 2005 and 31 March 2006**

Year / Bill No.	Name of Bill
2005	
11	Prevention of Illegal Eviction from and Unlawful Occupation of Land Amendment Bill
12	Re-determination of the Cross-boundary Municipalities Bill
13	South African Sports Commission Act Repeal Bill
14	Armaments Corporation of South Africa Limited Amendment Bill
15	Defence Special Accounts Amendment Bill
16	Marine Living Resources Amendment Bill
17	Patents Amendment Bill
18	National Credit Bill
19	Taxation Laws Amendment Bill
20	Taxation Laws Second Amendment Bill

TABLE 11(continued)

Year / Bill No.	Name of Bill
21	South African Abattoir Corporation Act Repeal Bill
22	Constitutional Matters Amendment Bill
23	Education Laws Amendment Bill
24	Forestry Laws Amendment Bill
25	Repeal of Black Administration Act and Amendment of Certain Laws Bill
26	Nursing Bill
27	Diamonds Amendment Bill
28	Special Pensions Amendment Bill
29	Electricity Regulation Bill
30	Precious Metals Bill
31	Auditing Profession Bill
32	Independent Communications Authority of South Africa Amendment Bill
33	Constitution Twelfth Amendment Bill
34	Genetically Modified Organisms Amendment Bill
35	Foodstuffs, Cosmetics and Disinfectants Amendment Bill
36	Cross-Boundary Municipalities Laws Repeal and Related Matters Bill
37	Adjustments Appropriation Bill
38	National Land Transport Transition Amendment Bill
39	Diamonds Second Amendment Bill
40	Revenue Laws Amendment Bill
41	Revenue Laws Second Amendment Bill
42	Prohibition of Mercenary Activities and Prohibition and Regulation of Certain Activities in Areas of Armed Conflict Bill
2006	
1	Government Immovable Asset Management Bill
2	Appropriation Bill
3	Division of Revenue Bill
4	Additional Adjustments Appropriation Bill

Total= 36 (Note bills 1 to 10 for the year 2005 were introduced before 01 April 2005, i.e. in the previous financial year)



TABLE 12: Publications of the Policy Co-Ordination and Advisory Services (PCAS)

DIRECTORATE/PROGRAMME	PUBLICATIONS
SOCIAL SECTOR	<ul style="list-style-type: none"> • South Africa Millennium Development Goals Country Report • The Macro-Social Report • The Macro-Social Development Strategic Framework • Challenges Facing Higher Education in South Africa • Higher Education in a Developing Society: From Dialogue to Action • The Presidency's Submission to the African Peer Review Mechanism • The National Income Dynamics Survey/Study (NIDS) • Memorandum of Understanding between the Government and the National Religious Leaders Forum • The Social Sector contributed to the drafting of the chapter on socio-economic development on South Africa • Played a critical part in the discussion and the drafting of the Common Country Assessment and the United Nations Development Assessment Framework documents
GOVERNANCE AND ADMINISTRATION CHIEF DIRECTORATE	<ul style="list-style-type: none"> • Prepared a booklet on the Medium Term Strategic Framework (MTSF)
THE OFFICE ON THE STATUS OF DISABLED PERSONS (OSDP)	<ul style="list-style-type: none"> • A Media Toolkit for Disabled People's Organisations, used to provide training on media to people with disabilities • Policy guidelines on Disability and the Media, which provides policy guidelines to assist media organizations to develop their own disability related policies • The INDS, a widely distributed pamphlet which summarises in a reader-friendly manner the Integrated National Disability Strategy • Advertisements in the print media of OSDP's work on the disability magazine "Rolling Inspiration" • A book written by writers with disabilities. The publication of this book, for which the manuscript is now complete, will serve as a means of raising awareness
THE OFFICE ON THE STATUS OF WOMEN (OSW)	<ul style="list-style-type: none"> • In August 2005, the OSW launched South Africa's Beijing + 10 report on progress made in the implementation of the Beijing Platform for Action • South Africa's Beijing + 10 report on Progress made in the implementation of the Beijing Platform for Action. Report of the National Delegation to the 49th Session of the United Nations Commission on the Status of Women (UN CSW) • South Africa's Report on the Implementation of the SADC Heads of State Declaration on Gender and Development (June 2004-March 2005) • South Africa's Input to the United Nations Secretary-General's In-Depth Study on Violence Against Women • South Africa's First Report on the Implementation of the AU Heads of States' Solemn Declaration on Gender Equality in Africa (June 2005)
THE OFFICE ON THE RIGHTS OF THE CHILD (ORC)	<ul style="list-style-type: none"> • The final draft of the National Policy Framework for the Advancement and Co-ordination of Children's Rights Delivery in SA. It is envisaged that approval of this framework will be secured in 2006/7 • Operational Children's Rights Mainstreaming and Policy Analysis Guidelines for ORC and Children's Rights Focal Points at all spheres of Government • A Departmental Children's Rights Guide to assist Departments to clarify their niche in the national children's rights mainstreaming programme has been developed

TABLE 13: Advisers to the former Deputy President

Ms Linda Makatini	Legal Adviser
Mr Ebrahim Ebrahim	Economic and Political Adviser
Mr Siyabonga Mcetywa	Special Adviser
Mr John Jeffery	Parliamentary Counselor

TABLE 14: Advisers to the current Deputy President

Mr Ayanda Nkuhlu	Political Adviser
Mr Zolile Magugu	Special Adviser
Ms Raisibe Morathi	Special Adviser
Ms Nonhlanhla Mjoli-Mncube	Special Adviser
Ms Dorothy Motubatse	Parliamentary Counsellor

- Acronyms and abbreviations, explanation of Terms Used

TABLE 15: Advisers to the President

Adv Mojanku Gumbi	Legal Adviser
Mr Titus Mafolo	Political Adviser
Mr John Jeffery	Parliamentary Counsellor

TABLE 16: Advisers to the President

Ms Zodwa Manase	Mr Ncedo Mlamla
Ms Pinky Moabi	Mr Ebie Seedat
Mr Lungile Mazwai	

Mr. Seedat was not able to be part of the photo.

SECTION C

HUMAN RESOURCES OVERSIGHT

SECTION C	PAGE
1 PERSONNEL COSTS	96
2 EMPLOYMENT	97
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4 EMPLOYMENT AND VACANCIES CHANGES	99
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13 CONSULTANTS	115

ANALYSES OF THE TABLES BELOW

Tables 1.3 and 1.4 depict that the Office has during the period under review spent an amount of R4 376 000.00 on overtime. The bulk of this amount comes from Administration and Private Offices of the Principals and is mostly employees at salary levels 2-8 and 9-12. The analysis suggests that a significant number of staff members at lower levels are working overtime.

This situation is mainly attributed to the drivers, household, and support staff to the Political Principals. In order to avoid an overworked staff, the Office embarked on a drive to fill all vacancies but the extensive screening in the recruitment process has resulted in delays.

Tables 2.1, 2.2 and 2.3 show vacancy rate of 27.7 with the higher number of vacancies in the Private Offices of the President and to a lesser extent in the Administration, Communications and Policy Unit.

The Communication Branch was restructured during the period under review and as a result, a number of posts remained va-

cant. In our quest to acquire and retain skilled staff, several persons were paid at higher salaries than those applicable to their positions (see table 3.2 page 98).

The turn over rate stands at 11.5 % as at 31 March 2006. The reason is mainly promotions to other departments and contract expiry (19 staff members transferred to other departments while only seven resigned).

During the period under review, six persons with disabilities were in the employ of the office, which accounts for 1.4%. A decision has been taken that The Presidency will strive to employ 2% of people with disabilities within 2006/7 financial year. The Presidency is confident that it will reach the target of having 50% women employed in managerial positions by 2009 as it currently stands at 42%.

The Presidency continues to spend its budget on staff development.

PERSONNEL COSTS

TABLE 1.1 - PERSONNEL COSTS BY PROGRAMME

Programme	Total Voted Expenditure (R'000)	Compensation of Employees (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Pr1: Administration	87,529	44,412	0	0	50.7	157	282
Pr2: Support Serv Pres & DP	40,847	16,967	0	0	41.5	303	56
Pr3: Communications	10,818	6,679	0	0	61.7	318	21
Pr4: Cabinet Office	10,736	5,134	0	0	47.8	257	20
Pr5: Policy Co-ordination	25,120	14,494	0	0	57.7	345	42
Pr6: National Youth Commission	17,983	0	0	0	0.0	0	0
Statutory	2,012	2,012	0	0	100.0	1,006	2
Theft and losses	361	0	0	0	0.0	0	0
Z=Total as on Financial Systems (BAS)	195,406	89,698	0	0	45.9	213	423

TABLE 1.2 - PERSONNEL COSTS BY SALARY BAND

Salary Bands	Compensation of Employees (R'000)	Percentage of Total Personnel Cost	Average Personnel Cost per Employee (R)	Total Compensation of Employees	Number of Employees
Lower skilled (Levels 1-2)	14,488	16.2	213	89,698	68
Skilled (Levels 3-5)	18,749	20.9	213	89,698	88
Highly skilled production (Levels 6-8)	27,485	30.6	213	89,698	129
Highly skilled supervision (Levels 9-12)	18,323	20.4	213	89,698	86
Senior management (Levels 13-16)	10,653	11.9	213	89,698	50
TOTAL	89,698	100	213	89,698	421

TABLE 1.3 - SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY PROGRAMME

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost (R'000)
Pr1: Administration	28,463	64.1	3,825	8.6	521	1.2	1,632	3.7	44,412
Pr2: Support Serv Pres & DP	9,879	58.2	490	2.9	94	0.6	596	3.5	16,967
Pr3: Communications	4,168	62.4	53	0.8	34	0.5	170	2.5	6,679
Pr4: Cabinet Office	3,002	58.5	7	0.1	16	0.3	199	3.9	5,134
Pr5: Policy Co-ordination	9,170	63.3	1	0.0	160	1.1	444	3.1	14,494
TOTAL	54,682	62.4	4,376	5.0	825	0.9	3,041	3.5	87,686

TABLE 1.4 - SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY SALARY BAND

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost (R'000)
Lower skilled (Levels 1-2)	8,832	62.4	707	5.0	133	0.9	491	3.5	14,163
Skilled (Levels 3-5)	11,430	62.4	915	5.0	172	0.9	636	3.5	18,329
Highly skilled production (Levels 6-8)	16,755	62.4	1,341	5.0	253	0.9	932	3.5	26,868
Highly skilled supervision (Levels 9-12)	11,170	62.4	894	5.0	169	0.9	621	3.5	17,912
Senior management (Levels 13-16)	6,494	62.4	520	5.0	98	0.9	361	3.5	10,414
TOTAL	54,682	62.4	4,376	5.0	825	0.9	3,041	3.5	87,686

* Total number of employees as at 31 March 2006, excluding statutory

** Total Personnel Cost (table 1.3 and 1.4), excluding statutory

EMPLOYMENT

TABLE 2.1 - EMPLOYMENT AND VACANCIES BY PROGRAMME AT END OF PERIOD

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administration, Permanent	410	282	31.2	12
Support services to President and Dep President, Permanent	65	56	13.8	1
Communications, Permanent	30	21	30	1
Cabinet Office	20	20	0	2
Policy Co-ordination, Permanent	57	42	26.3	5
TOTAL	582	421	27.7	21

