PARLIAMENTARY INFORMATION CENTRE
20073267

REPUBLIC OF SOUTH AFRICA

DEBATES

OF THE

NATIONAL ASSEMBLY

(HANSARD)

FOURTH SESSION – THIRD PARLIAMENT

13 February to 28 February 2007

(VOLS 103 TO 108 – DEBATES;
VOL 109 – INDEXES;
VOLS 99 TO 102 – QUESTIONS AND REPLIES)

ISBN 978-1-77037-045-6 (Vol 103)
ISBN 978-1-77037-046-3 (Set)

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PRESIDENT

Mr T M Mbeki

DEPUTY PRESIDENT

Ms P G Mlambo-Ngcuka

MINISTRY

CABINET MINISTERS

Minister of Foreign Affairs	Dr N C Dlamini-Zuma
Minister of Defence	Mr M G P Lekota
Minister of Finance	Mr T A Manuel
Minister for Provincial and Local Government	Mr F S Mufamadi
Minister of Transport	Mr J T Radebe
Minister of Social Development	Dr Z S T Skweyiya
Minister for Public Enterprises	Mr A Erwin
Minister of Communications	Dr I F Matsepe-Casaburri
Minister for the Public Service and Administration	Mrs G J Fraser-Moleketi
Minister of Labour	Mr M M S Mdladlana
Minister of Public Works	Mrs A T Didiza
Minister for Intelligence	Mr R Kasrils
Minister of Health	Dr M E Tshabalala-Msimang
Minister in the Presidency	Dr E G Pahad
Minister of Correctional Services	Mr B M N Balfour
Minister of Housing	Dr L N Sisulu
Minister of Safety and Security	Mr C Nqakula
Minister for Justice and Constitutional Development	Mrs B S Mabandla
Minister of Education	Mrs G N M Pandor
Minister of Arts and Culture	Dr Z P Jordan
Minister of Sport and Recreation	Rev M A Stofile
Minister of Environmental Affairs and Tourism	Mr M C J van Schalkwyk
Minister of Trade and Industry	Mr M B Mpahlwa
Minister of Science and Technology	Mr M A Mangena
Minister of Minerals and Energy	Ms B P Sonjica
Minister of Home Affairs	Ms N N Mapisa-Nqakula
Minister of Water Affairs and Forestry	Ms L B Hendricks
Minister for Agriculture and Land Affairs	Ms L M Xingwana

DEPUTY MINISTERS

Deputy Minister of Foreign Affairs	Mr A G H Pahad
Deputy Minister of Science and Technology	Mr D A Hanekom
Deputy Minister of Safety and Security	Ms S Shabangu
Deputy Minister for Agriculture and Land Affairs	Adv D C du Toit
Deputy Minister of Environmental Affairs and Tourism	Mrs T R Mabudafhasi
Deputy Minister of Health	Ms N C Madlala-Routledge
Deputy Minister of Arts and Culture	Ms N G W Botha
Deputy Minister for Provincial and Local Government	Ms N E Hangana
Deputy Minister of Finance	Mr P J Moleketi
Deputy Minister of Social Development	Dr J Benjamin
Deputy Minister for Justice and Constitutional Development	Adv J H de Lange
Deputy Minister of Defence	Mr M E George
Deputy Minister of Home Affairs	Mr M K N Gigaba
Deputy Minister of Communications	Mr R L Padayachie
[1] Deputy Minister of Minerals and Energy	Vacant
Deputy Minister of Foreign Affairs	Ms S C van der Merwe
Deputy Minister of Education	Mr M E Surty
Deputy Minister of Public Works	Dr N M Kganyago
Deputy Minister of Sport and Recreation	Mr C G Oosthuizen
Deputy Minister of Trade and Industry	Dr R H Davies
Deputy Minister of Trade and Industry	Ms E Thabethe
Deputy Minister of Correctional Services	Ms L Jacobus

[1] Vacant wef 22 May 2006 owing to the appointment of Ms L M Xingwana as Minister for Agriculture and Land Affairs wef the same date.

OFFICE-BEARERS OF THE NATIONAL ASSEMBLY

The Speaker	Ms B Mbete
The Deputy Speaker	Ms G L Mahlangu-Nkabinde
House Chairperson	Mr G Q M Doidge
House Chairperson	Ms C-S Botha
House Chairperson	Mr K O Bapela
The Leader of the Opposition	Ms C-S Botha
[1] The Chief Whip of the Majority Party	Vacant
The Chief Whip of the Opposition	Mr D H M Gibson

[1] Vacant wef 14 December 2006 owing to the resignation of Mr T M Goniwe wef the same date.

MEMBERS OF THE NATIONAL ASSEMBLY

PARTIES: African National Congress = ANC, Democratic Alliance = DA,
Inkatha Freedom Party = IFP, United Democratic Movement = UDM,
Independent Democrats = ID, African Christian Democratic Party = ACDP,
Freedom Front Plus = FF Plus, United Christian Democratic Party = UCDP,
Pan Africanist Congress of Azania = PAC, Minority Front = MF,
Azanian People's Organisation = AZAPO, Progressive Independent Movement = PIM,
United Independent Front = UIF

Abram, Mr Salamuddi ..... ANC
Ainslie, Mr Arthur Roy ..... ANC
Anthony, Mr Tuelo Gibson ..... ANC
Arendse, Mr Jonathan Doneley ..... ANC
Asiya, Mr Spetho Enoch ..... ANC
Asmal, Prof Abdul Kader .....ANC

Balfour, Mr Bryce Mathemba Ngconde ANC
Baloyi, Mr Masenyani Richard ..... ANC
Bapela, Mr Kopeng Obed ..... ANC
Batyi, Ms Florence .....ID
Bekker, Mr Hendrik Jacobus ..... IFP
Benjamin, Dr Jean .....ANC
Beukman, Mr Francois ..... ANC
Bhamjee, Mr Yusuf Suleman ..... ANC
Bhengu, Mr Fezile ..... ANC
Bhengu, Mr Mfuniselwa John ..... IFP
Bhengu, Ms Phumzile .....ANC
Bhoola, Mr Royith Baloo ..... MF
Bici, Mr Jackson ..... UDM
Biyela, Chief Bekizwe Phillemon ..... IFP
Blanché, Mr Johannes Petrus Izak ..... DA
Bloem, Mr Dennis Victor ..... ANC
Bogopane-Zulu, Mrs Hendrietta Ipeleng ....ANC
Boinamo, Mr George Gaolatlhe ..... DA
Bonhomme, Mr Trevor John..... ANC
Booi, Mr Mnyamezeli Shedrack..... ANC
Botha, Mr Andries Johannes ..... DA
Botha, Mrs Celia-Sandra ..... DA
Botha, Ms Ntombazana Gertrude
Winifred..... ANC
Burgess, Mr Cecil Valentine ..... ANC
Buthelezi, Dr Mangosuthu Gatsha ..... IFP

Cachalia, Mr Ismail Mahomed ..... ANC
Camerer, Mrs Sheila Margaret ..... DA
Carrim, Mr Yunus Ismail ..... ANC
Cele, Mr Mosie Antony ..... ANC
Chalmers, Mrs Judy ..... ANC
Chang, Prof Eugenia Shi-Chia ..... IFP
Chauke, Mr Hlomane Patrick ..... ANC
Chikunga, Mrs Lydia Sindiswe..... ANC
Chohan-Khota, Ms Fatima Ismail..... ANC
Coetzee, Mr Ryan ..... DA
Combrinck, Mr Johannes Jacobus ..... ANC
Cronin, Mr Jeremy Patrick ..... ANC
Cupido, Mr Hendry Benjamin..... ACDP
Cwele, Dr Siyabonga Cyprian ..... ANC

Dambuza, Ms Beauty Nomhle..... ANC
Davidson, Mr Ian Ormiston..... DA
Daniels, Ms Pamela ..... ANC
Davies, Dr Robert Haydn ..... ANC
De Lange, Adv Johannes Hendrik..... ANC
De Lille, Mrs Patricia..... ID
Delport, Dr Jacobus Tertius.....DA
Dhlamini, Mr Bonginkosi Wesley..... IFP
Diale, Mr Letsau Nelson..... ANC
Didiza, Mrs Angela Thokozile..... ANC
Dikgacwi, Mr Mgolodi Moses..... ANC
Direko, Ms Isabella Winkie ..... ANC
Dithebe, Mr Sello Leon .....ANC
Ditshetelo, Mr Paul Harry Kgomotso... UCDP
Dlali, Mr David Mtheteleli ..... ANC
Dlamini-Zuma, Dr Nkosazana Clarice ... ANC
[1]Vacant
Doidge, Mr Geoffrey Quinton Michael .. ANC
Doman, Mr Willem Phillips ..... DA
Dreyer, Ms Anchen Margaretha ..... DA
Dudley, Mrs Cheryllyn ..... ACDP
Du Toit, Adv Dirk Cornelis ..... ANC

Ellis, Mr Michael James..... DA
Erwin, Mr Alexander ..... ANC

Farrow, Mr Stuart Brian ..... DA
Fihla, Mr Nkosinathi Benson..... ANC
Fraser-Moleketi, Mrs Geraldine Joslyn . ANC
Frolick, Mr Cedric Thomas ..... ANC
Fubbs, Ms Joanmariae Louise ..... ANC

Gabanakgosi, Mr Pico Shadrack..... ANC
Gaum, Adv André Hurtley..... ANC
Gcwabaza, Mr Ndabakayise Erasmus .... ANC
George, Mr Mluleki Editor ..... ANC
Gerber, Mr Pierre-Jeanne Alexander ..... ANC
Gibson, Mr Douglas Harvey Monro ..... DA
Gigaba, Mr Knowledge Malusi
Nkanyezi ..... ANC
Ginwala, Dr Frene Noshir..... ANC
Godi, Mr Nelson Themba ..... PAC
Gogotya, Mr Ntsiza John..... ANC
Gololo, Mr Christopher Lancaster..... ANC
Gomomo, Mr Pumzile John..... ANC
(2) Vacant
Gore, Mr Vincent Charles ..... ID
Green, Mr Louis Michael..... FD
Greyling, Mr Carl Heinrich Friederich... ANC
Greyling, Mr Lance William..... ID
Groenewald, Mr Petrus Johannes ..... FF Plus
Gumede, Mr Donald Mlindwa..... ANC
Gumede, Mrs Mogomotsi Mary ..... ANC
Gxowa, Mrs Nonkumbi Bertha..... ANC

Hajaig, Ms Fatima..... ANC
Hanekom, Mr Derek André ..... ANC
Hangana, Ms Nomatyala Elizabeth ..... ANC
Harding, Mr Avril..... ID
Hendricks, Ms Lindiwe Benedicta ..... ANC
Hendrickse, Mr Peter Alroy
Charles ..... ANC
Hogan, Ms Barbara Anne ..... ANC
Holomisa, Mr Bantubonke Harrington .. UDM
Holomisa, Adv Sango Patekile..... ANC
Huang, Mr Shiaan-Bin..... ANC

Jacobus, Ms Loretta ..... ANC
Jeffery, Mr John Harold ..... ANC
Johnson, Ms Carol Beatrix ..... ANC
Johnson, Mr Mlungisi..... ANC
Jordan, Dr Zweledinga Pallo ..... ANC
Joubert, Mr Leonardus Kolbé..... DA
Julies, Mr Isaac Frederick ..... DA

Kalako, Mr Mziwamadoda Uppington... ANC
Kalyan, Mrs Santosh Vinita..... DA
Kasienyane, Ms Onewang Rebecca..... ANC
Kasrils, Mr Ronald..... ANC
Kekana, Mr Charles Danny ..... ANC
Kganyago, Prof Ntopile Marcel..... UDM
Khoarai, Mr Lefu Peter..... ANC
Kholwane, Mr Sikhumbuzo Eric ..... ANC
Khumalo, Mr Kenneth Kayilo ..... ANC
Khumalo, Mr Kgotso Moses..... ANC
Khunou, Ms Nthabiseng Pauline ..... ANC
King, Mr Ryno Johannes ..... DA
Kohler-Barnard, Ms Dianne ..... DA
Komphela, Mr Butana Moses ..... ANC
Kondlo, Ms Ncumisa Chwayita..... ANC
Koornhof, Dr Gerhardus Willem ..... ANC
Kota, Ms Zoliswa Albertina..... ANC
Kotwal, Mr Zunaid ..... ANC

Labuschagne, Mr Leslie Bernardus..... DA
Landers, Mr Luwellyn Tyrone ..... ANC
Lee, Mr Trevor Donald..... DA
Lekgetho, Mr George..... ANC
Lekgoro, Mr Mpho Morepye Sephwe.... ANC
Lekota, Mr Mosiuoa Gerard Patrick..... ANC
Leon, Mr Anthony James ..... DA
Likotsi, Mr Mofihli Thomas ..... PAC
Lishivha, Ms Tshiwela Elidah ..... ANC
Loe, Ms Shelley Joy ..... DA
Louw, Mr Samuel Kolman ..... ANC
Louw, Mr Tsietsi Joseph ..... ANC
Lowe, Mr Christopher Mark ..... DA
Lucas, Mr Eric James ..... IFP
Ludwabe, Mrs Cikizwa Ivy ..... ANC
Luthuli, Dr Albertinah Nomathuli ..... ANC