TABLE 2.2 - EMPLOYMENT AND VACANCIES BY SALARY BAND AT END OF PERIOD

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	73	68	6.8	12
Skilled (Levels 3-5), Permanent	122	88	27.9	1
Highly skilled production (Levels 6-8), Permanent	184	129	29.9	3
Highly skilled supervision (Levels 9-12), Permanent	134	86	35.8	1
Senior management (Levels 13-16), Permanent	69	50	27.5	4
TOTAL	582	421	27.7	21

TABLE 2.3 - EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATION AT END OF PERIOD

Critical Occupation	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative related, Permanent	74	45	39.2	14
Bookbinding and machine related operators, Permanent	3	3	0	0
Cleaners in offices workshops hospitals etc., Permanent	49	46	6.1	0
Client inform clerks(switchb receipt inform clerks), Permanent	12	10	16.7	0
Communication and information related, Permanent	10	7	30	1
Computer programmers., Permanent	2	2	0	0
Financial and related professionals, Permanent	13	8	38.5	0
Financial clerks and credit controllers, Permanent	11	10	9.1	0
Food services aids and waiters, Permanent	21	15	28.6	0
Head of department/chief executive officer, Permanent	1	1	0	0
Household and laundry workers, Permanent	60	43	28.3	0
Household food and laundry services related, Permanent	26	15	42.3	0
Human resources clerks, Permanent	11	10	9.1	0
Human resources & organisational development & relate prof, Permanent	21	13	38.1	0
Information technology related, Permanent	11	7	36.4	0
Legal Related, Permanent	7	3	57.1	0
Library mail and related clerks, Permanent	10	10	0	0
Logistical support personnel, Permanent	24	20	16.7	0
Material-recording and transport clerks, Permanent	10	9	10	0
Messengers porters and deliverers, Permanent	6	5	16.7	0
Motor vehicle drivers, Permanent	19	16	15.8	0
Other administrative and related clerks, Permanent	6	3	50	0
Other administrative policy and related officers, Permanent	22	14	36.4	0
Risk management and security services, Permanent	1	0	100	0
Secretaries & other keyboard operating clerks, Permanent	83	56	32.5	3
Senior managers, Permanent	69	50	27.5	3
TOTAL	582	421	27.7	21

JOB EVALUATION

TABLE 3.1 - JOB EVALUATION

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Down-graded	% of Down-graded Posts Evaluated
Lower skilled (Levels 1-2), Permanent	73	0	0	0	0	0	0
Skilled (Levels 3-5), Permanent	122	9	7.4	9	100	0	0
Highly skilled production (Levels 6-8), Permanent	184	1	0.5	1	100	0	0
Highly skilled supervision (Levels 9-12), Permanent	134	2	1.5	2	100	0	0
Senior Management (Levels 13 - 16), Permanent	69	0	0	0	0	0	0
TOTAL	582	12	2.1	12	100	0	0

TABLE 3.2 - PROFILE OF EMPLOYEES WHOSE POSITIONS WERE UPGRADED DUE TO THEIR POSTS BEING UPGRADED

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	10	0	2	0	12
Total	10	0	2	0	12
Employees with a Disability	0	0	0	0	0

TABLE 3.3 - EMPLOYEES WHOSE SALARY LEVEL EXCEED THE GRADE DETERMINED BY JOB EVALUATION [I.T.O PSR 1.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
Deputy Director General	1	15	16	Recruitment	421
Chief Director	3	14	15	Retention	421
Director	1	13	14	Retention	421
Deputy Director	1	11	12	Retention	421
Assistant Director	1	9	10	Retention	421
Senior Secretary	2	6	9	Recruitment	421
Driver	2	2	5	Rank Promotion	425
TOTAL	11				421
Percentage of Total Employment	2.1				421

TABLE 3.4 - PROFILE OF EMPLOYEES WHOSE SALARY LEVEL EXCEEDED THE GRADE DETERMINED BY JOB EVALUATION [I.T.O. PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	2	0	2	0	4
Male	3	0	0	2	5
TOTAL	5	0	2	2	9
Employees with a Disability	0	0	0	0	0

EMPLOYMENT AND VACANCIES

TABLE 4.1(A) - ANNUAL TURNOVER RATES BY SALARY BAND

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	79	1	3	3.8
Skilled (Levels 3-5), Temporary	1	8	1	100
Skilled (Levels 3-5), Permanent	79	2	2	2.5
Highly skilled production (Levels 6-8), Temporary	1	9	3	300
Highly skilled production (Levels 6-8), Permanent	127	3	8	6.3
Highly skilled supervision (Levels 9-12), Temporary	6	2	4	66.7
Highly skilled supervision (Levels 9-12), Permanent	77	5	3	3.9
Senior management (Levels 13-16), Temporary	8	2	2	25
Senior management (Levels 13-16), Permanent	47	4	4	8.5
Other	0	13	0	0
TOTAL	425	49	30	7.1

TABLE 4.1(B) - ANNUAL TURNOVER RATES BY SALARY BAND

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	79	0	0	0
Skilled (Levels 3-5), Temporary	1	0	0	0
Skilled (Levels 3-5), Permanent	79	3	2	2.5
Highly skilled production (Levels 6-8), Temporary	1	0	0	0
Highly skilled production (Levels 6-8), Permanent	127	8	10	7.9
Highly skilled supervision (Levels 9-12), Temporary	6	0	0	0
Highly skilled supervision (Levels 9-12), Permanent	77	11	4	5.2
Senior management (Levels 13-16), Temporary	8	0	0	0
Senior management (Levels 13-16), Permanent	47	4	3	6.4
Other	0	0	0	0
TOTAL	425	26	19	4.5

TABLE 4.2 - ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	58	5	4	6.9
Administrative related, Temporary	0	0	1	0
Advocates, Permanent	1	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	58	1	2	3.4
Client inform clerks(switchboard reception inform clerks), Permanent	11	1	0	0
Client inform clerks(switchboard reception inform clerks), Temporary	0	1	0	0
Communication and information related, Temporary	0	0	1	0
Communication and information related, Permanent	9	0	0	0
Computer programmers., Permanent	1	0	0	0
Economists, Permanent	1	0	0	0

EMPLOYMENT AND VACANCIES

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Finance and economics related, Permanent	5	0	0	0
Financial and related professionals, Permanent	6	0	2	33.3
Financial clerks and credit controllers, Permanent	12	3	0	0
Food services aids and waiters, Temporary	0	2	0	0
Food services aids and waiters, Permanent	54	0	1	1.9
General legal administration & rel. professionals, Permanent	1	0	0	0
Head of department/chief executive officer, Permanent	2	0	0	0
Other Administrative Policy and related Officer, Temporary	0	2	1	0
Other Administrative Policy and related Officer, Permanent	0	10	3	0
Household food and laundry services related, Temporary	5	3	2	40
Household food and laundry services related, Permanent	0	0	1	0
Housekeepers laundry and related workers, Temporary	3	4	0	0
Housekeepers laundry and related workers, Permanent	0	0	1	0
Human resources & organ. development & relate prof, Permanent	4	3	2	50
Human resources clerks, Permanent	6	0	0	0
Human resources related, Permanent	12	0	0	0
Information technology related, Temporary	0	1	0	0
Risk Management and Security Services	0	0	1	0
Information technology related, Permanent	6	1	2	33.3
Legal related, Permanent	1	0	0	0
Library mail and related clerks, Permanent	10	0	0	0
Logistical support personnel, Permanent	9	1	4	44.4
Material-recording and transport clerks, Permanent	13	0	0	0
Messengers, porters and deliverers, Permanent	9	0	0	0
Motor vehicle drivers, Permanent	13	1	0	0
Other administrat & related clerks and organisers, Permanent	2	0	1	50
Other information technology personnel., Permanent	4	0	0	0
Other occupations, Permanent (Interns)	14	13	0	0
Secretaries & other keyboard operating clerks, Permanent	55	10	9	16.4
Secretaries & other keyboard operating clerks, Temporary	2	3	2	100
Senior managers, Temporary	0	2	2	0
Senior managers, Permanent	38	8	7	18.4
TOTAL	425	75	49	11.5

TABLE 4.3 - REASONS WHY STAFF ARE LEAVING THE DEPARTMENT

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	2	4.1	0.5	49	425
Resignation	7	14.3	1.6	49	425
Expiry of contract	9	18.4	2.1	49	425
Dismissal-misconduct, Permanent	3	6.1	0.7	49	425
Dismissal - Operational, Permanent	3	6.1	0.7	49	425
Transfer to other departments	19	38.8	4.5	49	425
Retirement, Permanent	6	12.2	1.4	49	425
TOTAL	49	100	11.5	49	425

EMPLOYMENT AND VACANCIES

TABLE 4.4 - PROMOTIONS BY CRITICAL OCCUPATION

Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	58	2	3.4	22	37.9
Advocates	1	0	0	0	0
Cleaners in offices workshops hospitals etc.	58	1	1.7	36	62.1
Client inform clerks(switchb recept inform clerks)	11	1	9.1	5	45.5
Communication and information related	9	1	11.1	4	44.4
Computer programmers	1	0	0	0	0
Economists	1	0	0	0	0
Finance and economics related	5	0	0	0	0
Financial and related professionals	6	1	16.7	8	133.3
Financial clerks and credit controllers	12	0	0	2	16.7
Food services aids and waiters	54	2	3.7	15	27.8
General legal administration & rel. professionals	1	0	0	0	0
Head of department/chief executive officer	2	0	0	0	0
Household food and laundry services related	5	0	0	6	120
Housekeepers laundry and related workers	3	0	0	24	800
Human resources & organisat developm & relate prof	4	2	50	5	125
Human resources clerks	6	0	0	2	33.3
Human resources related	12	0	0	0	0
Information technology related	6	4	66.7	5	83.3
Other Administrative Policy & related Officers	0	4	0	7	0
Legal related	1	3	300	3	300
Bookbinding and related machine Operators	0	0	0	3	0
Librarians and related professionals	0	0	0	1	0
Library mail and related clerks	10	2	20	8	80
Light vehicle drivers	9	0	0	0	0
Logistical support personnel	9	0	0	11	122.2
Material-recording and transport clerks	13	0	0	6	46.2
Messengers porters and deliverers	9	1	11.1	6	66.7
Motor vehicle drivers	4	9	225	12	300
Other administrat & related clerks and organisers	2	0	0	1	50
Other information technology personnel.	4	0	0	0	0
Other occupations	14	0	0	0	0
Secretaries & other keyboard operating clerks	57	5	8.8	30	52.6
Senior managers	38	3	7.9	9	23.7
TOTAL	425	41	9.6	231	54.4

TABLE 4.5 - PROMOTIONS BY SALARY BAND

Salary Band	Employment at Beginning of Period (April 2005)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2)	79	11	13.9	63	79.7
Skilled (Levels 3-5)	76	6	7.9	45	59.2
Highly skilled production (Levels 6-8)	128	9	7	70	54.7
Highly skilled production (Levels 9-12)	84	12	14.3	44	52.4
Senior Management (Levels 13-16)	58	3	5.2	9	15.5
TOTAL	425	41	9.6	231	54.4

EMPLOYMENT EQUITY

**TABLE 5.1 - TOTAL NUMBER OF EMPLOYEES (INCL. EMPLOYEES WITH DISABILITIES)
PER OCCUPATIONAL CATEGORY (SASCO)**

Occupational Categories	Male, African	Male, Col- oured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Col- oured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	13	3	5	21	7	18	1	2	21	1	50
Professionals, Permanent	50	8	0	58	1	61	8	6	75	11	145
Clerks, Permanent	13	2	0	15	1	59	8	5	72	3	91
Service and sales workers, Permanent	1	1	0	2	3	0	1	1	2	0	7
Plant and machine operators and assemblers, Permanent	13	2	0	15	0	4	1	0	5	0	20
Elementary occupations, Permanent	31	8	0	39	0	52	12	0	64	0	103
Other, Permanent	2	0	1	3	1	1	0	0	1	0	5
TOTAL	123	24	6	153	13	195	31	14	240	15	421
Employees with disabilities	3	1	1	5	0	1	0	0	1	0	6

TABLE 5.2 - TOTAL NUMBER OF EMPLOYEES (INCL. EMPLOYEES WITH DISABILITIES) PER OCCUPATIONAL BANDS

Occupational Bands	Male, African	Male, Col- oured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Col- oured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	3	1	3	7	2	3	0	0	3	0	12
Senior Management, Permanent	10	2	2	14	5	10	1	3	14	1	34
Professionally qualified and experienced specialists and mid-management, Permanent	27	3	0	30	4	33	5	3	41	8	83
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	21	5	0	26	1	67	10	8	85	3	115
Semi-skilled and discretionary decision making, Permanent	31	8	0	39	0	50	9	0	59	0	98
Unskilled and defined decision making, Permanent	19	3	0	22	0	14	2	0	16	0	38
Contract (Top Management), Permanent	3	0	1	4	1	2	0	0	2	0	7
Contract (Senior Management), Permanent	0	1	0	1	0	4	0	0	4	0	5
Contract (Professionally qualified), Permanent	2	0	0	2	0	2	1	0	3	1	6
Contract (Skilled Technical), Permanent	2	0	0	2	0	5	2	0	7	2	11
Contract (Semi skilled), Permanent	5	1	0	6	0	5	1	0	6	0	12
TOTAL	123	24	6	153	13	195	31	14	240	15	421

EMPLOYMENT EQUITY

TABLE 5.3 - RECRUITMENT

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	3	1	1	5	0	2	0	1	3	0	11
Professionally qualified and experienced specialists and mid-management, Permanent	3	0	0	3	0	12	0	1	13	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	4	1	0	5	0	6	0	0	6	0	10
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	0	4	1	0	5	0	1
Unskilled and defined decision making, Permanent	0	1	0	1	0	0	0	0	0	0	2
Contract (Senior Management), Permanent	1	0	0	1	0	1	0	0	1	0	2
Contract (Professionally qualified), Permanent	0	0	1	1	0	1	0	0	1	0	2
Contract (Skilled Technical), Permanent	2	0	0	2	0	6	0	0	6	1	5
Contract (Semi skilled), Permanent	3	1	0	4	0	4	0	0	4	0	8
Interns	6	0	0	6	0	7	0	0	7	0	0
TOTAL	22	4	2	28	0	43	1	2	46	1	75
Employees with disabilities	1	0	1	2	0	0	0	0	0	0	2

TABLE 5.4 - PROMOTIONS

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	1	0	0	1	0	2	0	0	2	0	3
Professionally qualified and experienced specialists and mid-management, Permanent	6	0	1	7	0	2	0	1	3	2	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	1	0	2	0	5	1	0	6	1	9
Semi-skilled and discretionary decision making, Permanent	3	0	0	3	0	1	0	1	2	0	2
Unskilled and defined decision making, Permanent	6	1	0	7	0	4	0	0	4	0	11
Contract (Skilled Technical), Permanent	0	0	0	0	0	1	0	0	1	0	1
TOTAL	17	2	1	20	0	15	1	2	18	3	41
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

EMPLOYMENT EQUITY

TABLE 5.5 - TERMINATIONS

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	2	0	0	2	0	5	0	0	5	0	0
Professionally qualified and experienced specialists and mid-management, Permanent	2	1	0	3	1	1	0	2	3	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	4	0	0	4	1	10	0	2	12	1	0
Semi-skilled and discretionary decision making, Permanent	2	0	0	2	0	1	0	1	2	0	4
Unskilled and defined decision making, Permanent	0	0	0	0	0	3	0	0	3	0	3
Contract (Senior Management), Permanent	1	0	1	2	0	0	0	0	0	0	2
Contract (Professionally qualified), Permanent	1	0	0	1	0	1	0	1	2	1	0
Contract (Skilled Technical), Permanent	0	0	0	0	0	2	1	0	3	0	3
Contract (Semi skilled), Permanent	0	0	0	0	0	0	0	0	0	1	1
TOTAL	12	1	1	14	2	23	1	6	30	3	49
Employees with disabilities	0	0	0	0	0	1	0	0	1	0	1

TABLE 5.6 - DISCIPLINARY ACTION

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
TOTAL	0	1	0	1	0	2	0	0	2	0	3

TABLE 5.7 - SKILLS DEVELOPMENT

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	3	0	0	3	0	4	0	0	4	0	7
Professionals & Technical	15	1	0	16	0	23	2	2	27	0	43
Clerks	10	2	1	13	0	20	3	1	24	0	37
Service and sales workers & Plant and machine operators & Elementary Occupations	4	1	0	5	0	8		0	8	0	13
TOTAL	32	4	1	37	0	55	5	3	63	0	100
Employees with disabilities	1	1	0	2	0	0	0	0	0	0	2

PERFORMANCE

TABLE 6.1 - PERFORMANCE REWARDS BY RACE, GENDER AND DISABILITY

	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	31	195	16	389	13
African, Male	20	123	16	359	18
Asian, Female	3	14	21	34	11
Asian, Male	2	6	33	52	26
Coloured, Female	4	31	13	24	6
Coloured, Male	2	24	8	34	17
Total Blacks, Female	36	240	15	442	12
Total Blacks, Male	24	153	16	445	19
White, Female	2	15	13	27	14
White, Male	10	13	77	301	30
Employees with a disability	0	0	0	0	0
TOTAL	134	421	18	1,220	16

TABLE 6.2 - PERFORMANCE REWARDS BY SALARY BAND FOR PERSONNEL BELOW SENIOR MANAGEMENT SERVICE

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	11	68	16.2	42	3,818
Skilled (Levels 3-5)	8	88	9.1	26	3,250
Highly skilled production (Levels 6-8)	28	129	21.7	296	10,571
Highly skilled supervision (Levels 9-12)	24	86	27.9	463	19,292
TOTAL	71	371	19.1	827	11,648

Note: The apparent discrepancy between the payment of beneficiaries (levels 1-12) shown in table 6.2 above and the note on Compensation of Employees on page 133 that “‘under-spending’ is due to non-payment of merit awards to junior staff...” is accounted for by the following:

- The assessment of staff for 2005-2006 was performed and paid after the closure of the financial year
- The assessment of staff for the year 2004-2005 was performed and paid in the 2004-2005 financial year.

PERFORMANCE

TABLE 6.3 - PERFORMANCE REWARDS BY CRITICAL OCCUPATION

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related, Permanent	22	45	49	229	10,409
Bookbinding and machine related operators, Permanent	0	3	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	3	46	7	10	3,333
Client inform clerks(switchb receipt inform clerks), Permanent	2	10	20	20	10,000
Communication and information related, Permanent	1	7	14	23	23,000
Computer programmers., Permanent	1	2	50	15	15,000
Financial and related professionals, Permanent	0	8	0	0	0
Financial clerks and credit controllers, Permanent	6	10	60	14	2,333
Food services aids and waiters, Permanent	0	15	0	0	0
Head of department/chief executive officer, Permanent	1	1	100	65	65,000
Household and laundry workers, Permanent	0	43	0	0	0
Household food and laundry services related, Permanent	2	15	13	31	15,500
Human resources clerks, Permanent	1	10	10	13	13,000
Human resources & organisat developm & relate prof, Permanent	0	13	0	0	0
Information technology related, Permanent	3	7	17.6	20	6,667
Legal Related, Permanent	1	3	43	13	13,000
Library mail and related clerks, Permanent	0	10	0	0	0
Logistical support personnel, Permanent	0	20	0	0	0
Material-recording and transport clerks, Permanent	1	9	11	3	3,000
Messengers porters and deliverers, Permanent	3	5	60	23	7,667
Motor vehicle drivers, Permanent	0	16	0	0	0
Other administrative and related clerks, Permanent	2	3	67	3	1,500
Other administrative policy and related officers, Permanent	0	14	0	0	0
Risk management and security services, Permanent	0	0	0	0	0
Secretaries & other keyboard operating clerks, Permanent	11	56	20	89	8,091
Senior managers, Permanent	10	50	20	258	25,800
TOTAL	70	421	17	829	11,843
SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Band A	4	22	18	141	35,250
Band B	6	13	46	134	22,333
Band C	4	12	33	32	8,000
Band D	1	3	33	65	65,000
TOTAL	15	50	30	372	24,800

FOREIGN WORKERS

TABLE 7.1 - FOREIGN WORKERS BY SALARY BAND

Salary Band	Employment at Beginning of Period	Percentage of Total	Employ- ment at End of Period	Percentage of Total	Change in Employ- ment	Percentage of Total	Total Em- ployment at Beginning of Period	Total Employment at End of Period	Total Change in Employ- ment
TOTAL	0	0	0	0	0	0	0	0	0

TABLE 7.2 - FOREIGN WORKERS BY MAJOR OCCUPATION

Major Oc- cupation	Employment at Beginning of Period	Percentage of Total	Employ- ment at End of Period	Percentage of Total	Change in Employ- ment	Percentage of Total	Total Em- ployment at Beginning of Period	Total Employment at End of Period	Total Change in Employ- ment
TOTAL	0	0	0	0	0	0	0	0	0

LEAVE

TABLE 8.1 - SICK LEAVE FOR JANUARY 2005 TO DECEMBER 2005

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave
Lower skilled (Levels 1-2)	433	82.2	57
Skilled (Levels 3-5)	357	79.6	55
Highly skilled production (Levels 6-8)	701	77.5	95
Highly skilled supervision (Levels 9-12)	409	60.6	69
Senior management (Levels 13-16)	9	77.8	4
TOTAL	1 909	75.3	280

TABLE 8.2 - DISABILITY LEAVE (TEMPORARY AND PERMANENT) FOR JANUARY 2005 TO DECEMBER 2005

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave
Lower skilled (Levels 1-2)	23	100	1
Skilled (Levels 3-5)	45	100	3
Highly skilled supervision (Levels 9-12)	27	100	2
TOTAL	95	100	6

TABLE 8.3 - ANNUAL LEAVE FOR JANUARY 2005 TO DECEMBER 2005

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave
Lower skilled (Levels 1-2)	1 978	28	70
Skilled (Levels 3-5)	1 829	22	83
Highly skilled production (Levels 6-8)	2 749	22	123
Highly skilled supervision (Levels 9-12)	2 805	23	123
Senior management (Levels 13-16)	203	16	13
TOTAL	9 564	23	412

TABLE 8.4 - CAPPED LEAVE FOR JANUARY 2005 TO DECEMBER 2005

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave
Lower skilled (Levels 1-2)	101	7	62
Skilled (Levels 3-5)	13	3	58
Highly skilled production (Levels 6-8)	42	3	27
Highly skilled supervision (Levels 9-12)	26	3	47
Senior management (Levels 13-16)	12	2	60
TOTAL	194	4	48

LEAVE & OCCUPATIONAL RISK

TABLE 8.5 - LEAVE PAYOUTS

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave [®]
Capped leave payouts on termination of service for 2005/6	125	12	8 333
Current leave payout on termination of service for 2005/6	68	14	4 857
TOTAL	193	29	13 190

TABLE 9.1 - STEPS TAKEN TO REDUCE THE RISK OF OCCUPATIONAL EXPOSURE

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
All employees of The Presidency	Educational awareness/distribution of condoms, nutrition awareness and policy implementation.