Maake, Mr Jerome Joseph ..... ANC
Mabandla, Mrs Brigitte Sylvia ..... ANC
Mabe, Ms Lorato Louisa..... ANC
Mabena, Mr Daniel Curtis ..... ANC
Mabudafhasi, Mrs Thizwilondi
Rejoyce ..... ANC
Madasa, Adv Zweletu Lukanyiso ..... ANC
Madella, Mr Andrew Frans..... ANC
Madikiza, Mr George Tembela ..... UDM
Madlala-Routledge, Ms Nozizwe
Charlotte ..... ANC
Maduma, Mr Lawrence Daluxolo..... ANC
Madumise, Mrs Meisi Maureen..... ANC
Magau, Ms Kgomotso Ruth..... ANC
Magubane, Mr Ntando Emmanuel ..... ANC

Magwanishe, Mr Gratitude Bulelani ..... ANC
Mahlaba, Mr Themba Louis ..... ANC
Mahlangu-Nkabinde, Ms Gwendoline Lindiwe ..... ANC
Mahlawe, Ms Nomhle Maria..... ANC
Mahomed, Mrs Farida..... ANC
Mahote, Mr Samson..... ANC
Maine, Mrs Makatse Sophia..... ANC
Maja, Mr Shoahlane John..... ANC
Makasi, Mrs Xoliswa Caroline..... ANC
Makgate, Ms Mamosoeu Wendy ..... ANC
Malahlela, Mr Mamaroba Johannes ..... ANC
Maloney, Mrs Lorna..... ANC
Maloyi, Mr Patrick Dumile Nono..... ANC
Maluleka, Mr Homes Peter..... ANC
Maluleke, Mr Daniel Kapeni ..... ANC
Manana, Ms Millicent Ntombizodwa Sibongile..... ANC
(3) Vacant
Manuel, Mr Trevor Andrew..... ANC
Mapisa-Nqakula, Ms Nosiviwe Noluthando ..... ANC
Marais, Mr Sarel Jacobus Francois ..... DA
Mars, Mrs Inka ..... IFP
Martins, Mr Benedict Anthony Duke ..... ANC
Masango, Mr Suhla James..... DA
Maserumule, Mr Frans Tlokwe ..... ANC
Mashangoane, Ms Puleng Roseline..... ANC
Mashiane, Ms Lorraine Mmakgosi..... ANC
Mashigo, Ms Refilwe Junior..... ANC
Mashile, Mr Buoang Lemias ..... ANC
Masutha, Mr Tshililo Michael ..... ANC
Mathebe, Mr Piet Mohlamme..... ANC
Mathibela, Ms Nomvula Frieda..... ANC
Matlala, Mr Motswaledi Hezekiel ..... ANC
Matsemela, Ms Mmaphefo Lucy..... ANC
Matsepe-Casaburri, Dr Ivy Florence ..... ANC
Matsomela, Ms Mothusiemang Johanna Jane..... ANC
Maunye, Mrs Maggie Margaret..... ANC
Mayatula, Prof Shepherd Malusi..... ANC
Maziya, Mr Alpheus Mokabhe..... ANC
Mbete, Ms Baleka..... ANC
Mbili, Mr Mandlenkosi Enock ..... ANC
Mbombo, Mrs Nozizwe Diana ..... ANC
Mdaka, Ms Nomakhaya Mavis..... UIF
Mdladlana, Mr Membathisi Mphumzi Shepherd..... ANC
Mdlalose, Ms Makhosazana Mpho..... Nadeco
Mentor, Ms Mabel Patronella ..... ANC
Meruti, Ms Maseokwane Violet..... ANC
Meshoe, Rev Kenneth Raselabe Joseph ..... ACDP
Mfundisi, Mr Isaac Sipho..... UCDP
Mgabadeli, Ms Hlengiwe Christophina.. ANC
Minnie, Mr Karel Johannes..... DA
Mkhize, Mr Zakhele Sipho..... ANC
Mkongi, Mr Bongani Michael ..... ANC
Mlambo-Ngcuka, Ms Pumzile Gloria..... ANC
Mlangeni, Mr Andrew..... ANC
Mncwango, Mr Mangaqa Albert ..... IFP
Mnguni, Mr Bafunani Aaron ..... ANC
Mnyandu, Mr Bhekinhlahla Jeremia ..... ANC
Moatshe, Mr Monako Stephen ..... ANC
Modisenyane, Mr Lewele John..... ANC
Mofokeng, Mr Tsokudu Ronald..... ANC
Mogale, Mr Ohentse Moses..... ANC
Mogase, Mr Isaac Dank..... ANC
Mohamed, Prof Ismail Jacobus..... ANC
Mohlaloga, Mr Manyaba Rubben..... ANC
Mokoena, Mr Aubrey Dundubala..... ANC
Mokoto, Ms Nthibane Rebecca ..... ANC
Molefe, Mr Christopher Thabo..... ANC
Moleketi, Mr Phillip Jabulani..... ANC
Moloto, Mr Koena Arthur..... ANC
Monareng, Mr Oupa Ephraim..... ANC
Montsitsi, Mr Sediane Danny ..... ANC
Moonsamy, Mr Kay ..... ANC
Morgan, Mr Gareth Richard..... DA
Morkel, Mr Craig Mervyn ..... PIM
Morobi, Mrs Dimakatso Martha..... ANC
Morutoa, Ms Masefele Rosalia..... ANC
Morwamoche, Mr Kgoloko Walter..... ANC
Mosala, Mr Bahlakoana Godfrey ..... ANC
Moss, Ms Linda Nellie ..... ANC
Moss, Mr Maxwell Izekiel..... ANC
Motubatse-Hounkpatin, Ms Semamanyane Dorothy..... ANC
Mpahlwa, Mr Mandisi Bongani..... ANC
Mpontshane, Mr Alfred Mkhipheni ..... IFP
Mshudulu, Mr Sithole Assistance..... ANC
Mthembu, Mr Ben..... ANC
Mthethwa, Mr Emmanuel Nkosinathi .... ANC
Mtshali, Mr Eric..... ANC
Mufamadi, Mr Fholisani Sydney..... ANC
Mulder, Dr Cornelius Petrus..... FF Plus
Mulder, Dr Pieter Willem Adriaan..... FF Plus

Mzondeki, Mr Monontsi Joseph George ..... ANC

Nawa, Ms Zipporah Noisey ..... ANC
Ndlovu, Mr Velaphi Bethuel ..... IFP
Ndzanga, Mrs Rita Alita ..... ANC
Nefolovhodwe, Mr Pandelani Jeremia ..... AZAPO
Nel, Mr Andries Carl ..... ANC
Nel, Mr Adriaan Hermanus ..... DA
Nene, Mr Mdudu Joshua..... ANC
Nene, Mr Nhlanhla Musa ..... ANC
Newhoudt-Druchen, Mrs Wilma Susan.. ANC
Ngaleka, Ms Elizabeth..... ANC
Ngcengwane, Ms Nompendiko Doris..... ANC
Ngcobo, Ms Beatrice Thembekile ..... ANC
Ngcobo, Mr Eugene Nhlanhla Nqaba..... ANC
Ngcobo, Mr Ndawoyakhe Wilson ..... ANC
Ngculu, Mr Lincoln Vumile James..... ANC
Ngele, Ms Nombuyiselo Joyce ..... ANC
Ngema, Mr Mzikayise Vincent ..... Nadeco
Ngiba, Mr Bonginkosi Christopher..... Nadeco
Ngwenya, Mrs Makwena Lydia ..... ANC
Ngwenya, Ms Winnie ..... ANC
Nhlapo, Mr Vusi Herbert ..... ANC
Nhlengethwa, Mrs Dumisile Goodness .. ANC
Njikelana, Mr Sisa James ..... ANC
Njobe, Mrs Makhosazana Abigail Alicia ..... ANC
Nkabinde, Ms Nonhlanhla Claribel ..... UDM
(4) Vacant
Nkuna, Ms Constance ..... ANC
Nogumla, Mr Robert Zamxolo ..... ANC
Nonkonyana, Chief Mwelo..... ANC
Nqakula, Mr Charles..... ANC
Ntombela, Ms Sefora Hixsonia..... ANC
Ntuli, Mrs Bongi Maria ..... ANC
Ntuli, Ms Makhoni Maria..... ANC
Ntuli, Mr Richard Sibusiso..... ANC
Ntuli, Mr Somangamane Benjamin ..... ANC
Nwamitwa-Shilubana, Mrs Tinyiko Lwandlamuni Phillia ..... ANC
Nxumalo, Ms Muntu Doreen..... ANC
Nxumalo, Mr Samuel Neocleous..... ANC
Nyambi, Mr Archibold Jomo..... ANC
Nzimande, Mr Lewis Paul Musawenkosi ..... ANC

Olifant, Mr Daniel April Andrew ..... ANC
Oliphant, Mr Geolatlhe Godfrey..... ANC
Oosthuizen, Mr Gerhardus Cornelius..... ANC
Opperman, Mr Sydney Edward..... DA

Padayachie, Mr Radhakrishna Lutchmana ..... ANC
Pahad, Mr Aziz Goolam Hoosein..... ANC
Pahad, Dr Essop Goolam..... ANC
Pandor, Mrs Grace Naledi Mandisa..... ANC
Phadagi, Mr Muthundinne George ..... ANC
Phala, Mr Mahwidi John..... ANC
Pheko, Dr Salzwedel Ernest Motsuoko... PAC
Phungula, Mr Johannes Phumani ..... ANC
Pieterse, Mr Randy Desmond..... ANC
Pule, Mr Bafitlhile Edmund..... UCDP

Rabie, Dr Pierre Jacques ..... DA
Rabinowitz, Dr Ruth..... IFP
Radebe, Mr Bhekizizwe Abram..... ANC
Radebe, Mr Jeffrey Thamsanqa ..... ANC
Rajbally, Ms Sunklavathy..... MF
Ramakaba-Lesiea, Ms Mandu Mildred .. ANC
Ramgobin, Mr Mawalal..... ANC
Ramodibe, Ms Dorothy Mapula ..... ANC
Ramotsamai, Ms Cecilia Mampe Papadi .....ANC
(5) Vacant
Rasmeni, Mr Solomon Mandlenkosi..... ANC
Reid, Mr Lanval Roderick Robin ..... ANC
Roopnarain, Dr Usha .....IFP
Rwexana, Ms Sindiswa Patricia ..... ANC

Saloojee, Mr Ebrahim (Cassim) ..... ANC
Sayedali-Shah, Moulana Mohammed Rafeek ..... DA
Schippers, Mr Johannes ..... ANC
Schmidt, Adv Hendrik Cornelius ..... DA
Schneemann, Mr Gregory David..... ANC
Schoeman, Dr Emanuel Andreas ..... ANC
Seadimo, Ms Mokgothu Dorcas ..... ANC
Seaton, Mrs Sybil Anne..... IFP
Sefularo, Dr Molefi ..... ANC
Sekgobela, Ms Priscilla Sindisiwe..... ANC
Selfe, Mr James ..... DA
Semple, Ms Janet Audrey..... DA
September, Ms Cornelia Carol..... ANC
Seremane, Mr Wetshotsile Joseph..... DA
Shabangu, Ms Susan..... ANC
Sibande, Mr Mtikeni Patrick..... ANC
Sibanyoni, Mr Jonas Ben..... ANC
Siboza, Mr Sipho ..... ANC

Sibuyana, Mr Mabalana Willias ..... IFP
Sigcau, Ms Sylvia Nomatamsanqa ..... UDM
Sikakane, Mr Mdumiseni Richard ..... ANC
Simmons, Mr Stanley ..... UPSA
Sisulu, Dr Lindiwe Nonceba ..... ANC
Sithole, Mr Dumisani Job ..... ANC
Skhosana, Mr Windvoël Mlomabo ..... ANC
Skosana, Mr Moleeane Ben ..... IFP
Skweyiya, Dr Zola Sidney Themba ..... ANC
Smith, Mr Peter Francis ..... IFP
Smith, Mr Vincent George ..... ANC
Smuts, Ms Mudene ..... DA
Solo, Mr Bangilizwe Mlindiwekhaya ..... ANC
Solomon, Mr Gassan ..... ANC
Sonjica, Ms Buyelwa Patience ..... ANC
Sonto, Mr Mzunani Roseberry ..... ANC
Sosibo, Ms Jabu Elsie ..... ANC
Sotyu, Ms Makhotso Magdeline ..... ANC
Spies, Mr Willie Durand ..... FF Plus
Stephens, Mr John Joseph Martin ..... DA
Steyn, Mr Arron Cecil ..... DA
Surty, Mr Mohamed Enver ..... ANC
Swart, Mr Marius ..... DA
Swart, Adv Paul Stephanus ..... DA
Swart, Mr Steven Nicholas ..... ACDP
Swathe, Mr Mpowele Mexan ..... DA