TABLE 9.2 - DETAILS OF HEALTH PROMOTION AND HIV AND AIDS PROGRAMMES

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Mr. Sydney Mashiloane, Director: HRM.
2. Does the department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		HIV and AIDS task team (7 members).
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	X		EAP which is responsible for the implementation of EAP, HIV programme, Nutrition awareness, and rendering counseling services to employees and their families.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		Julia Mphafudi, Rhoda Maponya, John Olivier, Aubrey Langa and Lebuwe Motaung.
5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		The Presidency is in the process of reviewing policies.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		The Presidency has a policy in place.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		The plan to begin the launch of VCT is to unfold in the beginning of July.
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	X		Through questionnaires, counseling reports and meetings.

LABOUR RELATIONS

TABLE 10.1 - COLLECTIVE AGREEMENTS

Subject Matter	Date
N/A	N/A
N/A	N/A

TABLE 10.2 - MISCONDUCT AND DISCIPLINE HEARINGS FINALISED

Outcomes of disciplinary hearings	Number	Percentage of Total	Total
TOTAL	3	100	3

TABLE 10.3 - TYPES OF MISCONDUCT ADDRESSED AND DISCIPLINARY HEARINGS

Type of misconduct	Number	Percentage of total
Disclosure of information	1	33.3
Abscondment	1	33.3
Fraud	1	33.3
TOTAL	3	100

TABLE 10.4 - GRIEVANCES LODGED

Number of grievances addressed	Number	Percentage of total
Resolved	2	28.6
Not resolved	5	71.4
TOTAL	7	100

TABLE 10.5 - DISPUTES LODGED

Number of disputes addressed	Number	Percentage of total
Upheld	1	50
Dismissed	1	50
TOTAL	2	100

TABLE 10.6 - STRIKE ACTIONS

Strike Actions	-
Total number of person working days lost	0
Total cost(R'000) of working days lost	0
TOTAL	0

TABLE 10.7 - PRECAUTIONARY SUSPENSIONS

Precautionary Suspensions	-
Number of people suspended	6
Number of people whose suspension exceeded 30 days	6
Average number of days suspended	110
Cost (R'000) of suspensions	386

TRAINING NEEDS IDENTIFIED

TABLE 11.1 - TRAINING NEEDS IDENTIFIED

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators and senior officials	Female	22	0	Finance & Budgets	0	22
	Male	28	0	Negotiation skills	0	28
			0	Project Management	0	0
			0	PSLDP	0	0
			0	Policy Development	0	0
			0	Computer skills	0	0
			0	Management skills	0	0
			0			
			0			
Professionals	Female	86	0	Supervisory & Mentoring	0	86
	Male	59	0	Protocol training	0	59
			0	Business Writing	0	0
			0	Project Management	0	0
			0	Computer skills	0	0
			0	Stress management	0	0
			0	Presentation skills	0	
Clerks	Female	75	6	Customer service	0	75
	Male	16	2	Computer skills	0	16
			0	Record management	0	0
			0	Interpersonal relations	0	0
			0	Trouble-shooting	0	0
			0	Secretarial training	0	0
			0	Protocol training	0	0
			0	Basic finance management	0	0
			0	Project management	0	0
			0	Administration training	0	0
			0			
Service and sales workers	Female	2	3	ABET	0	2
	Male	5	0	Hospitality training	0	5
			0	Protocol training	0	0
Plant and machine operators	Female	5	0	Frontline training	0	5
	Male	15	0	Basic computer training	0	15
			0	Customer Service	0	0
Elementary occupations	Female	65	0	ABET	0	65
	Male	43	0	Basic computer training	0	43
Gender sub totals	Female	255			0	255
	Male	166			0	166
Total		421	11	0	0	421

TRAINING NEEDS IDENTIFIED

TABLE 11.2 - TRAINING PROVIDED

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators	Female	18	0	EE Training	0	7
	Male	29	0	Performance Management Training	0	
			0	Job Evaluation Panel Training	0	
			0	Writing & Delivering Speeches	0	
			0	Financial Management Training	0	
			0	Recruitment & Selection Training	0	
			0	Governance Admin	0	
			0	Creative writing to the Media	0	
Professionals	Female	71	0	EE Training	0	43
	Male	50	0	Writing & Delivering Speeches	0	
			0	Creative writing to the Media	0	
			0	PMS	0	
			0	Job Evaluation Panel Training	0	
			0	Governance Admin	0	
			0	Disciplinary & Grievance Procedure	0	
			0	Certificate in Labour Relations	0	
			0	Financial Management Training	0	
			0	Recruitment & Selection Training	0	
			0	Skills Development Training	0	
			0	MS Access Level 1	0	
			0	Security + Exam	0	
			0	Supervisory	0	
			0	Health Cooking	0	

TRAINING NEEDS IDENTIFIED

Occupational Categories	Gender	Employment	Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Clerks	Female	86	6	EE training	0	37
	Male	27	2	IT security	0	
			0	Persal training	0	
			0	Performance Management	0	
			0	Supply Chain Management	0	
			0	ToT & frontline staff training	0	
			0	Disciplinary & Grievance	0	
			0	Helpdesk	0	
			0	Secretarial seminar	0	
			0	Security +	0	
			0	Government Accounting	0	
			0	MS PowerPoint	0	
			0	MS Word level 2+3	0	
			0	MS Access	0	
			0	MS Excel	0	
			0	MS Project XP	0	
			0	Office Administration	0	
			0	Information & Records Management	0	
			0	Supply Chain Management Training	0	
			0	Professional Office Administration	0	
			0	EE Training	0	
Service and sales workers	Female	3	3	ABET	0	
	Male	7	0	Performance Management	0	3
Plant and machine operators and assemblers, Permanent	Female	0	0	ABET	0	
	Male	13	0	Computer training	0	
			0	Information & Records Management	0	
				Change Management	0	
				Performance Management	0	2
Elementary occupations	Female	78	0	ABET	0	
	Male	43	0	Change Management	0	
				Computer Training	0	
				Performance Management	0	8
Gender sub totals	Female	256				
	Male	169		0		
Total		425	11	0	0	100

INJURIES

TABLE 12.1 - INJURY ON DUTY

Nature of injury on duty	Number	% of total
Required basic medical attention only	4	80
Temporary Total Disablement	1	20
Permanent Disablement	0	0
Fatal	0	0
Total	5	100

Injuries on duty are not concentrated on specific salary levels and occur across the board.

Injuries include: -

Wrist injury

Left ankle injury

Laceration on finger

Spider bite

The spider bite injury occurred outside of the office and it will be more practical to ensure that precautionary measures are in place to prevent any future incidents.

Building maintenance should ensure that any potential harmful areas are identified and rectified, such as sharp points, slippery floors etc.

CONSULTANTS

TABLE 13.1 - REPORT ON CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Internal Audit Services	10	42	887 188
Change Management	1	48	315 706
Learnership Implementation	2	4	170 000
Analysis of remuneration practices of Public Office Bearers	4	260	984 000

TABLE 13.2 - ANALYSIS OF CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS, I.T.O. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Internal Audit Services	30%	1%	9
Change Management	None	None	None
Learnership Implementation	100%	100%	2
Analysis of remuneration practices of Public Office Bearers	None	None	None

TABLE 13.3 - REPORT ON CONSULTANT APPOINTMENTS USING DONOR FUNDS

Project Title	Total number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
NONE	None	N/A	N/A
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
NONE	None	N/A	N/A

TABLE 13.4 - ANALYSIS OF CONSULTANT APPOINTMENTS USING DONOR FUNDS, I.T.O. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
NONE	N/A	N/A	

AUDIT COMMITTEE



SECTION D

ANNUAL FINANCIAL STATEMENTS

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REPORT OF THE ACCOUNTING OFFICER

FOR THE YEAR ENDED 31 MARCH 2006

Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa.

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

The budget allocation for the 2005/06 financial year was R 218 456 000 which includes R 1 993 000 for the salaries of the President and Deputy President. The Presidency showed a significant saving on the budget allocation for the 2005/06 financial year which is made up primarily of compensation to employees.

An amount of R13,4 million was allocated to The Presidency for payment to the State Information Technology Agency (SITA) for a monthly service fee for CabEnet on behalf of all National Government Departments. The pilot phase was completed satisfactorily and approved during December 2005. A total amount of R3,3 million has been spent on the CabEnet project thus far. The rollout to the rest of the departments is still pending.

With the approval of the National Treasury, The Presidency had utilised R 3 million to be transferred to the Africa Institute of South Africa that was tasked to facilitate a pre summit conference for the Progressive Governance Summit that was hosted by the President. An additional amount was utilised to procure additional computer hardware to provide for the upgrading of the systems to provide for the expansion of new staff.

2. SERVICES RENDERED BY THE DEPARTMENT

2.1 No services are directly rendered to the public. The aim of The Presidency is to enable the President and the Deputy President to fulfil their constitutional and other functions.

3. CAPACITY CONSTRAINTS

The work of The Presidency requires highly specialised officials to support the principals as well as engage in executive management of Government and co-ordination of its units. As a result the filling of the relevant posts is more challenging and takes more time than filling ordinary posts. The Presidency has, however, been able to fill some of the critical vacancies in the Policy Coordination Unit.

4. UTILISATION OF DONOR FUNDS

4.1 Policy Co-ordination and Advisory Services (PCAS)

Economic Sector Chief Directorate

The Economic Sector CD had received direct donor support in one area last year that was used for a series of papers on employment/unemployment statistics obtained from the Human Sciences Research Council.

Planning Chief Directorate

In the past financial year the Planning Chief Directorate within the PCAS continued to receive support from the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) as part of a cooperation agreement between the German and South African Governments. This support was used to update the national Spatial Development Perspective (NSDP) and to develop guidelines to ensure alignment between the NSDP and Provincial Growth and Development Strategies. GTZ entered into contracts with the preferred service provider and paid the service provider directly.

4.2 Office on the Status of Disabled Persons (OSDP)

The OSDP received three grants during the fiscal period. These grants were from:

Swedish International Development Cooperation Agency (SIDA), for the implementation of the Integrated Disability Strategy training of departments, provinces and local municipality councillors; Government of Flanders (Flemish) was for the Awareness Raising Campaign that included an Integrated Dance Theatre, Visual Arts and Crafts, Anthology of Writing and Public Service Announcements; and Royal Danish Embassy was for the Economic Empowerment Project and the Transformation of Sheltered and Protective workshops.

4.3 Office on the Rights of the Child (ORC)

The ORC received sponsorships from the following organisations in support of the National Children's Day Celebration held in KZN:

Eskom who sponsored the Children's Rights & Responsibilities Competition; SABC who sponsored approximately 5000 children with school bags and stationary at the National Children's Day; and

Transnet who sponsored the National Symbols booklet for distribution at the National Children's Day.

5. PUBLIC ENTITIES

The National Youth Commission receives transfer payments from The Presidency to conduct its affairs.

During the 2005/06 financial year funds were made available to be transferred to the IsiGodlo Trust to support programmes that are championed by the First Lady. The overwhelming response to one of these programmes, the South African Women In Dialogue, has justified the transfer.

Further transfers were made towards the South African Chapter on the African Renaissance and the African Institute of South Africa with regard to the Progressive Governance Summit.

6. CORPORATE GOVERNANCE ARRANGEMENTS

The Presidency has a fully functional Internal Audit Unit as well as an Audit Committee. During the financial year The Presidency has reviewed and updated its Fraud Prevention Plan to ensure alignment with the Risk Assessment that was done. The Presidency has a management process in place to prevent any form of conflict of interest with the creation of departmental committees to oversee all purchases. The overall effectiveness of the corporate governance arrangement within The Presidency can be classified as acceptable.