Thabethe, Ms Elizabeth ..... ANC
Thomson, Ms Barbara ..... ANC
Tinto, Mrs Bulelwa ..... ANC
Tlake, Ms Manana Florence ..... ANC
Tobias, Ms Thandi Vivian ..... ANC
Tolo, Bishop Lekoba Jack ..... ANC
Trent, Mr Edward William ..... DA
Tsenoli, Mr Solomon Lechesa ..... ANC
Tshabalala-Msimang, Dr Mantombazana Edmie ..... ANC
Tshivhase, Mrs Tovhowani Josephine .... ANC
Tshwete, Ms Pamela ..... ANC
Turok, Prof Benjamin ..... ANC
(6) Twala, Ms Ntombikayise Margaret .... ANC

Vadi, Mr Ismail ..... ANC
Van den Heever, Mr Randall Paul Zachariah ..... ANC
Van der Merwe, Mr Jacobus Hercules ..... IFP
Van der Merwe, Ms Susan Comber ..... ANC
Van der Walt, Mrs Desirée ..... DA
Van Dyk, Dr Salomon Maritz ..... DA
Van Niekerk, Dr André Isak ..... DA
Van Schalkwyk, Mr Marthinus Christoffel Johannes ..... ANC
Van Wyk, Ms Annelizé ..... ANC
Vezi, Mr Temba Ellis ..... IFP
Vos, Ms Suzanne Christina ..... IFP
Vundisa, Mr Sifanelo Shadrack ..... ANC

Wang, Mr Yi-Ju ..... ANC
Waters, Mr Michael ..... DA
Weber, Ms Hilda ..... DA
Woods, Dr Gavin Gower ..... Nadeco

Xingwana, Ms Lulama Marytheresa ..... ANC
Xolo, Mr Everson Thobigunya ..... ANC

Yengeni, Mrs Lumka Elizabeth ..... ANC

Zikalala, Ms Constance Ntombikayise Zerish ..... IFP
Zita, Mr Langa ..... ANC
Zondi, Rev Keith Muntuwenkosi ..... IFP
Zulu, Mr Bhekizizwe Zeblon ..... ANC
Zulu, Prince Nhlahla Elijah ..... IFP

(1) Vacant wef 16 March 2006 owing to the resignation of Mr T S Dodovu.
(2) Vacant wef 14 December 2006 owing to the resignation of Mr M T Goniwe.
(3) Vacant wef 1 March 2007 owing to the resignation of Mr M S Manie.
(4) Vacant wef 1 February 2007 owing to the resignation of Dr E Nkem-Abonta.
(5) Vacant wef 1 October 2006 owing to the resignation of Mr T D H Ramphele
(6) Nominated wef 28 February 2007 *vice* Mr Z J Kati, who passed away on 29 September 2006.

NATIONAL REPRESENTATIVES

Asmal, Prof A K
Balfour, B M N
Batyi, Ms F
Bekker, H J
Benjamin, Dr J
Bhoola, R B
Biyela, Chief B P
Bloem, D V
Bonhomme, T J
Booi, M S
Buthelezi, Dr M G
Carrim, Y I
Chang, Prof E S
Chauke, H P
Chohan-Khota, Ms F I
Cronin, J P
Davies, Dr R H
De Lange, Adv J H
Didiza, Mrs A T
Dikgacwi, M M
(1) Vacant
Direko, Ms I W
Dithebe, S L
Dlali, D M
Dlamini-Zuma, Dr N C
Dudley, Mrs C
Du Toit, Adv D C
Erwin, A
Fraser-Moleketi, Mrs G J
Gabanakgosi, P S
Gerber, P A
Ginwala, Dr F N
Godi, N T
Gogotya, N J
Gore, V C
Green, L M
Greyling, L W
Groenewald, P J
Gumede, D M
Gumede, Mrs M M
Hanekom, D A
Hangana, Ms N E
Holomisa, B H
Jeffery, J H
Jordan, Dr Z P
Joubert, L K
Kalako, M U
Kasrils, R
Kganyago, Dr N M
Khumalo, K K
Koornhof, Dr G W
Kota, Ms Z A
Landers, L T
Lekgetho, G
Lekgoro, M M S
Lekota, M G P
Likotsi, M T
Louw, T J
Mabandla, Mrs B S
Mabe, Ms L L
Mabena, D C
Madikiza, G T
Magubane, N E
Magwanishe, G B
Mahlaba, T L
Mahlangu-Nkabinde, Ms G L
Mahomed, Mrs F
Mahote, S
Malahlela, M J
(2) Vacant
Manuel, T A
Mapisa-Nqakula, Ms N N
Mars, Mrs I
Martins, B A D
Mashiane, Ms L M
Masutha, T M
Matsemela, Ms M L
Matsepe-Casaburri, Dr I F
Matsomela, Ms M J J
Maziya, A M
Mbete, Ms B
Mbombo, Mrs N D
Mdladlana, M M S
Meruti, Ms M V
Meshoe, Rev K R J
Mfundisi, I S
Mgabadeli, Ms H C
Mlambo-Ngcuka, Ms P G
Mncwango, M A
Mofokeng, T R
Mogale, O M
Mogase, I D

Mohamed, Prof I J
Mohlaloga, M R
Montsitsi, S D
Moonsamy, K
Morobi, Mrs D M
Mpahlwa, M B
Mshudulu, S A
Mthembu, B
Mthethwa, E N
Mtshali, E
Mufamadi, F S
Mulder, Dr C P
Mulder, Dr P W A
Mzondeki, M J G
Nawa, Ms Z N
Ndzanga, Mrs R A
Nefolovhodwe, P J
Nene, N M
Newhoudt-Druchen, Mrs W S
Ngaleka, Ms E
Ngcobo, Ms B T
Ngcobo, E N N
Ngculu, L V J
Nhlapo, V H
Nkabinde, Ms N C
Nonkonyana, Chief M
Nqakula, C
Ntuli, S B
Nzimande, L P M
Oliphant, G G
Oosthuizen, G C
Padayachie, R L
Pahad, A G H
Pahad, Dr E G
Pandor, Mrs G N M
Pheko, Dr S E M
Phungula, J P
Pule, B E
Rabinowitz, Dr R
Radebe, J T
Ramakaba-Lesiea, Ms M M
Ramgobin, M
Ramotsamai, Ms C M P
(3) Vacant
Reid, L R R
Rwexana, Ms S P
Saloojee, E (Cassim)
Seadimo, Ms M D
Sefularo, Dr M
September, Ms C C
Shabangu, Ms S
Sibuyana, M W
Sikakane, M R
Sisulu, Dr L N
Skosana, M B
Skweyiya, Dr Z S T
Solo, B M
Solomon, G
Sonto, M R
Sosibo, Ms J E
Stephens, J J M
Swart, S N
Thomson, Ms B
Tobias, Ms T V
Tsenoli, S L
Tshabalala-Msimang, Dr M E
Tshivhase, Mrs T J
Turok, Prof B
Van den Heever, R P Z
Van der Merwe, J H
Van der Merwe, Ms S C
Van Wyk, Ms A
Vos, Ms S C
Vundisa, S S
Wang, Y
Woods, Dr G G
Yengeni, Mrs L E
Zikalala, Ms C N Z
Zulu, B Z

(1) Vacant wef 28 July 2006 owing to the passing away of Mr M Diko.
(2) Vacant wef 1 March 2007 owing to the resignation of Mr M S Manie.
(3) Vacant wef 1 October 2006 owing to the resignation of Mr T D H Ramphele.

REGIONAL REPRESENTATIVES

EASTERN CAPE
(30 representatives)

Bhengu, F
Bici, J
Botha, Ms N G W
Chalmers, Mrs J
Delport, Dr J T
Doidge, G Q M
Farrow, S B
Fihla, N B
Frolick, C T
George, M E
Gomomo, P J
(1) Vacant
Hendricks, Ms L B
Hendrickse, P A C
Holomisa, Adv S P
Johnson, M
Kondlo, Ms N C
Lee, T D
Ludwabe, Mrs C I
Mahlawe, Ms N M
Mayatula, Prof S M
Mdaka, Ms N M
Njobe, M A A
Nogumla, R Z
Schoeman, Dr E A
Sigcau, Ms S N (Sylvia N)
Sonjica, Ms B P
Trent, E W
Tshwete, Ms P
(2) Twala, Ms N M

FREE STATE
(14 representatives)

Abram, S
Botha, A J
Botha, Mrs C-S
Khoarai, L P
Khunou, Ms N P
Komphela, B M
Madumise, Mrs M M
Magau, Ms K R
Mnguni, B A
Modisenyane, L J
Mosala, B G
Ntombela, Ms S H
Radebe, B A
Sotyu, Ms M M

GAUTENG
(53 representatives)

Bapela, K O
Blanché, J P I
Bogopane-Zulu, Mrs H I
Boinamo, G G
Cachalia, I M
Camerer, Mrs S M
Coetzee, R
Daniels, Ms P
Davidson, I O
De Lille, Mrs P
Dhlamini, B W
Dreyer, Ms A M
Fubbs, Ms J L
Gibson, D H M
Gxowa, Mrs N B
Hajaig, Ms F
Hogan, Ms B A
Jacobus, Ms L
Kekana, C D
Labuschagne, L B

Leon, A J
Madasa, Adv Z L
Maluleka, H P
Maluleke, D K
Maunye, Mrs M M
Minnie, K J
Mlangeni, A
Mokoena, A D
Moleketi, P J
Monareng, O E
Morutoa, Ms M R
Motubatse-Hounkpatin, Ms S D
Nel, A C
Ngcengwane, Ms N D
Ngele, Ms N J
Ngwenya Ms W
Njikelana, S J
Ntuli, R S
Nxumalo, S N
Ramodibe, Ms D M
Schmidt, Adv H C
Schneemann, G D
Semple, Ms J A
Sithole, D J
Smith, V G
Spies, W D
Steyn, A C
Thabethe, Ms E
Vadi, I
Van Dyk, Dr S M
Waters, M
Xingwana, Ms L M
Zita, L

KWAZULU-NATAL
(41 representatives)

Ainslie, A R
Bhamjee, Y S
Bhengu, M J
Bhengu, Ms P
Cele, M A
Cwele, S C
Dambuza, Ms B N
Ellis, M J
Gcwabaza, N E
Gigaba, K M N
Huang, S
Kalyan, Mrs S V
Kohler-Barnard, Ms D
Lowe, C M
Lucas, E J
Luthuli, Dr A N
Madlala-Routledge, Ms N C
Mbili, M E
Mdlalose, Ms M M
Mkhize, Z S
Mnyandu, B J
Morgan, G R
Mpontshane, A M
Ndlovu, V B
Nene, M J
Ngcobo, N W
Ngema, M V
Ngiba, B C
(3) Vacant
Ntuli, Ms M M
Nxumalo, Ms M D
Rajbally, Ms S
Roopnarain, Dr U
Sayedali-Shah, Moulana M R
Seaton, Mrs S A
Smith, P F
Tlake, Ms M F
Vezi, T E
Xolo, E T
Zondi, Rev K M
Zulu, Prince N E

LIMPOPO
(22 representatives)

Baloyi, M R
Dikale, L N
Lekhuleni, Ms T E
Manie, J J
Mmboniseni, Ms T R
Moja, S J
Mulaudzi, F T
Mushwana, Ms P R
Nefale, Ms R J
Neluheli, B L
Nemakhavhani, Ms N F
Ngwenya, Ms M L
Nkosi, Ms C
Nwamitwa-Shilubana, Ms T L P
Phadagi, M G
Phala, M J
Sambo, M M
Tolo, Bishop L J
Van der Walt, Ms D

MPUMALANGA
(15 representatives)

Chilenga, Ms L S
Gololo, C L
Kekana, S E
Komeli, Z
Mamane, Ms M N S
Masango, S J
Mashabe, P M
Nkosi, Ms N F
Nkosingiphile, Ms D G
Phiri, Ms B M
Nyambi, A J
Sekgobela, Ms P S
Shinde, M P
Shongwe, J B
Sibiya, S
Weber, Ms H

NORTHERN CAPE
(5 representatives)

Aziz, S E
Cronjé, J J
Lee, Ms S J
Mentor, Ms M P
Nel, A H

NORTH WEST
(13 representatives)

Anthony, T G
Dikeledi, P H K
(*) Vacant
Kalako, Ms O P
Kgamula, K M
Lucas, S K
Mfebe, Ms M S
Mokgosi, Ms M W
Molewa, Ms L
Molefe, P D K
Monakhe, M S
Mokoena, Ms N R
Molefe, C T
Rantseli, S M
Serame, W J
Sibanyoni, W M
Surty, M E
Swart, Adv P S

WESTERN CAPE
(31 representatives)

Arendse, J D
Beukman, F
Burgess, C V
Cupido, H B
Doman, W P
Gaum, Adv A H
Greyling, C H F
Harding, A
Johnson, Ms C B
Julies, I F
King, R J
Madella, A F
Maduma, L D
Makasi, Mrs X C
Marais, S J F
Mkongi, B M
Morkel, C M
Moss, Ms L N
Moss, M I
Olifant, D A A
Opperman, S E
Pieterse, R D
Rabie, Dr P J
Schippers, J
Selfe, J
Simmons, S
Smuts, Ms M
Swart, M
Tinto, Mrs B
Van Niekerk, Dr A I
Van Schalkwyk, M C J

(1) Vacant wef 14 December 2006 owing to the resignation of Mr T M Goniwe.
(2) Nominated wef 28 February 2007 *vice* Mr Z J Kati, who passed away on 29 September 2006.
(3) Vacant wef 1 February 2007 owing to the resignation of Dr E Nkem-Abonta.
(4) Vacant wef 16 March 2007 owing to the resignation of Mr T S Dodovu.