7. NEW / PROPOSED ACTIVITIES

None

8. EVENTS AFTER THE REPORTING DATE

None

9. PROGRESS WITH FINANCIAL MANAGEMENT IMPROVEMENTS

Most policies regarding the use of State assets and the defraying of expenditure from State funds are in place. Policies are developed, and revised as and when necessary, by means of a consultative process. This is a time-consuming process which is the biggest constraint in the finalising/updating of policies.

10. PERFORMANCE INFORMATION

Currently the performance is monitored by monthly Top Management Meetings with the Accounting Officer to assess the performance of The Presidency against predetermined objectives.

11. INVENTORY

The main inventories on hand at year-end were as follows:

Stationery	R 1, 371 033
Cleaning Materials	R 103 330
TOTAL	R 1,474 363

Inventory is valued using the weighted average method.

12. APPROVAL

The annual financial statements set out on pages 122 to 151 to have been approved by the Accounting Officer.



T Fowler

Accounting Officer

31 May 2006

AUDIT COMMITTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2006

We are pleased to present our report for the financial year ended 31 March 2006.

Audit Committee Members and Attendance:

The audit committee consists of the members listed hereunder and meets 4 times per annum as per its approved terms of reference. During the current year 6 meetings were held.

Name of Member	Number of Meetings Attended
Z Manase (Chairperson)	6
P Moabi	4
E Seedat	4
L Mazwai	3
N Mlamla	5

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38 (1)(a)(ii) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

The system of internal controls in The Presidency has been significantly improved during the financial year. This is evident in the various reports of internal auditors, the audit report and the management letter of the Auditor-General. There are, however minor weaknesses that require improvement. These have been brought to management's attention. Internal audit and the Audit Committee will continue to monitor these areas on a regular basis.

Evaluation of Financial Statements

The Audit Committee has

- Reviewed and discussed with the Auditor-General and the Accounting Officer the audited annual financial statements to be included in the annual report;

- Reviewed the Auditor-General's management letter and management responses;
- Reviewed changes in the accounting policies and practices;
- Reviewed the in-year management reports and made recommendations to improvements thereto.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



Chairperson of the Audit Committee

25 July 2006

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 122 to 151, for the year ended 31 March 2006, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996, read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). The fixed asset opening balances have not been audited because of the timing of guidance from National Treasury to the departments relating to the treatment, valuation and disclosure of fixed assets. These financial statements are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. SCOPE

The audit was conducted in accordance with the International Standards on Auditing read with General Notice 544 of 2006, issued in Government Gazette no. 28723 of 10 April 2006 and General Notice 808 of 2006, issued in Government Gazette no. 28954 of 23 June 2006. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements
- assessing the accounting principles used and significant estimates made by management
- evaluating the overall financial statement presentation.

I believe that the audit provides a reasonable basis for my opinion.

3. BASIS OF ACCOUNTING

The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as described in note 1.1 of the Statement of Accounting Policies to the financial statements.

4. AUDIT OPINION

In my opinion, the financial statements present fairly, in all material respects, the financial position of The Presidency at 31 March 2006 and the results of its operations and its cash flows for the year then ended, in

accordance with the modified cash basis of accounting determined by the National Treasury of South Africa, as described in note 1.1 of the Statement of Accounting Policies to the financial statements, and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999).

5. MATTER REPORTED IN THE PUBLIC INTEREST

Without qualifying the audit opinion, attention is drawn to the following matter of public interest:

5.1 Review of international trip undertaken by the Deputy President to the United Arab Emirates (UAE)

I have reviewed the processes followed in approving the trip undertaken by the Deputy President to the UAE during December 2005. The following were my observations:

- The approved practice does allow for the President and Deputy President (the principals) to be transported using military transport as was the case with this particular trip.
- The decision about the manner of travel of senior government officials is taken by security officials.
- The Principal is allowed to nominate passengers to accompany him/her on the trip.
- The normal approval process was adhered to in line with the approved practice, however there were administrative procedures that require improvement, some of which are the responsibility of other departments and these have been brought to the attention of the respective departments in my management letters where appropriate for the year under review.

6. APPRECIATION

The assistance rendered by the staff of The Presidency during the audit is sincerely appreciated.

Shaheer Fakis

Auditor-General

Pretoria

31 July 2006



AUDITOR-GENERAL

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2006

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2005.

1. PRESENTATION OF THE FINANCIAL STATEMENTS

1.1 Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid or when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements. A comparison between actual and budgeted amounts per major classification of expenditure is included in the appropriation statement.

2. REVENUE

2.1 Appropriated funds

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjust-

ments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National Revenue Fund, unless approval has been given by the National Treasury to roll over the funds to the subsequent financial year. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the National Revenue Fund when received, unless otherwise stated. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and/or regulations (excluding fines, penalties & forfeits). Tax receipts are recognised in the statement of financial performance when received.

2.2.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

2.2.3 Fines, penalties & forfeits

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land are recognised in the statement of financial performance when the cash is received.

2.2.5 Sale of capital assets

The proceeds received on sale of capital assets are recog-



nised in the statement of financial performance when the cash is received.

2.2.6 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

2.2.7 Gifts, donations and sponsorships

All cash gifts, donations and sponsorships are paid into the National Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the financial statements.

2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised in the financial records when the department directly receives the cash from the donor(s). The total cash amount received during the year is reflected in the statement of financial performance as revenue.

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance. A receivable is recognised in the statement of financial position to the value of the amounts expensed prior to the receipt of the funds.

A payable is raised in the statement of financial position where amounts have been inappropriately expensed using

local and foreign aid assistance. Unutilised amounts are recognised in the statement of financial position.

3. EXPENDITURE

3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Social contributions include the entities' contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system.

3.1.1 Short-term employee benefits

Short term employee benefits comprise of leave entitlements (capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the notes to the financial statements. These amounts are not recognised in the statement of financial performance.

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.1.2.2 Post employment retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for Government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2006

made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used on a capital project.

3.3 Interest

Interest is recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write-off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance. Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without

funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.7 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

3.8 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

4. ASSETS

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party. Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.



4.4 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance. Any impairment is disclosed as part of the disclosure notes to the financial statements.

4.5 Loans

Loans are recognised in the statement of financial position at the nominal amount. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.6 Asset Registers

Assets are recorded in an asset register, at cost, on receipt of the item. Cost of an asset is defined as the total cost of acquisition. Assets procured in previous financial periods, may be stated at fair value, where determinable, or R1, in instances where the original cost of acquisition or fair value cannot be established. No revaluation or impairment of assets is currently recognised in the asset register. Projects (of construction/development) running over more than one financial year relating to assets, are only brought into the asset register on completion of the project and at the total cost incurred over the duration of the project.

Annexures 3 and 4 of the disclosure notes, reflect the total movement in the asset register of assets with a cost equal to and exceeding R5000 (therefore capital assets only) for the current financial year. The movement is reflected at the cost as recorded in the asset register and not the carrying value, as depreciation is not recognized in the financial statements under the modified cash basis of accounting. The opening balance reflected on Annexure 3 and 4 will include items procured in prior accounting periods and the closing balance will represent the total cost of the register for capital assets on hand.

5. LIABILITIES

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the statement of financial position.

5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These com-

mitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes. Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures to the financial statements.

5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system. Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.4 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure notes.

5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date. Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

6. NET ASSETS

6.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but



STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2006

which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the National Revenue Fund on disposal, repayment or recovery of such amounts.

6.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made and recognised in a previous financial year becomes recoverable from a debtor.

7. RELATED PARTY TRANSACTIONS

Related parties are departments that control or significantly influence other entities in making financial and operating decisions. Specific information with regard to related party transactions is included in the disclosure notes.

8. KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2006

APPROPRIATION PER PROGRAMME									
	2005/06							2004/05	
	Ad-justed Appropriation	Shifting of Funds	Vire-ment	Final Appropriation	Actual Expendi-ture	Vari-ance	Expen-diture as % of final ap-propria-tion	Final App-ro-pria-tion	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	91 940	-	(1 931)	90 009	81 660	8 349	90.7%	83 670	79 073
Transfers and subsidies	583	-	317	900	900	-	100%	495	495
Payment for capital assets	3 545	-	1 614	5 159	5 159	-	100%	3 624	3 624
2. Support Services to the President and Deputy President									
Current payment	35 883	-	(1 979)	33 904	31 616	2 288	93%	30 936	29 215
Transfers and subsidies	7 186	-	1 281	8 467	8 467	-	100%	1 133	1 092
Payment for capital assets	100	-	698	798	798	-	100%	975	975
3. Communications									
Current payment	13 338	-	-	13 338	10 963	2 375	82%	9 999	9 963
Transfers and subsidies	25	-	-	25	21	4	84%	21	21
Payment for capital assets	50	-	-	50	-	50	0%	24	24
4. Cabinet Office									
Current payment	18 793	-	(2)	18 791	10 588	8 203	56%	7 223	6 659
Transfers and subsidies	13	-	2	15	15	-	100%	14	14
Payment for capital assets	10	-	-	10	-	10	0%	109	109
5. Policy Co-ordination									
Current payment	26 927	-	(137)	26 790	25 005	1 785	93%	22 177	20 978
Transfers and subsidies	37	-	13	50	50	-	100%	51	51
Payment for capital assets	50	-	124	174	174	-	100%	44	44
6. National Youth Commission									
Transfers and subsidies	17 983	-	-	17 983	17 983	-	100%	15 357	15 357
Subtotal	216 463	0	0	216 463	193 399	23 064	89%	175 852	167 694
Statutory Appropriation									
Current payments	1 993	-	-	1 993	2 012	(19)	101%	1 940	2 001
Total	218 456	0	0	218 456	195 411	23 045	89%	177,792	169,695
Reconciliation with Statement of Financial Performance									
Add:									
Prior year unauthorised expenditure approved with funding				-				-	
Departmental receipts				126				509	
Local and foreign aid assistance				2 139				792	
Actual amounts per Statement of Financial Performance (Total Revenue)				220 721				179 093	
Add:									
Local and foreign aid assistance					750				2 817
Prior year unauthorised expenditure approved					-				-
Prior year fruitless and wasteful expenditure authorised					-				-
Actual amounts per Statement of Financial Performance Expenditure					196 161				172 512

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2006

APPROPRIATION PER ECONOMIC CLASSIFICATION									
	2005/06							2004/05	
	Ad-justed Appropriation	Shifting of Funds	Vire-ment	Final Appropriation	Actual Expendi-ture	Vari-ance	Expen-diture as % of final appropriation	Final Appropriation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	105 073	-	(1 737)	103 336	87 686	15 650	85%	88 557	81 914
Goods and services	81 808	-	(2 673)	79 135	71 785	7 350	91%	65 146	63 672
Financial transactions in assets and liabilities	-	-	361	361	361	-	100%	302	302
Transfers & subsidies									
Provinces & municipalities	239	-	60	299	295	4	99%	307	266
Departmental agencies & accounts	24 983	-	1 200	26 183	26 183	-	100%	16 357	16 357
Public corporations & private enterprises	92	-	108	200	200	-	100%	7	7
Households	513	-	245	758	758	-	100%	400	400
Payment for capital assets									
Machinery & equipment	3 637	-	2 298	5 935	5 875	60	99%	3 879	3 879
Software & other intangible assets	118	-	138	256	256	-	100%	897	897
Total	216 463	0	0	216 463	193 399	23 064	89%	175 852	167 694

STATUTORY APPROPRIATION									
Direct charge against National Revenue Fund	2005/06							2004/05	
	Ad-justed Appropriation	Shifting of Funds	Vire-ment	Final Appropriation	Actual Expendi-ture	Vari-ance	Expen-diture as % of final appropriation	Final Appropriation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
President and Deputy President salaries	1 993	-	-	1 993	2 012	(19)	101%	1 940	2 001
Total	1 993	0	0	1 993	2 012	(19)	101%	1 940	2 001

STATUTORY APPROPRIATION PER ECONOMIC CLASSIFICATION									
Direct charge against National Revenue Fund	2005/06							2004/05	
	Ad-justed Appropriation	Shifting of Funds	Vire-ment	Final Appropriation	Actual Expendi-ture	Vari-ance	Expen-diture as % of final appropriation	Final Appropriation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	1 993	-	-	1 993	2 012	(19)	101%	1 940	2 001
Total	1 993	0	0	1 993	2 012	(19)	101%	1 940	2 001



DETAIL PER PROGRAMME 1 - ADMINISTRATION									
Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Minister									
Current payment	834	-	7	841	841	-	100%	791	791
1.2 Management									
Current payment	29 006	-	(48)	28 958	23 544	5 414	81%	24 887	23 511
Transfers and subsidies	36	-	18	54	54	-	100%	28	28
Payment for capital assets	51	-	(51)	-	-	-	0%	83	83
1.3 Corporate services									
Current payment	62 100	-	(1 890)	60 210	57 275	2 935	95%	57 992	54 771
Transfers and subsidies	547	-	299	846	846	-	100%	467	467
Payment for capital assets	3 494	-	1 665	5 159	5 159	-	100%	3 541	3 541
Total	96 068	0	0	96 068	87 719	8 349	91.3%	87 789	83 192
Economic classification									
Current payments									
Compensation of employees	53 130	-	(369)	52 761	44 412	8 349	84%	46 953	42 357
Goods and services	38 810	-	(1 747)	37 063	37 063	-	100%	36 606	36 605
Financial transactions in assets and liabilities		-	185	185	185	-	100%	111	111
Transfers & Subsidies									
Provinces & municipalities	103		46	149	149	-	100%	135	135
Public corporations & private enterprises	92		39	131	131	-	100%	7	7
Households	388		232	620	620	-	100%	353	353
Payments for capital assets									
Machinery & equipment	3 427		1 517	4 944	4 944	-	100%	2 727	2 727
Software & other intangible assets	118		97	215	215	0	100%	897	897
Total	96 068	0	0	96 068	87 719	8 349	91.3%	87 789	83 192

DETAIL PER PROGRAMME 2 - SUPPORT SERVICES TO THE PRESIDENT AND DEPUTY PRESIDENT									
Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 President's Office									
Current payment	24 267	-	(1 979)	22 288	21 743	545	98%	19 277	18 500
Transfers and subsidies	7 162	-	1 285	8 447	8 447	-	100%	1 096	1 055
Payment for capital assets	50	-	701	751	751	-	100%	912	912
2.2 Deputy President's Office									
Current payment	11 616	-		11 616	9 873	1 743	85%	11 659	10 715
Transfers and subsidies	24	-	(4)	20	20	-	100%	37	37
Payment for capital assets	50	-	(3)	47	47	-	100%	63	63
Total	43 169	0	0	43 169	40 881	2 288	95%	33 044	31 282

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2006

Economic classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees	19 910	-	(655)	19 255	16 967	2 288	88%	16 904	16 313
Goods and services	15 973	-	(1 358)	14 615	14 615	-	100%	13 957	12 827
Financial transactions in assets and liabilities	-	-	34	34	34	-	100%	75	75
Transfers & subsidies									
Provinces & municipalities	66	-	(1)	65	65	-	100%	101	60
Dept agencies & accounts	7 000	-	1 200	8 200	8 200	-	100%	1 000	1 000
Public corporations & private enterprises	-	-	69	69	69	-	100%	-	-
Households	120	-	13	133	133	-	100%	32	32
Capital									
Machinery & equipment	100	-	698	798	798	-	100%	975	975
Total	43 169	0	0	43 169	40 881	2 288	95%	33 044	31 282

DETAIL PER PROGRAMME 3 - COMMUNICATIONS

Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Public Participation/Relations									
Current payment	1 112	-	190	1 302	1 302	-	100%	-	-
Transfers and subsidies	2	-	(2)	-	-	-	0%	-	-
3.2 Research and Speech Writing									
Current payment	7 203	-	(2 191)	5 012	2 637	2 375	53%	-	-
Transfers and subsidies	20	-	(17)	3	3	-	100%	-	-
Payment for capital assets	50	-	-	50	-	50	0%	-	-
3.3 Media, stakeholder and general communication									
Current payment	5 023	-	2 001	7 024	7 024	-	100%	9 999	9 963
Transfers and subsidies	3	-	19	22	18	4	82%	21	21
Payment for capital assets	-	-	-	-	-	-	0%	24	24
Total	13 413	0	0	13 413	10 984	2 429	82%	10 044	10 008
Economic classification									
Current									
Compensation of employees	9 877	-	(693)	9 184	6 809	2 375	74%	7 565	6 940
Goods and services	3 461	-	660	4 121	4 121	0	100%	2 434	3 023
Financial transactions in assets and liabilities	-	-	33	33	33	0	100%	-	-
Transfers & subsidies									
Provinces & municipalities	25	-	-	25	21	4	84%	21	21
Capital									
Machinery & equipment	50	-	-	50	-	50	0%	24	24
Total	13 413	0	0	13 413	10 984	2 429	82%	10 044	10 008

DETAIL PER PROGRAMME 4 - CABINET OFFICE									
Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Cabinet Office									
Current payment	18 793	-	(2)	18 791	10 588	8 203	56%	7 223	6 659
Transfers and subsidies	13	-	2	15	15	-	100%	14	14
Payment for capital assets	10	-	-	10	-	10	0%	109	109
Total	18 816	0	0	18 816	10 603	8 213	56%	7 346	6 782
Economic classification									
Current									
Compensation of employees	5 857	-	-	5 857	5 004	853	85%	4 641	4 641
Goods and services	12 936	-	(2)	12 934	5 584	7 350	43%	2 576	2 012
Financial transactions in assets and liabilities	-	-	-	0	-	0	-	6	6
Transfers & subsidies									
Provinces & municipalities	13	-	2	15	15	0	100%	14	14
Capital									
Machinery & equipment	10	-	-	10	-	10	0%	109	109
Total	18 816	0	0	18 816	10 603	8 213	56%	7 346	6 782

DETAIL PER PROGRAMME 5 - POLICY CO-ORDINATION									
Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Policy Co-ordination									
Current payment	15 015	-	(129)	14 886	13 906	980	93%	10 948	9 846
Transfers and subsidies	32	-		32	32	-	100%	39	39
Payment for capital assets	50	-	110	160	160	-	100%	44	44
5.2 Office on the Status of Women									
Current payment	3 588	-	(230)	3 358	3 357	1	100%	4 954	4 954
Transfers and subsidies	-	-	4	4	4	-	100%	3	3
Payment for capital assets	-	-	14	14	14	-	100%	-	-
5.3 Office on the Status of Disabled Persons									
Current payment	4 800	-	(529)	4 271	3 467	804	81%	3 566	3 469
Transfers and subsidies	5	-	3	8	8	-	100%	4	4
5.4 Office on the Rights of the Child									
Current payment	3 524	-	751	4 275	4 275	-	100%	2 709	2 709
Transfers and subsidies	-	-	6	6	6	-	100%	5	5
Total	27 014	0	0	27 014	25 229	1 785	93%	22 272	21 073

APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2006

Economic classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees	16 299	-	(20)	16 279	14 494	1 785	89%	12 494	11 663
Goods and services	10 628	-	(226)	10 402	10 402	-	100%	9 573	9 205
Financial transactions in assets and liabilities	-	-	109	109	109	-	100%	110	110
Transfers & subsidies									
Provinces & municipalities	32	-	13	45	45	-	100%	36	36
Households	5	-	-	5	5	-	100%	15	15
Capital									
Machinery & equipment	50	-	83	133	133	-	100%	44	44
Software & other intangible assets	-	-	41	41	41	-	100%	-	-
Total	27 014	0	0	27 014	25 229	1 785	93%	22 272	21 073

DETAIL PER PROGRAMME 6 - NATIONAL YOUTH COMMISSION

Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 National Youth Commission									
Transfers and subsidies	17 983	-	-	17 983	17 983	-	100%	15 357	15 357
Total	17 983	0	0	17 983	17 983	0	100%	15 357	15 357
Economic classification									
Current									
Dept agencies & accounts	17 983	-	-	17 983	17 983	-	100%	15 357	15 357
Total	17 983	0	0	17 983	17 983	0	100%	15 357	15 357

NOTES TO THE APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2006

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in note 8 (Transfers and subsidies) and Annexure 1 (A-D to the Annual Financial Statements).

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 7 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement): (R'000)

Per Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
Programme 1	96 068	87 719	8 349	8,7%
Programme 2	43 169	40 881	2 288	5,3%
Programme 3	13 413	10 984	2 429	18,1%
Programme 4	18 816	10 603	8 213	43,6%
Programme 5	27 014	25 229	1 785	6,6%

Programme 1: The under-spending is due to non-payment of merit awards below level 13, and due to a number of posts not filled as suitable candidates couldn't be found by means of the normal recruitment process.

Programme 2: The under-spending is due to senior posts becoming vacant with the departure of the former Deputy President.

Programme 3: The structure of Communications has been finalised recently and the posts are in the process of being filled.

Programme 4: The under-spending is due to CabEnet-project not being operational according to schedule.

Programme 5: The under-spending is due to a small number of senior posts being vacant for a portion of the year.

Per Economic Classification	2005/06	2004/05
Current Payment:	R'000	R'000
Compensation of employees	15 650	6 643
Goods and services	7 350	1 474

Compensation of employees: The under-spending is due to the non-payment of merit awards to junior staff members, and the large number of senior posts throughout The Presidency staying vacant.

Goods and services: The under-spending is only due to the CabEnet-project not becoming operational according to schedule. The Presidency should have paid the operational expenditure towards this system, had it been in use in the 2005/06 financial year.