STATE OF PARTIES

(as at 28 February 2007)

PARTY	NATIONAL REPRESENTATIVES	REGIONAL REPRESENTATIVES (see Section 40 (1), Act 200 of 93)									
		Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Mpumalanga	Northern Cape	North West	Western Cape	Total
ANC	131	11	10	25	19	21	13	3	14	10	126
DA	2	4	2	15	7	2	2	2	2	10	48
IFP	11	—	—	1	11	—	—	—	—	—	13
UDM	4	2	1	—	—	—	—	—	—	—	7
ID	3	—	—	1	—	—	—	—	—	1	5
FD	1	—	—	—	—	—	—	—	—	—	1
ACDP	3	—	—	—	—	—	—	—	—	1	4
PR PLUS	3	—	—	1	—	—	—	—	—	—	4
UCDP	2	—	—	—	—	—	—	—	1	—	3
PAC	3	—	—	—	—	—	—	—	—	—	3
MF	1	—	—	—	1	—	—	—	—	—	2
AZAPO	1	—	—	—	—	—	—	—	—	—	1
UPSA	—	—	—	—	—	—	—	—	—	1	1
NADECO	1	—	—	—	3	—	—	—	—	—	4
UF	1	1	—	—	—	—	—	—	—	—	2
PEM	—	—	—	—	—	—	—	—	—	1	1
VACANCIES	3	1	—	—	1	—	—	—	1	—	6
TOTAL	171	30	14	53	41	23	15	5	17	31	400

EXPLANATORY NOTE:

In view of the fact that bound volumes will henceforth be published on a quarterly basis, the number in parentheses directly after the column reference number indicates the number of the volume in which the relevant information may be found.

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Abbreviations: AdC = Ad hoc Committee; AdJC = Ad hoc Joint Committee; JBC = Joint Budget Committee; JC = Joint Committee; JMC = Joint Monitoring Committee; JPC = Joint Programming Committee; JPSC = Joint Programming Subcommittee; JR = Joint Rule; JSC = Joint Standing Committee; JTM = Joint Tagging Mechanism; NA = National Assembly; NCOP = National Council of Provinces; NHTL = National House of Traditional Leaders; PC = Portfolio Committee; RC = Rules Committee; SC = Select Committee; StC = Standing Committee

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REPUBLIC OF SOUTH AFRICA

DEBATES
OF THE
NATIONAL ASSEMBLY
(HANSARD)

FOURTH SESSION—THIRD PARLIAMENT

PROCEEDINGS OF THE NATIONAL ASSEMBLY

The House met at 14:00.

The Speaker took the Chair and requested members to observe a moment of silence for prayers or meditation.

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS—see col 118.

NEW MEMBERS

(Announcement)

The SPEAKER: Hon members, I have to announce that Mr A J Botha and Mr S J F Marais have been nominated with effect from 2 December and 4 December 2006 respectively to fill vacancies that arose as a result of the resignations of Mr R Jankielsohn and Ms H Zille. Mr Botha and Mr Marais have made and subscribed the oath in my office in December last year.

Mr Botha and Mr Marais, I take this opportunity to welcome you in the House officially. [Applause.]

PRESIDENT'S STATE OF THE NATION ADDRESS

(Announcement)

The SPEAKER: Hon members, I have received a copy of the address of the President of the Republic delivered in the Joint Sitting on 9 February 2007. The speech has been printed in the Minutes of the Joint Sitting.

The MINISTER OF SOCIAL DEVELOPMENT: Madam Speaker, Mr President and Deputy President of the Republic, hon mem-

bers and distinguished guests, South Africa has entered its second decade of freedom with the strengthening of democracy and the acceleration of the programme to improve the quality of life of all our people.

We recognise that we are at the beginning of a long journey to a truly united, democratic and prosperous South Africa in which the value of all our citizens is measured by their humanity without regard to race, gender or social status.

Inspired by the Freedom Charter and the principles enshrined in the Reconstruction and Development Programme, we continue unabated with our social transformation programme informed by democratic principles of the people-centred and people-driven state, and a value system based on human solidarity. These pillars are the attributes of a caring society and beckon us to forge a social compact made up of all our people, and its central objective should be a social policy that preserves and develops our human resources and ensures social cohesion.

At this juncture we can and must reaffirm our commitment to redress poverty and inequality, and on the back of macroeconomic stability, develop an antipoverty strategy that addresses income, asset and social poverty with the objective of eradicating poverty and creating employment.

In terms of our commitment to the Millennium Development Goals to halve poverty and unemployment by 2014, it also means that we should move hastily towards fulfilling and realising the other Millennium Development Goals in terms of education, health care, accommodation and the provision of basic services.

In the context of our continued resolve to challenge underdevelopment and eradicate poverty, and against the background of a huge investment in infrastructure and its attendant possibilities, the emphasis on quality education and health must be recognised. We need educated and skilled citizens who are healthy and therefore productive to benefit from the Accelerated and Shared Growth Initiative for South Africa, and the diverse economic opportunities and possibilities that are now available to our citizens. Education and health must be prioritised as the core elements of social transformation.

On attacking covert poverty and building comprehensive social security, we must seek to empower people to take themselves out of poverty while creating adequate social nets to protect the most vulnerable in our society. A combination of policies around a social wage and social grants, as well as programmes aimed at engaging people in the reconstruction of our communities, can make a meaningful contribution towards the eradication of poverty.

On attacking poverty and building comprehensive social security, government must continue with its plans towards a comprehensive social security system through consolidation and an ongoing review of all security measures such as the Unemployment Insurance Fund and social grants.

Government has taken bold steps in establishing a national health insurance scheme and must finalise its plans within the next 12 months. Huge strides have been made in the delivery of free basic services and continued support through Project Consolidate and other mechanisms must be strengthened to ensure delivery, especially in municipalities that serve the rural poor.

Noting the expansion of the child support grant for children up to 14 years of age, steps must be taken to support vulnerable children above the age of 14. We must all continue to campaign to ensure that all children eligible for grants access them, and assist in the removal of all obstacles, including nonregistration and the lack of proper documents. However, the huge strides that have been made in this regard must be accelerated, as some eight million children are currently the beneficiaries of grants.

We must continue to deal with the effects of unemployment through the Expanded Public Works Programme, which is linked to the Urban Renewal and Integrated Sustainable Rural Development Strategies.

The implementation of the National Youth Service Programme creates huge opportunities for our unemployed youth, and must be sufficiently expanded. The Expanded Public Works Programme and the sector education and training uthorities pay particular attention to the skilling of practitioners in the early childhood development and the adult basic education and training sector.

We must continue with the significant implementation of the integrated food security strategy and further develop our sustainable food policy that ensures food security at all times, which directly impacts on food prices for the poor, with a specific focus on women, the elderly, people with disabilities and children.

We are renewing the pledge we made to the electorate in 2004 to strengthen national partnerships to build a better life for all. We will continue to seek partnerships from all in our society to achieve the national priorities of fighting exclusion and marginalisation, the eradication of poverty and the building of social cohesion. We must be able to share the joy and tribulation of reconstructing our country together as South Africans.

Strengthening families is fundamental in the quest for social cohesion and building the social fabric of our society. We intend to release for public discussion this year a National Family Policy. We hope it will stimulate dialogue on our common vision of the family as a core institution in our country, and the rock upon which our communities are founded.

As a caring state, we have to strengthen and improve the welfare services that provide services to the people of this country. We must consider involving the local government sphere, which is the closest to the people. We have to ensure that the destitute and vulnerable in our society find refuge in the comfort of our state until they are able to survive on their own, especially if they are young and able-bodied.

Among the welfare services that remain a priority is the development of children and the young, and protecting them from malnutrition and poverty. More than 8 million children receive the child support grant, while more than 330 000 receive the foster care grant.

We are also exploring the expansion of alternative care services, for example, children's homes. According to the costing report for the Children's Bill, there are currently 14 000 beds in children's homes whereas the present demand is for 155 000 beds.

The social sector is reviewing all measures, including income support to children over the age of 14. A progress report detailing options will be finalised by midyear.

A lot has been said about crime and its impact on our society. This calls for renewed united action to intensify crime fighting and crime prevention efforts, which must include the combating of drug and substance abuse.

South Africa inherited a social security system that was underdeveloped by international standards. It is characterised by policy gaps, duplication in delivery and fragmented institutions. It does not fully meet the needs of the vulnerable groups who face risks such as poverty, ill health, disability, unemployment and injury on duty.

In seeking to provide comprehensive anti-poverty and developmental services, the provision of social grants to over 11 million South Africans is complemented by the provision of education which is free to the poor, free health care and free basic services.

The South African Social Security Agency was established to become an effective and efficient national administrative system to

respond to the plight of the poor who do not qualify for social assistance. Government also set up the Expanded Public Works Programme. It draws the unemployed into productive and gainful employment, while also delivering training to increase the capacity of participants to earn an income once they leave the programme.

South Africa does not have a fully developed second pillar or system of social insurance. History and experience have proved that the role of the state is critical in providing the platform for the social insurance system to ensure the pooling of risk and to achieve social solidarity objectives. The state cannot simply assume the role of consumer protection and watch failures of private providers such as we are now witnessing in the unfolding Fidentia saga.

While reviewing some policies and improving delivery by a number of agencies such as the Unemployment Insurance Fund, work has been underway to look at best practices for the various components of the social insurance system.

To date, as a government, we have made significant progress on unemployment and maternity benefits with the inclusion of more than one million farm and domestic workers in the Unemployment Insurance Fund. The system has, over the past three years, become solvent, and has significant reserves, unprecedented in the fund's history.

Arrangements for compensation for injuries on duty and diseases and road accidents require reform, given policy gaps, duplication with disability and health care in the first pillar and administrative inefficiencies.

On health insurance, government has increased the number of people contributing to medical schemes, has set up its own employee medical scheme and has also introduced measures to prohibit adverse selection by the private industry. We intend to address a number of outstanding issues in our aim to set up a social health insurance system for South Africa.

The President also referred to the urgent need to reform the country's retirement provisions. In South Africa, only six out of twelve employed persons contribute to some form of retirement savings using more than 14 500 funds. Many people end their membership to a retirement fund as a result of factors such as early retirement, lump sum withdrawals, retrenchments, poor investment performance, collapsing of funds and serious fraud.

Our view is that government needs to make the participation in retirement vehicles obligatory, to prohibit early withdrawals, to provide for portability and preservation of funds, and set up institutional arrangements for delivery. My colleague the Minister of Finance will address this issue in his Budget Speech. [Interjections.]

The key principle on comprehensive social security is sustainability. The message came through clearly in the state of the nation address that we have to link social grants to economic activities and sustainable development. This includes helping beneficiaries to access education, training, skills development and employment opportunities to ensure safety nets.

A pilot project in Dutyini, in Mount Ayliff in the Eastern Cape, has proven to us that it is possible to use resources residing in the communities to promote economic activities. We were impressed that women beneficiaries of the child support grant were able to, amongst other measures, save at least R1 a day from the CSG towards a stokvel fund to enable them to start a co-operative.

All the developmental and antipoverty initiatives depend on adequate numbers of social workers, social auxiliary workers and community development practitioners in both government and the nongovernmental organisation sector.

In addition to executing statutory functions, social workers are the first port of call for many families and individuals in distress, and are a source of information with regard to government services. We are currently providing scholarships for social work students, while promoting the professions amongst the youth. In addition, the provincial departments will further train social auxiliary workers to relieve the workload on social workers.

We also need to further improve the working conditions of social workers. A study has been conducted in this regard to determine needs. In promoting and developing the profession, we will be honouring the memory of many social workers who have served the poor and vulnerable with distinction, such as the ANC stalwart Charlotte Maxeke of the ANC Women's League, the first black social worker in our country.

Working together with our partners in civil society, we will be able to meet the goals outlined in the state of the nation address. For this to succeed, we need more consultation and co-operation with civil society, especially the NGOs and faith-based organisations which need to be better resourced.

Let us strengthen these partnerships and toil together to build our country. Nangamso. [I thank you.] [Applause.]

The LEADER OF THE OPPOSITION: Madam Speaker, Mr President, Madam Deputy President, hon members, at the outset I wish to associate my party with the President's moving remarks on Friday regarding the heroic life and the sad death of Mrs Adelaide Tambo. I also dedicate my speech today to the thousands of victims of violent crime in South Africa and their families.

This is the ninth time I have been privileged to respond to the President's state of the nation speech as the Leader of the Opposition in Parliament. It is also the fourteenth occasion on which I have had the honour to address Parliament in this debate as one of the leaders of our political parties represented in the National Assembly.

We have all arrived in this Place from different backgrounds, we wear different party badges, we speak different languages and we represent different people who have different perspectives. But we are united under one flag, we swear allegiance to the same Constitution and we all love our country, the place that gave us birth and gives us life.

This is also the last occasion on which I shall participate in this debate, either as Leader of the Opposition or as the leader of a political party in Parliament. [Interjections.] I hope my observations, therefore, and whatever candid counsel I have to offer, will be accepted in the spirit intended, not with an eye on the next election or with a point to score in this Parliament. Rather they are offered in the hope that, in your own words, Madam Speaker, we can "deepen the debate" and consider the choices which we have made as a young nation. I am mindful that this is an appropriate time indeed to deepen our deliberations, for in 2007 we celebrate our thirteenth year as a democracy.

As a member of the Jewish faith, I must point out that this means our new society is celebrating its Bar Mitzvah, the birthday which heralds the onset of maturity in a young person's life. It is an apposite occasion then to look back at what we as a nation have achieved and to reflect on the choices that we have made during a tumultuous and at times triumphant phase in our history. For, as with an individual, it is a sign of a nation's maturity when we are able to examine the choices we have made and to consider in all honesty and frankness whether they are the right ones.

One of the finest choices I believe we made was in 1996. Then it was my great honour and privilege to participate in the debate and on the vote on our new Constitution. That Constitution enshrined our hope of forging

South Africa into a democratic bastion for Africa and the wider world.

Such inspiring events remind me of how far we as a nation have come on our progress to democratic maturity, and that we have much to celebrate today in the choices made in the past. Yet, as the President frankly admitted in his address on Friday, we are faced with a number of critical issues that threaten our attainment of a just and a prosperous society.

The President rightly acknowledged that we still have much work to do in combating the important issues that confront us as a nation: crime; corruption; wide-scale poverty; HIV/Aids; and in particular the state's service capacity. I congratulate the President on the candour of his speech. His admission in revealing detail of the shortcomings in government's attainments of its own goals was welcome and refreshing. The Age of Hope, proclaimed a year ago, has been supplanted by an age of reality. However, it was disturbing to note that the President outlined, in a sense, a wish list of his administration's ideals, rather than a set of specific prescriptions to rectify the failures he did so well to acknowledge.

At this juncture, after three successive terms in office, we are surely entitled to expect more of the government. It is of little help to acknowledge shortcomings, but then to insist our policy approach is in all circumstances correct and that our failings are simply a consequence of either lacklustre implementation or faulty perceptions. I submit then that we have made some wrong choices over the past 13 years, and that if we correct these now, we will enjoy greater success in the future.

It is apparent from what we were told by the hon President on Friday—and the statistics as well as the first-hand testimony of the people confirmed this—that government is failing in its pledge to deliver many of the basic services necessary for all our people to attain security, wellbeing and a meaningful stake in society. One key reason for this, I believe, is that since 1994 successive ANC governments have pursued an ill-constructed transformation policy that puts racial representivity above all else.

Of course, after 1994 we had to construct and pursue with vigour a programme of redress and empowerment for the victims of apartheid. And yes, there are some, though in fact very few people in South Africa, who would prefer to pretend that the past never happened or who pay lip service to the need for redress without being committed to it in their hearts and in their deeds.

But none of this changes the fact that over the past 13 years we have failed properly to balance the need for redress with a need for successful service delivery. Again, I am not suggesting that in every instance there has been a failure of such delivery, and the President acknowledged that as well, but for instance, look at the product of 13 years of ANC-run education and tell me that no better could have been done.

It is heart-wrenching that in 2007 our schools are still disgorging hundreds of thousands of young people without opportunity or hope, because they simply do not have the skills to make anything of themselves in our economy, let alone in the broader economy of a globalised world.

According to the teachers' union, Naptosa, only one out of every one hundred children who begin school in South Africa will attain and complete tertiary education. It is imperative that we harness the diversity of our people and our institutions need to reflect that diversity. I think that is absolutely beyond debate, but it is morally wrong, strategically incompetent and a violation of our Constitution's purpose to construct a policy of redress on a variant of the Verwoerdian notion of demographic representivity and then elevate it above every other consideration. When a policy of redress is so ill-constructed that it perpetuates, rather than eradicates, a lack of oppor-

tunity and crushes the hope of advancement, then surely the policy must be changed.

If we want our children educated, our sick healed, our poor cared for and our unemployed to find work, then we must begin to live the values of excellence, hard work and merit. As a mature democracy, responsible for our own decisions, it is time we make a clear choice. We simply cannot have it both ways. We cannot choose delivery and growth if we also choose racial preferment at all costs. As Max Weber once said: "If we serve one god, we land up offending another."

Indeed, last week we hosted the President of China on these shores. Perhaps we should reflect on the famous axiom of the founding father of modern China's economic miracle, Deng Xiaopeng, who said once: "It doesn't matter if the cat is black or white, as long as it catches mice."

This does not mean redress and empowerment should be shoved to the back of the queue, far from it. BEE, if practised with openness, accountability and affordability, can release new energies into our economy and empower those previously denied access to opportunity. It can, indeed it should, increase the size and the diversity of the winners circle in South Africa.

There are indeed people in government who recognise this. The hon Deputy President, in her capacity as chairperson of Asgisa, said: "I don't think there is any virtue in pure BEE if it equals poor service."

An outstanding example of what may be achieved is available for study in the City of Cape Town. The DA-led multiparty coalition that took power in March last year inherited a corroded BEE system, the defining features of which were race quotas, nepotism and corruption. Since then we have abolished the quota system for tenders, opened the books to transparency and eliminated corruption. Because we did not predetermine the outcomes or the beneficiaries, a wider pool of role-players was engaged. It is a matter of proud record that we have increased the number of BEE firms involved by 10% in less than one year. [Applause.]

The people of the Mother City have made a choice. They have chosen openness, accountability and efficiency over backdoor cronyism and frontdoor incompetence. We commend this example to government, of the kind of choice we need to make at a national level as well if we are to attain the vision of a great nation enshrined in our Constitution.

Deepening the debate also means choosing freedom over fear. The former Soviet prisoner of conscience, Natan Sharansky, makes an important distinction between what he calls "free societies" and "fear societies". In 1994 we made the choice to become a free society, and constitutionalised that choice two years later. Yet sometimes we display the characteristics of a fear society.

In fear societies there is limited space for difference. In fear societies we reflexively label our opponents as racists or counter-revolutionaries. And it is in fear societies that we force on people the stifling straitjacket of political correctness.

Yet the only way to manage diverse societies with justice is to embrace pluralism. And so, therefore, I warmly welcome the President's call on Friday for inclusivity to, and I quote, "act in partnership to realise the happiness for all that should come with liberty."

In effect this means that as a nation we should spend more time listening to each other and not be too quick to judge as illegitimate the concerns and expressions of any individual or any group.

Kyk maar na die oorhaastige reaksie van die woordvoerder van die Departement van Kuns en Kultuur oor die gewilde liedjie *De La Rey* wat tans deur die land beweeg. Moet ons nie eerder luister na die boodskap en sy implikasies, pleks daarvan om amptenare te

stuur om die ruimte vir hierdie tipe vrye uitspreek van opinie te sluit nie?

Elke Suid-Afrikaner wil soos 'n regmatige landsburger voel, met 'n kulturele identiteit wat nie ontken of eenkant toe gestoot word nie. En ons wil almal weet dat niemand vergeet sal word wanneer ons geskiedenis opgeteken word nie, en dat die proses nie deur 'n dominante faksie gemanipuleer sal word om hul eie politieke wense te vervul nie. *(Translation of Afrikaans paragraphs follows.)*

[Just look at the overhasty reaction of the spokesperson of the Department of Arts and Culture with regard to the popular song *De La Rey* that is currently moving through the country. Shouldn't we rather be listening to the message and its implications, instead of sending officials to close the space for this type of free expression of opinion?

Every South African wants to feel like a rightful citizen of the country, with a cultural identity that cannot be denied or pushed aside. And we all want to know that nobody will be forgotten when our history is recorded, and that the process will not be manipulated by a dominant faction in order to fulfil their own political wishes.]

Neither victims nor perpetrators make for a self-confident, tolerant and united citizenry.

One way, I believe, of understanding the project of the new South Africa, is to see it as an attempt to move beyond victimhood and guilt to a place in which we are united without having to be uniform.

The other characteristic of fear societies is the limited space for criticism. That is why the effective muzzling of First National Bank was disturbing and disappointing. All leaders have to deal with the criticism of their leadership. I know whereof I speak. As a leader, however misguided you may feel your critics are, and however much you may distrust their motives, it is finally always better to ensure that the space for criticism is protected and that we listen to the critics with care. Put simply, tolerance of criticism wins respect; suppression of it breeds resentment.

Let me now turn to crime, the crisis of the hour. I think it is fair to say that I echo the feelings of many South Africans who are disappointed and disheartened by the hon President's response to this crisis. I understand that the President wants to approach the problem of crime in a reasoned and deliberate manner. But our country is desperate for empathy, for a belief that the campaign against crime is fuelled by both passion on the one hand and steely-eyed determination on the other.

Our people want to see crime and the fighting of it elevated to the top of the national agenda, not placed in the middle of it, with a host of contending and often contradictory items crying out for resolution and redress.

It may help the President to understand the crisis better if he listens to the voices of the people. According to a recent television poll, 98% of South Africans believe that government is losing the fight against crime and that it is indeed out of control. For every high-profile victim, like historian David Rattray, whose killers have commendably been brought to book, there are thousands whose murderers, rapists and robbers roam free.

The orgy of violent, sickening crime continues relentlessly. Just this weekend the community buried the 14-year-old Johannesburg schoolgirl Thato Radebe: two weeks ago the nation was horrified by her savage rape, murder and dismemberment.

Let me share with you the sentiments of a patriotic South African, Vi Rathbone, grandmother of the more famous Clyde, the former captain of the South African under-21 rugby side. She recently wrote to me to explain why, at the age of nearly 80, she is unwillingly emigrating to Australia to join the rest of her family. She wrote:

> The full story of my grandson Clyde Rathbone's decision to relocate to Australia and play rugby for the Brumbies is not well known. His mother is lucky to be alive, as, when their home in Warner Beach in Durban was broken into, she was dragged by the hair to their upstairs balcony and pulled over the balustrade. She sustained serious injuries but fortunately did not become bedridden for life.

Mrs Rathbone concluded her letter to me by saying:

> I will always love South Africa, and I will never run it down. I only hope and pray . . . that the government will do all in its power to fight the rampant crime in South Africa.

We must listen, Madam Speaker. We must feel with our people. And we must lead them to victory over the criminals.

In his address, the President argued that proper implementation of existing policy was the solution to crime. Apart from some minor tinkering, the major new prescription offered was the very welcome announcement that the police force will be increased to 180 000 members.

But if we are serious about winning the war against crime, we need to send out a clear and unequivocal message that, for example, connections with the ruling party will not lead to you falling off the list of Travelgate accused, or to your featherbedding in prison, or to your early release from jail.

As ons ernstig is oor die stryd teen misdaad, waarom dring ons daarop aan dat die polisie in sterk Afrikaanssprekende provinsies soos die Noord-Kaap en die Wes-Kaap slegs in Engels mag kommunikeer? *(Translation of Afrikaans paragraph follows.)*

[If we are serious about the battle against crime, why do we insist that the police in predominantly Afrikaans-speaking provinces such as the Northern Cape and the Western Cape may only communicate in English?]

If we are serious about winning the war against crime—at home, where it needs to be fought—why is the Minister of Safety and Security deployed on lengthy peacemaking missions to the Great Lakes and elsewhere, when we have a Minister of Foreign Affairs and two deputies, presumably equal to the task?