STATEMENT OF FINANCIAL PERFORMANCE

AS AT 31 MARCH 2005

	<i>Note</i>	2005/06 R'000	2004/05 R'000
REVENUE			
Annual appropriation	<i>1</i>	216 463	175 852
Statutory appropriation	<i>2</i>	1 993	1 940
Departmental revenue	<i>3</i>	126	509
Local and foreign aid assistance	<i>4</i>	2 139	792
TOTAL REVENUE		220 721	179 093
EXPENDITURE			
Current expenditure			
Compensation of employees	<i>5</i>	89 698	83 915
Goods and services	<i>6</i>	71 785	63 672
Financial transactions in assets and liabilities	<i>7</i>	361	302
Local and foreign aid assistance	<i>4</i>	750	2 817
Total current expenditure		162 594	150 706
Transfers and subsidies	<i>8</i>	27 436	17 030
Expenditure for capital assets			
Machinery and equipment	<i>9</i>	5 875	3 879
Software and other intangible assets	<i>9</i>	256	897
Total expenditure for capital assets		6 131	4 776
TOTAL EXPENDITURE		196 161	172 512
SURPLUS FOR THE YEAR		24 560	6 581
Reconciliation of Surplus for the year			
Voted Funds	<i>14</i>	23 045	8 097
Departmental Revenue	<i>15</i>	126	509
Local and foreign aid assistance	<i>4</i>	1 389	(2 025)
SURPLUS FOR THE YEAR		24 560	6 581

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2005

	<i>Note</i>	2005/06 R'000	2004/05 R'000
ASSETS			
Current assets		11 248	10 405
Unauthorised expenditure	<i>10</i>	6 118	6 118
Cash and cash equivalents	<i>11</i>	50	2 183
Prepayments and advances	<i>12</i>	680	533
Receivables	<i>13</i>	4 400	1 571
TOTAL ASSETS		11 248	10 405
LIABILITIES			
Current liabilities		11 248	10 405
Voted funds to be surrendered to the Revenue Fund	<i>14</i>	(7 170)	8 095
Departmental revenue to be surrendered to the Revenue Fund	<i>15</i>	16	(405)
Bank overdraft	<i>16</i>	6 163	-
Payables	<i>17</i>	8 740	605
Local and foreign aid assistance unutilised	<i>4</i>	3 499	2 110
TOTAL LIABILITIES		11 248	10 405

CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2006

	<i>Note</i>	2005/06 R'000	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		190 507	179 093
Annual appropriated funds received	1.1	186 249	175 852
Statutory appropriated funds received		1 993	1 940
Departmental revenue received		126	509
Local and foreign aid assistance received	4	2 139	792
Net decrease in working capital		5 159	503
Surrendered to Revenue Fund		(7 801)	(4 865)
Current payments		(162 594)	(150 706)
Transfers and subsidies paid		(27 436)	(17 030)
Net cash flow available from operating activities	18	(2 165)	6 995
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(6 131)	(4 776)
Net cash flows from investing activities		(6 131)	(4 776)
Net (decrease)/increase in cash and cash equivalents		(8 296)	2 219
Cash and cash equivalents at the beginning of the period		2 183	(36)
Cash and cash equivalents at end of period	19	(6 113)	2 183

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

1. Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted funds):

	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation received 2004/05 R'000
Administration	96 068	81 742	14 326	87 789
Support Services to the President and Deputy President	43 169	35 380	7 789	33 044
Communications	13 413	11 453	1 960	10 044
Cabinet Office	18 816	16 626	2 190	7 346
Policy Co-Ordination	27 014	23 065	3 949	22 272
National Youth Commission	17 983	17 983	-	15 357
Total	216 463	186 249	30 214	175 852

The projections at the beginning of March 2006 indicated that the balance of funds already requested should be sufficient to cover the expenditure for March. No request for roll-over funds will be made.

2. Statutory Appropriation

	Notes	2005/06 R'000	2004/05 R'000
President and Deputy President's salaries		1 993	1 940
		1 993	1 940

3. Departmental revenue to be surrendered to revenue fund

Description	Notes	2005/06 R'000	2004/05 R'000
Sales of goods and services other than capital assets	3.1	69	67
Interest, dividends and rent on land	3.2	3	5
Financial transactions in assets and liabilities	3.3	54	437
Departmental revenue collected		126	509

3.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department

Other sales	69	67
Total	69	67

3.2 Interest, dividends and rent on land

Interest	3	5
Total	3	5

3.3 Financial transactions in assets and liabilities

Nature of loss recovered

Other Receipts	54	437
Total	54	437

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

4. Local and foreign aid assistance

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
Foreign			
Opening Balance		2 110	4 135
Revenue		2 139	792
Current Expenditure		(750)	(2 817)
Closing Balance		3 499	2 110
Analysis of balance			
Local and foreign aid unutilised		3 499	2 110
Closing balance		3 499	2 110

5. Compensation of employees

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
5.1 Salaries and Wages			
Basic salary		56 303	51 327
Performance award		912	2 387
Service Based		176	77
Compensative/circumstantial		7 423	7 022
Periodic payments		12	4
Other non-pensionable allowances		15 590	13 488
		80 416	74 305
5.2 Social contributions			
5.2.1 Employer contributions			
Pension		6 218	6 639
Medical		3 051	2 959
Bargaining council		13	12
		9 282	9 610
Total compensation of employees		89 698	83 915
Average number of employees		442	425

6. Goods and services

	<i>Notes</i>	2005/06	2004/05
		R'000	R'000
Advertising		741	4 038
Bank charges and card fees		121	114
Bursaries (employees)		801	868
Communication		7 642	7 401
Computer services		6 375	2 996
Consultants, contractors and special services		6 169	4 327
Courier and delivery services		70	125
Entertainment		1 983	3 418
External audit fees	6.1	782	543
Equipment less than R5000		2 181	1 739
Freight service		186	116
Honoraria (Voluntarily workers)		28	14
Inventory	6.2	4 435	2 619
Legal fees		1 895	94
Maintenance, repairs and running costs		1 473	1 216
Finance leases		2 161	1 631
Mint of decorations/medals		2 153	3 524
Plant flowers and other decorations		809	719
Printing and publications		55	398
Professional bodies and membership fees		12	5
Resettlement costs		309	378
Subscriptions		996	965
Translations and transcriptions		52	342
Transport provided as part of the departmental activities		15	5
Travel and subsistence	6.3	27 047	20 994
Venues and facilities		3 006	4 551
Protective, special clothing & uniforms		306	532
		71 785	63 672
6.1 External audit fees			
Regularity audits		775	529
Other audits		7	14
Total external audit fees		782	543
6.2 Inventory			
Domestic consumables		677	424
Food and Food supplies		742	447
Other consumables		15	25
Stationery and printing		3 001	1 723
		4 435	2 619
6.3 Travel and subsistence			
Local		19 226	19 766
Foreign		7 821	1 228
Total travel and subsistence		27 047	20 994

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

7. Financial transactions in assets and liabilities

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
Other material losses written off	7.1	346	251
Debts written off	7.2	15	51
		361	302

7.1 Other material losses

Damage to hired and official vehicles	104	83
Double payments	-	12
Lost and damaged equipment	87	105
Damage paid to third parties	64	28
Other smaller amounts	62	23
Fruitless expenditure	29	-
	346	251

7.2 Debts written off

Nature of debts written off

Irrecoverable debt	15	51
	15	51

8. Transfers and subsidies

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
Provinces and municipalities	Annex 1A	295	266
Departmental agencies and accounts	Annex 1B	26 183	16 357
Public corporations and private enterprises	Annex 1C	200	7
Households	Annex 1D	758	400
		27 436	17 030

9. Expenditure for capital assets

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
Machinery and equipment	Annex 3	5 875	3 879
Software and other intangible assets	Annex 4	256	897
Total		6 131	4 776

10. Unauthorised expenditure

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
Opening balance		6 118	6 118
Unauthorised expenditure awaiting authorisation		6 118	6 118

The unauthorised expenditure was approved by the Standing Committee on Public Accounts and awaits the promulgation of a Finance Act to clear the account

11. Cash and cash equivalents

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
Domestic			
Consolidated Paymaster General Account		-	2 143
Cash on hand		50	40
		50	2 183

12. Prepayments and advances

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
Description			
Staff advances		1	-
Travel and subsistence		529	383
Advances paid to other entities		150	150
		680	533

13. Receivables

		2005/06 R'000	2004/05 R'000
	<i>Notes</i>		
	Less than one year	One to three years	Older than three years
Staff debt	<i>13.1</i>	321	-
Other Debtors	<i>13.2</i>	3 102	-
Claims recoverable	<i>Annex 5</i>	977	-
		4 400	1 571

13.1 Staff Debt

Debt account	215	130
Salary Accounts	106	160
Disallowance miscellaneous	-	72
	321	362

13.2 Other debtors

Thefts and losses	3 102	603
	3 102	603

14. Voted funds to be surrendered to the Revenue Fund

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
Opening Balance		8 095	3 532
Transfer from Statement of Financial Performance		23 045	8 097
Voted funds not requested / not received	<i>14.1</i>	(30 214)	-
Paid during the year		(8 096)	(3 534)
Closing balance		(7 170)	8 095

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

14.1 Voted funds not requested/not received

Funds not to be requested	30 214	-
	30 214	-

15. Departmental revenue to be surrendered to the Revenue Fund

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
Opening Balance		(405)	417
Transfer from Statement of Financial Performance		126	509
Paid during the year		295	(1 331)
Closing balance		16	(405)

16. Bank overdraft

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
Paymaster General Account		6 163	-
		6 163	-

17. Payables - current

				2005/06 R'000	2004/05 R'000
Description	<i>Notes</i>	30 Days	30+ Days	2005/06 Total	2004/05 Total
Clearing accounts	17.1	-	116	116	605
Other payables	17.2	-	8 624	8 624	-
		-	8 740	8 740	605

17.1 Clearing accounts

Salary deductions	107	595
Various credits	9	10
	116	605

17.2 Other payables

Outstanding payments	-	8 369	-
Cheques payable		29	-
PERSAL EBT Account		226	-
		8 624	-

18. Net cash flow available from operating activities

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
Net surplus as per Statement of Financial Performance		24 560	6 581
(Increase)/decrease in receivables – current		(2 829)	907
Increase in prepayments and advances		(147)	(257)
Increase/(decrease) in payables – current		8 135	(147)
Surrenders to Revenue Fund		(7 801)	(4 865)
Expenditure on capital assets		6 131	4 776
Voted funds not requested/not received		(30 214)	-
Net cash flow from operating activities		(2 165)	6 995

19. Reconciliation of cash and cash equivalents for cash flow purposes

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
Consolidated Paymaster General account		(6 163)	2 143
Cash on hand		50	40
		(6 113)	2 183

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

20. Contingent liabilities

Liable to	Nature	Notes	2005/06 R'000	2004/05 R'000
Housing loan guarantees	Employees	<i>Annex 2</i>	739	980
Other departments (interdepartmental unconfirmed balances)		<i>Annex 6</i>	-	90
			739	1 070

21. Commitments

	Notes	2005/06 R'000	2004/05 R'000
Current expenditure			
Approved and contracted		971	2 502
Capital expenditure			
Approved and contracted		29	131
Total Commitments		1 000	2 633

22. Accruals

Listed by economic classification

			2005/06 R'000	2004/05 R'000
	30 Days	30+ Days	Total	Total
Goods and services	-	31	31	690
Machinery and equipment	2 786	1 522	4 308	246
Software and other intangible assets		20	20	20
	2 786	1 573	4 359	956

Listed by programme level

Administration	1 756	589
Support services to the President and Deputy President	1	195
Cabinet Office	2 578	25
Policy Co-ordination	24	147
	4 359	956

23. Employee benefit provisions

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
Leave entitlement		6 260	7 278
Thirteenth cheque		1 810	1 846
Performance bonus		1 678	-
		9 748	9 124

24. Lease commitments

	Machinery and equip- ment R'000	2005/06 Total R'000	2004/05 Total R'000
--	--	--	--

24.1 Finance leases

Total value of finance leases	964	964	1 311
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Finance Lease: Minolta, Nashua, Xerox photocopiers.

25. Irregular expenditure

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
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25.1 Reconciliation of irregular expenditure

Opening balance		3 417	1 786
Finance leases		2 161	1 631
Irregular expenditure awaiting condonement		5 578	3 417

Analysis

Current year		2 161	1 631
Prior years		3 417	1 786
		5 578	3 417

Irregular expenditure arose as a result of leases being entered into as per a Government Contract made public, by National Treasury. The Presidency leased the equipment as it was an economically feasible option at that stage. These contracts have now been classified as financial leases as they meet the definitive of a finance lease in terms of the Treasury Regulations, instead of operating leases as in previous years.