If we are serious about winning the war against crime, why is it that a politician, and not a policeman, was appointed by the President as the National Commissioner of Police? And why, after serial failures in office, is he retained there?

International and domestic experience shows that visible cops on the beat are the best deterrent. That is why it is imperative that the government ensures that these officers are on the streets, taking the fight to the criminals, not behind their desks.

And we certainly welcome the President's appeal to all sectors of society to become involved in the battle against lawlessness. Yet at the same time the government seeks to centralise control of the police force, which flies in the face of best international practice. In South Africa there will be no more special police units and moves are afoot to do away with municipal police forces as well. Once again, we seem to be pursuing the wrong choices in the attainment of worthy goals.

It is not only in relation to crime that we are failing to make the right choices. It is also in our international relations with the world that we sometimes seem to have lost our way. Surely our Constitution behoves us, as with the biblical injunction of the Good Samaritan, not to walk by on the other side of the international road, ignoring the tyranny in Zimbabwe or the dreadful human rights violations in Burma.

So, on the occasion of the onset of our maturity, we must begin to make those

mature choices. If we seek ANC-style transformation first and effective delivery second, we will achieve a representative Public Service which could fail apartheid's worst victims. If we fail to respect cultural diversity and close the space for criticism, we will achieve a resentful citizenry that eventually will rise up in anger. If we continue with an uninspired, unempathetic and unfocused approach to crime, we will achieve a terrified populace that flees the country, hides behind electrified fences or engages in violent acts of vigilantism.

In making our choices for the future, we should be guided at all times by our founding document. It behoves us as a nation to redouble our efforts to give meaning to the noble ideas of our Constitution.

Looking back, it is salutary to recall the shining ideals that animated so many South Africans, in the ANC and outside the ANC, at the time of the struggle against apartheid. Those who fought for a new society did not dream of the watered-down, halfway complete or compromised democracy that too often we seem content with today. Rather, we set the bar high, aspiring to make of our new democracy a shining star among the free and winning nations of the world. When we have done that, we will be able to say that we have come of age as a nation, and have with full confidence, honesty and responsibility entered into our maturity.

That is the cause that brought me into Parliament and into the politics of South Africa. I know it inspires and burns bright in the ranks and hearts of the many who will follow me into this Place, long after I have left it. Thank you. [Applause.]

The MINISTER OF FOREIGN AFFAIRS: Thank you, Madam Speaker, President Thabo Mbeki, Deputy President Phumzile Mlambo-Ngcuka, Ministers and Deputy Ministers, comrades and hon members.

President, as you began the state of nation address, you pointed out that Mama Tambo, freedom fighter and devoted community builder, has passed on. Thank you for your wonderful tribute to her at her funeral on behalf of all of us. You also reminded us of the 90th anniversary of the birth of Oliver Tambo and the 40th anniversary of the death of Albert Luthuli. They are both part of a generation of leaders that dedicated their entire lives and energies to removing from our country, in your words, "much that is ugly and repulsive in human society." They ensured that the common dream of freedom came true.

Indeed, our task now is the transformation of South Africa "into a democratic, peaceful, nonracial, nonsexist and prosperous country, committed to the noble vision of human solidarity".

It is the attainment of democracy, peace and prosperity that we wish for Africa and the world a new world order that is free of racism and sexism, where we all share the benefits of our own labour—a more inclusive and people-centred world.

Madam Speaker, the late Comrade Albert Luthuli, in his acceptance speech on receiving the Nobel Peace Prize for 1960, had this to say, and I quote:

> This is Africa's age—the dawn of her fulfilment, yes, the moment when she must grapple with destiny to reach the summits of sublimity saying, ours was a fight for noble values and worthy ends, and not for lands and the enslavement of man . . .

Nearly half a century later, we are beginning to see the dawn of Africa's golden age, and that a free and independent Africa is asserting itself in the world.

In the 8 January statement, you also recalled that the ANC and South African people have a long tradition of international engagement and solidarity. And you went on to say that this arises from the understanding that our fortunes as a nation are intimately interconnected with the fortunes of our neighbours.

our continent, indeed all of humanity; and that it is therefore on the basis both of moral responsibility and collective self-interest that we continue to be actively engaged in the effort to build a better Africa in a better world.

Our greatest achievement in Africa in recent years has been the restoration of peace and democracy in the DRC after 40 years. True to Patrice Lumumba's last words: "History will have its say in the DRC", indeed, history has had its say in the DRC. Of course, our involvement in the DRC has not come to an end. The challenges of nation-building, infrastructure development, health, education, economic development and the building of state institutions are only starting.

Madam Speaker, Darfur, Somalia and Cote d'Ivoire will be major preoccupations for us and the rest of the African continent in the coming months. The mutual distrust between the North and the South in Sudan is slowing the implementation of the Comprehensive Peace Agreement. Of course, the international community must also make good the pledges made in Oslo for the reconstruction so as to make unity attractive for the southerners.

The President in his address also emphasised the importance of community safety and security and said on the international front, as within South Africa, we also acknowledged in particular the vulnerability of women and the prevalence of gender-based violence in the world. Within the Progressive Women's Movement and other women's organisations, we shall all continue to make inroads in addressing the plight of women and how to empower women. In this regard, South Africa has been mandated also by the continent to host the Pan African Women's Organisation, Pawu, in 2007 in which African women can help to take forward the emancipation of women on the continent.

We also salute the work of Sawid, South African Women in Dialogue, in particular as it remains very helpful in improving the situation of women, both at home and in terms of their work with other African countries.

Madam Speaker, the African Union (AU) has also decided that the Diaspora should constitute the sixth region of the continent. In this regard, South Africa was mandated to host the global conference of the Diaspora and the continent. This will bring together Africans from around the world, who wish to contribute towards the cause of Africa's development and African advancement. In this regard, we shall work closely with the AU and the Caribbean Community and Common Market, Caricom. This event will be preceded by consultations at a national level, and there will be a ministerial meeting. We see this event as providing a platform for reasserting African culture. It will be of mutual benefit to both the Diaspora and our continent. We look forward to co-operating with Parliament in this regard.

Madam Speaker, the AU is also grappling with the challenge of how to accelerate the political and economic integration of our continent. Whereas we all agree on the ultimate goal of a united Africa, the vexing question is: How? A decision has been taken to have what has been termed by the heads of state "the grand debate" on which the very question will be debated in Ghana in July this year. But before this takes place, wide national consultation is needed, including debates in this very Chamber. Put simply, the question is whether the time has come to put into action the late Kwame Nkrumah's vision of a United Africa. Let me remind the House what he said:

> Never before have a people had within their grasp so great an opportunity for developing a continent endowed with so much wealth. Individually, the independent states of Africa, some of them potentially rich, others poor, can do little for their people. Together, by mutual help,

they can achieve much. But the economic development of the continent must be planned and pursued as a whole. A loose confederation designed only for economic co-operation would not provide the necessary unity of purpose. Only a strong political union can bring about full and effective development of our natural resources for the benefit of our people.

The political situation in Africa today is heartening and at the same time disturbing. It is heartening to see so many new flags hoisted in place of the old; it is disturbing to see so many countries of varying sizes and at different levels of development, weak and in some cases almost helpless. It is this terrible state of fragmentation, and if this terrible state of fragmentation is allowed to continue, it may well be disastrous for all of us.

Critics of African unity often refer to the wide differences in culture, language and ideas in various parts of Africa. This is true, but the essential facts remain that we are all Africans, and have a common interest in the independence of Africa. The difficulties presented by questions of language, culture and political systems are not insurmountable. If the need for political union is agreed by us all, then the will to create it is born; and where there's a will there's a way.

Those who think that we are ready to implement what Nkrumah said that if he was ready then, we should be ready today. But, the other view is that we should follow a step-by-step route maybe like the EU. Of course, I'm raising this to start the debate and the consultation so that we are ready for the Grand Debate when the time comes.

Madam Speaker, Paul Kennedy in his book, *The Parliament of Man*, quotes Lord Alfred Tennyson in 1837 in *Locksley Hall*:

> When I dipt into the future far as human eye could see;
> Saw the Vision of the world and all the wonder that would be.
>
> Saw the heavens fill with commerce, argosies of magic sails,
> Pilots of the purple twilight dropping down with costly bales;
>
> Heard the heavens fill with shouting, and there rain'd a ghastly dew
> From the nations' airy navies grappling in the central blue;
>
> Far along the world-wide whisper of the south-wind rushing warm,
> With the standards of the peoples plunging thro' the thunder-storm;
>
> Till the war-drum throbb'd no longer, and the battle-flags were furl'd
> In the Parliament of man, the Federation of the world.
>
> There the common sense of most shall hold a fretful realm in awe,
> And the kindly earth shall slumber, lapped in universal law.

This young English poet forecast that the nations of the world, realising that they could destroy one another, might mutually agree to form a political federation, the Parliament of Man. Indeed, Harry Truman at the San Francisco Conference read that passage from *Locksley Hall*.

I am quoting this poet to demonstrate that the need for a multilateral system is today as important as it was envisaged by Tennyson, and that the only way to save nations from destroying one another is the United Nations. And the United Nations is the global primary instrument by which the world should solve its problems.

We still believe that it is very essential to stick to this multilateral system of governance but that it does need to be reformed.

President, as you said at the UN:

> Because this organisation of the people of the world has grown to encompass the entire world, many had thought it would be logical that this custodian of global democracy would itself serve as beacon in our contemporary request for democracy in all our countries. Clearly, for the UN to continue occupying its moral high ground, it has to reform itself urgently and lead by practical example as to what is meant to be democratic.

Madam Speaker, as you are aware, on 16 October 2006, South Africa was elected by the member states of the UN General Assembly onto the Security Council as a nonpermanent member for the period 1 January 2007 to 31 December 2008. Our participation in the UN Security Council is, first and foremost, to champion the cause of Africa and to be a voice of the Africans on the continent. We will work hard to elevate the African agenda of achieving peace, security and development. We see our task as bringing greater alignment to the work of the Security Council and that of the AU, especially the Peace and Security Council and those bodies outlined in Chapter 8 of the UN Charter, which deal with regional organisations. The major challenge that South Africa will have to contend with is how to operate in an environment that is characterised by conspicuous power imbalances and a domination of the UN Security Council by its five permanent members.

We need to pay special attention to the problems of Serbia and the clamour for independence of Kosovo, the Middle East, Iran, Iraq, North Korea, and Western Sahara. South Africa has been given lead to take the lead on the matter of Timor-Leste.

Special groups have been formed to take care of most of these issues that I have mentioned, and South Africa needs to acquaint itself with them. We will also be chairing the G20 Finance Group and the Nuclear Suppliers Group. I would also like to thank the President for reminding us that there is urgency to the creation of a better life for all.

I would like to conclude by quoting Comrade Oliver Tambo when he spoke at the University of Fort Hare:

> We are therefore called upon to embark on the long and thorny road of transformation. Transformation requires a more dynamic discourse that insists on capacity and potential; on originality and on a creative existence that makes and remakes its own essence; that stimulates a will to overcome history, time and necessity rather than encouraging submission. We need to introduce this into our universities as much as to our national fora. South Africa needs to believe in our capacity to overcome our painful history; to begin again and to regard our failures, when they occur, not as finite moments, but as occasions for a new beginning.

I think if we all believe, like Oliver Tambo believed, that South Africa has the capacity to overcome its painful history and to be transformed into a South Africa we all would like to live in, we shall all keep our shoulder to the wheel and work, and stop grumbling and complaining. Thank you. [Applause.]

Prince M G BUTHELEZI: Madam Speaker, your Excellency our President, your Excellency our Deputy President, hon members of the House, I would also like—on behalf of myself, my wife Irene and the IFP—to pay tribute to Mrs Tambo, who was not only a mother to us in the sense in which she was to all South Africans, but a friend of many years.

In paying tribute to her I would like to say that one thing that I will never forget in what remains of my own life is the fact that even when, after having worked for many, many decades with her late husband, Mr Oliver Tambo, and things changed because of differences in strategy, she never changed or adopted a different attitude towards us.

I would like to pay tribute to you, Mr President, for the tribute you paid to Mrs Tambo at her funeral service was a befitting tribute, not only because you were doing so on behalf of all of us, but also because it was an example of sons paying tribute to their mothers, because she was more than a mother to you personally.

Thirteen years into our democratic experience, it seems that a new tone and a new hope have come to characterise this debate. We feel that in his address our President has opened the door to a more sober, self-reflecting and pragmatic approach, and I hope that his new tone will now offer this debate the opportunity of finally listening to things which have often been spoken of within this House, but rarely recorded and acted upon.

The President has embraced the serenity to admit that we face dramatic challenges which we must address with possibly drastic actions. This is a turning point in the history of our Republic.

We must respond to the President with a cross-party approach which creates a new spirit of national unity in dealing with these challenges. I appeal to both sides of the aisle to consider the need to join hands to provide our contribution in our respective roles by placing the interest of the country above that of our own parties or politics in general.