26. Key management personnel

The aggregate compensation of the senior management of the department and the number of individuals determined on a full-time equivalent basis receiving compensation within this category for the current period and the comparative period.

	No. of Individuals	2005/06 R'000	2004/05 R'000
Political office-bearers	3	2 849	2 792
Officials			
Level 15 to 16	7	4 922	3 957
Level 14	2	1 156	1 154
		8 927	7 903

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

ANNEXURE 1A

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2004/05
	Amount	Roll Over	Other Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
RSC Tshwane	239	-	44	283	283	100%	283	-	-	259
RSC: Cape	-	-	5	5	5	100%	5	-	-	4
Vehicle Licence	-	-	7	7	7	100%	7	-	-	1
	239	-	56	295	295	100%	295	-	-	264

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2004/05
	Appropriation Act	Roll Over	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
National Youth Commission	17 983	-	-	17 983	17 983	100%	15 357
SACAR	1 000	-	-	1 000	1 000	100%	1 000
Isigodlo Trust	3 000	-	1 200	4 200	4 200	100%	-
Africa Institute of SA	3 000	-	-	3 000	3 000	100%	-
	24 983	-	1 200	26 183	26 183	100%	16 357

ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				TRANSFER				2004/05
	Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Private Enterprises									
Non-life insurance premiums	92	-	108	200	200	100%	-	200	7
TOTAL	92	-	108	200	200	100,0%	-	200	7

ANNEXURE 1D
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2004/05
	Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Employee Social Benefit	513	-	245	758	758	100%	382
SA Paralympics Athletes	-	-	-	-	-	-	16
Official State Visit - gifts	-	-	-	-	-	-	2
TOTAL	513	-	245	758	758	100%	400

ANNEXURE 1E
STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
Received in cash					
Sweden		52	-	-	52
Flemish		(233)	1 296	510	553
Denmark	Economic Assistance Programme:OSDP	3,046	-	219	2,827
Belgium	Economic Assistance Programme: (EDED) OSW	(159)	180	21	-
Sweden	Economic Assistance Programme:Planning post-PCAS	(780)	847	-	67
Denmark	Economic Assistance Programme:GDC research project	184	(184)	-	-
Subtotal		2 110	2 139	750	3 499

ANNEXURE 1F
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2006

NATURE OF GIFT, DONATION OR SPONSORSHIP	2005/06 R'000	2004/05 R'000
Remissions made as an act of grace to former employees	676	-
TOTAL	676	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

ANNEXURE 2

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006 – LOCAL

Guarantor Institution	Guarantee In respect of	Original Guaranteed Capital Amount	Opening Balance 1 April 2005	Guarantee Issued during the year	Guarantee released/ paid cancelled/ reduced during the year	Guarantee Interest for year ended 31 March 2006	Closing balance 31 March 2006	Realised losses not recoverable
	Housing	R'000	R'000	R'000	R'000	R'000	R'000	R'000
ABSA		2 258	406	-	120	-	286	-
FNB		798	158	-	97	-	61	-
Nedbank		480	95	-	20	-	75	-
Old Mutual Bank		1 102	212	-	9	-	203	-
Peoples Bank		143	29	-	-	-	29	-
Standard Bank		452	80	36	31	-	85	-
TOTAL		5 233	980	36	277	-	739	-

ANNEXURE 3

CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	3 879	5 875	-	9 754
Transport assets	1 129	614	-	1 743
Other machinery and equipment	2 750	5 261	-	8 011
TOTAL CAPITAL ASSETS	3 879	5 875	-	9 754

ANNEXURE 3.1

ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash	Capital WIP	In-Kind	Total
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	5 875	-	-	5 875
Transport assets	614	-	-	614
Other machinery and equipment	5 261	-	-	5 261
TOTAL CAPITAL ASSETS	5 875	-	-	5 875

ANNEXURE 3.2

CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005

	Additions	Disposals	Total Movement
	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	3 879	-	3 879
Transport assets	1 129	-	1 129
Other machinery and equipment	2 750	-	2 750
TOTAL CAPITAL ASSETS	3 879	-	3 879

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

ANNEXURE 4

SOFTWARE AND OTHER INTANGIBLE ASSETS MOVEMENT SCHEDULE AS AT
31 March 2006

	Opening Balance R'000	Additions	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
Computer software	897	256	-	-	-	1 153
	897	256	-	-	-	1 153

SOFTWARE AND OTHER INTANGIBLE ASSETS MOVEMENT SCHEDULE AS AT
31 March 2005

	Opening Balance R'000	Additions	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
Computer software	-	897	-	-	-	897
	-	897	-	-	-	897

ANNEXURE 5

INTER-GOVERNMENT RECEIVABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2006 R'000	31/03/2005 R'000	31/03/2006 R'000	31/03/2005 R'000
Departments	-	-	-	-
Foreign Affairs	-	-	479	297
Health	-	-	-	12
Education	-	-	7	8
Office of the President	-	-	-	193
Safety and Security	-	-	5	-
Science and Technology	-	-	5	-
Economic Development	-	-	2	-
National Intelligence Agency	-	-	33	-
Human Rights Commission	-	-	1	-
Parliament	-	-	17	-
South African National Defence Force	-	-	5	-
Public Works	-	-	6	-
Minerals and Energy	-	-	121	-
	-	-	681	510
Other Government entities	-	-		
Secretariat of African Decade of Disabled	-	-	296	96
TOTAL	-	-	977	606

ANNEXURE 6

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2006 R'000	31/03/2005 R'000	31/03/2006 R'000	31/03/2005 R'000
Department	-	-	-	-
Amounts not included in Statement of financial position	-	-	-	-
Current	-	-	-	-
SAMDI	-	-	-	2
Department of Labour	-	-	-	24
Department of Trade and Industry	-	-	-	64
Total	-	-	-	90

BRIEF HISTORY OF TUYNHUY



Tuynhuys, the Cape Town office of The Presidency, has in various guises been associated with the seat of the highest political authority in the land for almost two and a half centuries. The building seemingly had modest beginnings with the earliest known reference to the site being in 1674 when the Dutch East India Company first built a “garden house” to store the tools for the Company’s large garden first established by Jan van Riebeeck in 1652. In about 1682, the toolshed was converted into a guest house to entertain foreign visitors of the Governor Simon van der Stel. The building was renovated and enlarged numerous times until 1751 when it was first recorded that the building was being used as a summer residence by the Governor, a custom which the historical record seems to bear out for all the Dutch Governors that century. By 1790 the building was known as The Governor’s House in the Company Gardens (‘Het Gouverniurs Huys in de Compagnies Tuyn’) and by this time - as reflected in the drawings of Josephus Jones circa 1790 - the gardens side of the building already had its rococo balusters with its stucco drapes and Greco-roman sculptures.

From a design perspective, the building, incorporating both Louis XVI-style Neo-classicism and Baroque elements, was influenced by 18th Century Dutch and Dutch East Indies architecture of the time. Similar facades, windows, doors and fanlights can be seen in Colonial buildings built in the same period in places such as Amsterdam and Batavia (modern-day Indonesia). The plans for the building and the overall design are largely credited to the French architect Louis Michel Thibault (1750- 1815) who studied under Louis XVI’s Architect-in-Chief. However, the artistic detail of the outside facades, including the sculptures of the infant Mercury and Posei-



don drawn from Greek mythology holding the banner on which the VOC emblem of the Dutch East India Company was emblazoned, are variously attributed to a sculptor Jacobus Leeuwenberg, a Dutchman and sculptor Anton Anreith (1754- 1822), a German, both of whom are known to have worked extensively in the Cape in the last quarter of the 18th Century.

Yet it is not as well-known that much of the infrastructure of the Cape at this time was built by slaves, including the actual construction of buildings. By the late 18th century slaves drawn from Madagascar, Angola, India, Java, Malaysia etc. outnumbered settlers in the colony. In more recent years historians have acknowledged the fact that certainly during the period around 1790 skilled slaves were the only artisans in the colony. Their artisanal skills were to a great extent relied upon, a fact borne out by the recorded comments of many early travelers to the Cape, one of whom famously wrote that no settler would: “put his hand to any kind of handicraft”. Skilled slaves often undertook building and artisanal work for wealthy farmers, businessmen and government. These slaves were so well-established that in the early 19th century visiting British royal commissioners recorded that recently arrived English and Irish settlers were often apprenticed to local slaves from whom they were learning trades. Saddlery, masonry, cabinet-making, wood-work, carpentry work, and plastering, such as in gables and pediments, have long been skills associated with slave craftsmen-especially those of South East Asian descent - and their descendents in the Cape.

The actual manufacture of the Tuynhuys door represented on the front cover, as well as the construction of the building, is shrouded in the mists of time and history. Yet research on slave history in the Cape give insights from which it is possible to

make an informed deduction. Historian Robert C-H. Shell has speculated on the provenance of a not dissimilar front door to be found at Genadendal, the President’s Cape Town residence (previously known as Groote Schuur Estate). It is documented that the Genadendal door was bought in the early part of the 20th century from the demolished original farmhouse of the Elsenburg farm in Stellenbosch by Cecil John Rhodes for his estate. According to Shell the original door might very well have been the work of a slave called Rang-ton van Bali, who was captured on the island of Bali and sold into slavery in Jakarta to Jacob de Jong, a well known Cape slave trader. He was brought to the Cape where he was in turn sold to Samuel Elsevier, the Fiscal of Governor Simon van der Stel, to whom Elsevier was related by marriage. Rangton was a skilled carpenter who eventually bought his own freedom in 1712 and practiced as a successful artisan until his death in 1720. Shell speculates that it was Rangton who would have made the original majestic door of the farmhouse at Elsenburg farm which Simon van der Stel had granted Elsevier in Stellenbosch. This was the very door which was bought by Rhodes, a known collector of architectural artifacts, a hundred years later.

From what we now know about the role of skilled slaves in the construction of Cape buildings during the late 18th century, and the historical re-construction of the life and occupations of slaves such as Rangton, it is reasonable to suggest that the original Tuynhuys building, its doors and windows, may very well have been executed by slaves.

After the second British occupation in 1806, the building, now called Government House, underwent a complete change of character. In accordance with the fashion of architectural simplification which swept





the Cape at the time, the decorative façade and other baroque adornments from the Dutch period were plastered over and concealed, to create a Georgian-style building typical of the period. Governor Lord Charles Somerset extended the building on both sides to accommodate a ballroom, a magnificent staircase and fireplaces. It is said that he wanted the building to be suitable for a representative of the Monarchy. Indeed in 1947 the British Royal family stayed at Government House on their visit to South Africa.

In 1968, Cape Town architect Gabriel Fagan undertook the complex task of restoring the building to its former 18th century glory. The 1790 drawing by Josephus Jones and another by the French architect Thibault were used by Fagan to recreate the garden façade of the building. The Jones sketch shows a frieze and balustrade of 24m which was built over at the time of Lord Charles Somerset. After careful excavation it was discovered that the stucco garlands and other floral decorations and relief work, conforming to the Jones drawings, had remained reasonably intact. The two Greco-roman sculptures had however not survived. Mr Fagan commissioned Sydney Hunter to recreate the entire balustrade while the wood carvings were executed by the Greek craftsman, Josef Vazirkianzikis. Fagan was mindful of the incremental additions and changes over the centuries, and these he sought to reflect sensitively in the restoration.

Consequently, Tuynhuys, as it was named in 1972, was restored as authentically as was possible to its 18th century state, while incorporating the best features of later additions to the building. The result has been a harmonious synthesis.



THE PRESIDENCY
REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT 2005 - 2006

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