We must not belittle the enormity of what we have achieved in the past 13 years. Indeed our democratic experience has, thus far, been extraordinarily successful and admirable.

However, the healthiest of bodies will fall ill and possibly die on account of a single disease or wound. We must now turn the page and accept the need to focus our political attention not on what is going right, but rather on what is going wrong. It is in this spirit that, on this occasion, one should not enumerate the long list of things for which our government ought to be rightly praised. Praise is undoubtedly due, but this is neither the time nor the occasion for it.

For 13 years, on this occasion, I have sounded the warning that the rising spiral of crime would undermine the gains of our liberation. Indeed, I sounded these warnings since the ANC began its campaign to make townships ungovernable, destroy our education system and undermine any notion of authority, legality and social co-existence as strategies for our liberation struggle. We have now reached the point in which it is not Mangosuthu Buthelezi alone stating that crime is out of control, but the reality of crime being out of control has finally been recognised domestically and internationally.

Three years ago I stood at this rostrum, if I may remind you, declaring that I knew no one who had neither been a victim of crime nor did not live in fear of becoming one. From the highest level, that of the Chief Whip of the Majority Party, the retort came that no one was in fact known to be in such a position. I can never forget the raucous, derisive laughter that shook the benches of the ruling party, who saw me as bonkers when I made this statement. [Laughter.]

This syndrome of denial has bedevilled our government much more than the problem itself, and part of this syndrome has also been an often unexpressed apologetic attitude, suggesting that crime is an inevitable by-product of poverty and that it affects only a privileged few.

However, I do not wish to give the impression that I believe that the government is somehow soft on crime. Of course government wants to eradicate crime—I know this, I was in government for 10 years—who does not? But we must, to purloin a famous phrase, be tough on crime and tough on the causes of crime.

For more than half a century I have carried the burden of governing a community of thousands of people who are among the poorest of the poor. Nobody has anything to

teach me about poverty. I do not need to read the AU and UN reports on poverty to learn about it, even though I welcome its recent findings about the levels of hardship in South Africa. It is just plainly not true that poverty alone causes crime. It is the disintegration, rather, of the social fabric of society which turns poverty into a breeding ground for crime. [Applause.]

It is also absurd to continue to suggest that crime is only the problem of the rich or of white people. The rich amongst us have ways and means to cope with crime, protected as they are by high walls, sophisticated security systems, armed response and vicious dogs. [Laughter.] Today the largest number of victims of crime are amongst the poor, including the older people attacked in townships by youngsters who pillage their wages at the end of a hard week's work, or the small emerging businesses trading in rural and growing urban areas alike.

We must stop blaming the police for what is in effect police in action. Too often policemen are terrified of themselves becoming victims of crime as criminals know where they live and because of that they are open to retaliation with no defence. We have rising numbers of assassinations of police every year. Truth be told, everyone, including the Police Service, has been abandoned and neglected by the state. We need to strengthen the state to change this state of affairs.

I often despair at how politics seems to be the only field of human endeavour in which words are often confused for thoughts and thoughts confused for actions. It is not our talking about crime that will solve the problem. We need to multiply the police force manifold, and even far beyond what our President suggested. We need to boost their equipment, skyrocket their budgets and expand their training.

We must also break down the absurdity of a nationally organised, structured and directed police force. Throughout the world the most efficient police forces are structured, organised and directed at the local level to reflect the fact that the overwhelming majority of crime is in fact localised in scope and activities.

And yet the Police Service is being further centralised at the present time as I speak to you today. The post of area commissioner is being abolished in many areas. I learnt only last week that there was no longer an area commissioner in the Ulundi region, where I live.

We must also become serious in addressing the crime problem by solving the disastrous conditions of our judiciary, and we must not be priggish about it. Under our circumstances we must pass legislation compelling judges to deliver their judgements or sentences within two months of trial. [Interjections.] [Applause.] The tardiness and often outright laziness of some judges have become part of the problem. We must also create investigative structures within the judiciary and the police to halt the convenient disappearance of dockets which has become so common.

More importantly, we need to have the courage to overhaul our antiquated criminal and civil procedures so that the bulk of judicial activities can be removed from our courtrooms and be dealt with in pretrial, as is the practice in many other countries. This reform alone would effectively multiply overnight, and at no cost to the state, the number of judges, courtroom hours and judicial infrastructure available to our fight against crime and our judicial system in general.

In fact, the problem is not just on the criminal side, as there is no real justice when an average civil case must take three years to deliver redress to the aggrieved party. It is a well-know maxim in our jurisprudence that justice delayed is justice denied.

At a deeper level, Madam Speaker, your Excellency the President, your Excellency the Deputy President, hon Ministers and hon

members, we need to go back to basics and inculcate a respect agenda amongst our youth. A transforming society such as ours need not be an uncivilised society. The seeds of crime and lawlessness are often sown at a young age, and we must bring back a sense of respect in our schools, communities, townships and cities.

I'm sure those who were with me in Cabinet when Madiba was President will remember when the Bill abolishing corporal punishment came before us. Madiba was sitting next to me and our President was sitting on his other side as then Deputy President. I said: "You know, the President would not be sitting here if he didn't get some whacking when he was young." [Laughter.] And Madiba said: "He's right! He's right! He's right!" [Laughter.]

When one considers that the ANC is the ruling party of our country, it is unsurprising that the flames of violence and crime are fomented when members of the ruling party insult and abuse the Head of State, even before a visiting head of state. I personally witnessed this with great shame when the President was hosting the Prime Minister of India, Dr Manmohan Singh, in Durban. Even worse, it took place when the occasion was the celebration of Mahatma Gandhi's Satyagraha.

As if this was not enough, despite my appeal before this national forum for people to show the respect that should rightly be accorded to the Head of State, members of the ruling party once again hurled insults at the President on the sombre occasion of the interment of the mortal remains of an African stalwart, Mr Moses Mabhiba, in Pietermaritzburg.

Ukukhipha umhlonishwa uMongameli ngaphansi kukanina ichilo. Ungene ngani umta kaMoerane nxa nizicabela izikhundla? [Calling the hon President "under his mother's skirts" is a disgrace. What the heck does Moerane's child have to do with you paving the way for top positions?]

This behaviour, if I may say so, is foreign to our African culture, which has always been rooted in respect. What kind of example does this set for our country? Can we not disagree without being disagreeable? Are we surprised that crime is escalating out of control when we consider what happened in Khutsong and during the Satawu strike?

I stood before you here, hon members, for many years, pleading with government to awaken from its denial of the HIV and Aids pandemic. We need to have the courage to go through the unsettling process of awakening to many other arenas which have been discussed in this House, but often with little practical outcome. These are the challenges of poverty, corruption, unemployment and, of course, HIV and Aids.

We must address corruption apart from crime, as it is becoming a phenomenon in its own right, which, like a cancer, is pervading the matrix of government and civil society, and is becoming part of common mindsets. Unless we put a stop to it, we shall be facing disaster. Too often meritorious government programmes are not launched because they lack politically interested patrons, while political clientele have promoted deals, programmes and activities that are either not in the interests of the state, or are grossly overpaid.

The recent cover story in the *Financial Mail* about dealership shocked us all. We must face up to the fact that the impeccable legislation we put in place is not addressing this problem. Perhaps we will need to establish a qualified and internationally representative fact-finding commission, which can suggest ways and means to stop corruption before corruption stops anything which is noble and pure in our Republic. Let us be bold that corruption is a heinous crime.

Our economy is doing better than many expected. However, little of its success, or perhaps lack of failure, can be ascribed to the action of government. Employment generation programmes have not succeeded, and

most people in this House would be hard pressed to exactly name such programmes or projects, and how they are operating in their own constituencies.

Our training programmes have been financed by 1% of our nation's payroll for more than five years now, and we are still far from the beneficial results which we would expect to flow from this huge expense. We have often talked about the need to introduce much-needed flexibility into our labour market, but little has been done about it in practice. And it is not for the failure of government in this case, as you know. You remember that I once told you of a certain chant, which almost became a second anthem in this country: "Asiyifun' iGear". [We do not want Gear.] [Laughter.]

Our economy is suffering because young people, especially young people from the previously disadvantaged groups who are now ready to make their contributions in the workplace, cannot find employment opportunities because they are not allowed to replace less competent people hired at their expense. This is especially true within our Public Service. We have focused so much on our affirmative action programme that we may have failed to be alive to the need to enable a second and third wave of beneficiaries of these programmes to provide their essential contribution.

We have a stated policy of encouraging foreign investment, and yet our actual programmes do not compete with those of other countries. In addition, our obsolete exchange control regulations have become a major impairment to any small foreign business investing in South Africa. They are administered in an arbitrary and autocratic manner by the Reserve Bank, which is not even part of our government, even though the Constitution requires it to be an organ of state.

We must have the courage to rein in and reform the Reserve Bank . . . [Applause.] . . . and perhaps like its prototype, the Bank of England, we should nationalise it, so that it may no longer be owned by private entities or even foreigners. Within this context it would be appropriate to fulfil the promise made by our government as early as 1996, that exchange controls would be abolished.

These are all painful and necessary measures. We cannot continue to rely on declaration of policy to bring about change. We must avoid kneejerk reactions to protect what we have for fear of letting in a better alternative. I am very saddened by the disintegration of the system of migration control, which was so laboriously put in place when I was the Minister of Home Affairs. I am not sad just because it obliterated ten years of my work and five years of the work of Cabinet and Parliament. I am sad because we told the world that our country needs foreign skills to ramp up economic growth and employment.

Having made that statement in the past three years, this Parliament has hastened to undermine the very law that embodies it. The message we send to the world could not be clearer, that we want the outside world's contribution but we are ready to bite the hand that delivers it.

I fear that we are still to gain a better collective understanding of the hard rules of the age of globalisation. We must make investments to produce South African technology and products to be sold in the market place of the global village, while opening our doors to foreign products, services and people.

I do not understand why our government should impose duties which force our people to pay twice as much for motor vehicles bought in this country than people pay overseas. This even applies in respect of vehicles produced in South Africa which are sold at higher prices than abroad, because of the protectionism of import duties.

All this is self-defeating, as it makes us uncompetitive. Similarly, I cannot under-

stand who we are really benefiting by continuing the absurd monopoly of telecommunications, which leads all of us to pay as much as 10 times for our phone services as people in other countries. Equally damaging is the fact that our country is not ready for the new technologies such as direct satellite communications and voice-over-internet protocol, which are rapidly replacing the old telecommunication dinosaurs to which we cling.

The same could be said of our banking system. In the end our short-sightedness damages our children and their posterity.

Madam Speaker, your Excellency our President, I appreciate that the challenges are grave, that they are great, and that there are many. We are even facing a climate of declining political leadership and rising political turmoil. It is saddening for our Republic that on this day we have heard perhaps one of the last parliamentary addresses from one of South Africa's greatest sons and patriots, the hon Tony Leon, MP, the Leader of the official Opposition.

I think all sides of the House would wish to join me in acknowledging that he possesses a very subtle ability to marshal words and ideas to sustain his case, and then use them to devastating effect against his political opponents. [Laughter.] That, importantly, is how Mr Leon sees those on the opposite benches. He sees them as opponents, not enemies. Mr Leon has always consistently and fearlessly championed the centrality of the institution of Parliament to our way of life, even as its powers have been steadily eroded. I say this notwithstanding the stridency, which, as I have pointed out, was often misheard by African ears. [Laughter.]

For this reason, I wish to conclude by referring again to my initial appeal. In the looming shadow of a leadership crisis, the weak will turn to create conflicts, as we can see. It is for the strong and the wise to recognise that this is the time to rise above political conflicts, and force national unity in the relentless struggle against crime, HIV and Aids, unemployment, corruption and poverty.

I urge the consolidation of all the political forces that are not within the control or sphere of influence of the ruling party, so that together we may provide a joint constructive and solid contribution towards a dynamic democracy. Faced, as we are, with approaching political turmoil and uncertainty, we must invoke, once again, the spirit of national unity and work together in our respective roles of the ruling party and the opposition to promote the success of our Republic and the rule of democracy. May God so help and inspire us. Dlamini! [Thank you!] [Applause.]

Ms C C SEPTEMBER: Thank you, Madam Speaker. Comrade President Thabo Mbeki, Comrade Deputy President, hon members, comrades and fellow South Africans, this year, 2007, we enter the last five years that would conclude the celebration of the centenary of the birth of the ANC. This is an occasion whose significance will surely resonate across our land. Our commitment, therefore, is to intensify the struggle against poverty as we advance in unity towards 2012. Phambili! [Forward!]

Attacking poverty and deprivation remains the first priority of the democratic movement. Improving the quality of life of all South Africans, in particular the most poor and marginalised sections of our community, remains central in transforming South Africa. In attacking poverty towards the eradication and elimination thereof, the ANC-led government continues to focus the attention of South Africa towards eliminating hunger, providing land and housing, access to safe water and sanitation, affordable and sustainable energy, eliminating illiteracy, raising the quality of education and training for our children, protecting the environment, and access and improving the health of all our people.

Today we, those of us in the social transfor-

mation cluster of the ANC here in Parliament, renew our pledge to speak together of freedom, to act in partnership to realise happiness, and through our programme of oversight in Parliament this year to attempt to respond to agreeing: "Enough of everything that made our country to contain within it and represent much that is ugly and repulsive in human society", as you said on Friday, Comrade President.

Die kern van ons program sal wees om die fokus op parlementêre toesig te verbeter en in die debat te fokus op die wegdoen van apartheidspatrone en om nie-rassige menslike vestiging en grondhervorming daar te stel. *(Translation of Afrikaans paragraph follows.)*

[The crux of our programme will be to improve the focus on parliamentary oversight and to focus in the debate on doing away with apartheid patterns and to bring about nonracial human settlement and land reform.]

The strides made in sport transformation in the past decade have gone back a few steps in some instances, as more limitations are now being placed on women, on rural communities, on the youth and people with disabilities aspiring to become national athletes.

Our oversight and constituency focus, therefore, would be to galvanise the South African population into a united force, not only to deliver the best ever Soccer World Cup, but to emerge as a nation united in our diversity with the common purpose to create a better South Africa and Africa. Thus it will be prudent to identify a common theme for the World Cup, one that would lend itself towards social cohesion.

Verder, wat die vroeë ontwikkeling van die kind betref, kan menige ouer weens uiterste armoede steeds nie daarin slaag om aan hulle kinders 'n veilige omgewing te verskaf nie. Baie ouers in hierdie situasie kan ook nie die nodige gebalanseerde voeding, 'n gesonde leefstyl en kwaliteit opvoeding voorsien nie. Daardie kinders wat fisiek of sielkundig gestrem is, ondervind steeds die las van stigma en diskriminasie op alle vlakke in die samelewing. Dit sluit in skole wat nie oor die nodige infrastruktuur en hulpbronne beskik om in hulle spesiale behoeftes te voorsien nie. *(Translation of Afrikaans paragraph follows.)*

[Furthermore, as far as the early development of the child is concerned, many parents still cannot manage to provide a safe environment for their children as a result of extreme poverty. Many parents in this situation also cannot provide the necessary balanced nutrition, a healthy lifestyle and quality education. Those children who are physically or mentally challenged still bear the brunt of stigma and discrimination on all levels in society. This includes schools that do not have the necessary infrastructure and resources to provide for their special needs.]

The cluster will, therefore, also focus on ensuring that adult basic education and training is more accessible and expanded. In so doing we would encourage the utilisation of empty school buildings, and in the process ensure that poor families steadily move out of the shackles of poverty.

The cluster will also ensure that all poor children are prioritised in programmes such as the no-fees schools, free basic water provision, electricity, proper sanitation, free quality health services and social security. Our people in South Africa deserve dignity, and therefore the ANC is committed to eradicating the bucket system by December 2007 and towards providing decent sanitation for all. Indeed, the ANC prides itself on spending more money on water and sanitation than on arms ... amanzi [water], of course.

These are our noble objectives of eradicating poverty, Comrade President, to provide the freedom and happiness that comes with liberty, the bucket system must go in the Free State. It must go in the Eastern Cape. It

must go in North West, in Mpumalanga, in the Western Cape, Northern Cape, Gauteng, Limpopo and KwaZulu-Natal. The cluster will do the following to ensure that this happens: It will do a detailed oversight programme in all the nine provinces; it will involve our constituency offices to monitor the progress; and also ask our ANC branches to form broad forums of development in pursuit of eradicating the bucket system.

With regard to the centenary of the ANC, we want to state that the Freedom Charter has found expression and implementation in South Africa, and we want to feel and live the freedom and happiness that come with this liberty. As we do this, we need to turn our attention towards the areas that in some instances have fallen short with regard to our own and our people's expectations, and one such area in many instances is the area of social exclusion. Those areas would cover instances of the plight of the long-term and intermittently unemployed, who are single parents sometimes. In many instances they are referred to as the means-tested category.

While taxes do assist, the composition of the poor differs and it reflects different welfare state emphases. The question is: Who bears the brunt? It differs from the youth to women, from old to young, from urban to rural. What are the ages of the people who are the long-term unemployed? It matters for skills development; it matters for shared growth. The UIF does make this differentiation. Job-training policies are also a way to combat social exclusion. Raising the skills level increases the hiring of disadvantaged groups, thus raising productivity, but training and economic growth complements each other. Programmes to keep track of and retain all who have undergone various forms of Seta training and other training may make them part of insertion, instead of them searching in vain for employment.

Miskien moet daar gekyk word na projekte soos die programme van die Departement van Openbare Werke wat ons reeds het, of vervaardigingsprogramme wat die hele gemeenskap sal bevoordeel—programme wat miskien diegene wat tans uitgesluit word, in staat sal stel om deel te neem en om sosialisering in spesifieke kulture te bevorder, of dit nou koöperasies, ondernemings, die staatsdiens of gemeenskapsbehoeftes is. In teenstelling met belastingvoordele, deregulering en ander winsgedrewe motiewe, behoort die doel eerder te wees om die skep van werk- en besigheidsgeleenthede na te strewe, met die doel om sosiale uitsluiting teen te werk. *(Translation of Afrikaans paragraph follows.)*

[Maybe projects such as the programmes of the Department of Public Works which we already have, or production programmes that would benefit the entire community, should be looked into—programmes that maybe allow those who are currently excluded to participate and to promote socialising in specific cultures, be it cooperatives, enterprises, the Public Service or the needs of the community. In contrast to tax benefits, deregulation and other profit-driven motives, the aim should rather be to create job and business opportunities, with a view to working against social exclusion.]

The ANC speaks with confidence because it has been at the head of this national effort to change our country for the better. Working with you in a people's contract to create work and fight poverty, we are confident of success. I thank you. [Applause.]

Mr B H HOLOMISA: Madam Speaker, hon President, hon Deputy President and hon members, . . .

. . . siyambona notata ka-Annanias Mathe ukhona apha namhlanje, utat' uBalfour. [Kwahleka.] [. . . I see that Annanias Mathe's father, Mr Balfour, is present here today. [Laughter.]]

Let me thank President Mbeki for an issue-driven speech that touched upon most of the pressing concerns facing this country. Indeed, I think we should heartily welcome his repeated references to unity, partnership and joint initiatives.

The President's appeal for unity and Madam Speaker's theme for the year: "Masijule ngengxoxo, Mzansi—Let us deepen the debate, South Africa", indicate that we, as South Africans, have not yet found one another on a number of issues. We normally notice this with some of the emotional and controversial laws that we have passed in this House. Sometimes I get the feeling that we are leaving our population behind. Perhaps the electoral system we have plays a role in this.

To deepen this discussion, it will have to be inclusive as much as possible. Perhaps it might not be a bad idea to form a steering committee composed of all South African stakeholders to begin to identify areas where we need to deepen the debate as a nation.

Such a process should culminate in a national convention where resolutions would be taken. Those that require the attention of this House can come to this House; those that require the attention of the executive would be referred to the executive. This is the type of action that I believe is required. We cannot simply talk of unity and deeper debates if they do not result in something concrete.

I am sure that there are many issues that the public wants us to debate and address, for instance the floor-crossing issue that was introduced merely to accommodate ex-National Party political orphans. Yet it has taken years for the public's views to be heard, and it will take more years for the debates to actually happen and for the necessary changes to be made.

Why do we, as South Africans, yearn for unity when it should go without saying that we are all united in our citizenship and commitment to democracy? It is because we live in a divided country. We have a history of being divided, and today we continue to find not only some of the old divisions, but also new ones: black versus white; rich versus poor; healthy versus sick; rural versus urban; suburb versus slum; victim versus criminal; employed versus jobless and government versus the people. This should not be the case and it need not be that way.

With all these divisions, it is easy to fall into a defensive mentality and to adopt an attitude of "us versus them". This is the reason so much of our national debate has become trapped in the same, shallow clichés and stereotypes.

Take, for instance, the issue of crime and the whole FNB saga. Bayangxola aba bantu bahleli ngasekhohlo. [The people on my left are making a noise.]

It demonstrates that we are still miles apart and divided regarding approach, even when we agree that something needs to be done. FNB and others might legitimately feel that government should be petitioned to ensure that crime is top priority, because it undermines business, job creation and foreign investment.

On the other hand, others might ask: "But where was this concern in the '90s under President De Klerk's government, when thousands were massacred in violent crime?" Indeed, others would argue that FNB's approach is nothing but a corrosively subliminal rejection of black rule. From my experience of FNB, however, it is a pity that they find themselves in this situation because they took risks in the past by providing services to the progressive forces when it was not politically correct to do so.

FNB also built a home for football, which was considered a pariah sport for blacks by the apartheid regime. It should also be remembered that FNB is one of the main sponsors of the 2010 Soccer World Cup. I'm sure when their actions hit the international newswires, the prophets of doom who think that we cannot host the World Cup jumped up and down and said: "You see, we told you so. Look at their main sponsor." Perhaps with hindsight, their decision not to proceed has prevented further divisions and polarisation of society around the issue of crime.

In the cause of seeking that unity and of deepening the debate, allow me to expand upon some of the important issues that the President raised here in this House last week. Firstly, regarding crime, government should recognise that a crime-fighting operation must be managed by crime fighters.

A review of the police management structure is required. We need experienced policemen and policewomen at the highest level. Just as we wouldn't appoint anybody but a career soldier to lead our soldiers in defence of the nation, so we should not expect anybody but a career police officer to lead us in the fight against crime. It is hard to sustain unity of purpose when we do not have faith in the person leading us.

Whilst we call on government for drastic action, we need to consider all the factors that fuel violent crimes. The fact is that firearms are the common denominator in the many violent crimes that are committed in this country. We need to consider how we can drastically reduce the number of firearms that are on our streets. Perhaps it is time to say that firearms should not leave the home or property of the owner, so that it is only the police and the security forces that can legally bring guns on the street.

I agree with President Mbeki that we need to regulate the private security industry better, and that only those with valid reasons should be allowed firearms. We could then ask the SA Police Service, with the assistance of the Defence Force, to hold regular, random roadblocks to search for firearms.

I am certain that the public, if it stands united behind this initiative, would assist the authorities and we could begin to remove the licensed and unlicensed guns that are used in violent crimes. Such an initiative would require give-and-take from society, and certainly a great deal of patience would be required with the roadblocks. Thus it should perhaps be run on a trial basis for 6 to 12 months, and then be re-evaluated.

Another aspect of crime that seems to have come to the fore as we battle against arrogant, violent and organised criminals is that there is a complicit market involved in most crimes. If violent crime is a beast, then its soft underbelly are the members of the public who buy stolen and illegal goods. It is they who provide the criminals with an income by being willing to buy that cheap cellphone or car part, DVD, cigarettes, brand clothing or banned substances. We should arrest and sentence these people to embarrassing community service.

Hardened criminals might be difficult to reform, but I suspect that the misguided buyers of illicit goods will respond positively to community service and the threat of prison. In this way we can begin to make crime less profitable by destroying the market for stolen goods.

If we speak of being unified as a nation against criminals, then the nation must understand that consorting with criminals will not be tolerated.

The SPEAKER: Liphelile ixesha lakho, tata. [Your time has expired, hon member.]

Mr B H HOLOMISA: Hayi bo, ndisathetha nje. Kutheni uphelisa ixesha lam? Awulawuleki he! Enkosi. [I still have something to say. Why are you telling me to stop now? You are uncontrollable. Thank you.] [Laughter.] [Applause.]

Nmz J B SIBANYONI: Somlomo wePalamende, ngilotjhisa uMongameli nePhini lakhe, begodu ngilotjhisa nani noke malunga wePalamende kilomnyaka omutjha we-2007.

Ngizokhuluma isikhethu, isiNdebele, khona isitjhaba sizangizwa kuhle bonyana ngithini. IsiNdebele ngelinye lamalimi ekhabe aqalelwa phasi ekadeni. Ngithula ikulumo le ngesiNdebele ngokuhlonipha namkha ngokukhumbula iNgwenyama uNdebele, umsunguli wesitjhaba samaNdebele, okhabe angenye yamadodana kaNguni. Emnyakeni

lo, ngenyanga ezako uNtaka, emnyanyeni wakoMjekejeke eMetsweding hlanu kwe-Tshwane, kuzalwe kukhunjulwa begodu kukhulunywa ngomlando weNgwenyama uNdebele neNgwenyama uSilamba.

Ekulumeni yakhe yomnyaka uMongameli ukhulume ngomzabalazo wokuqeda umthlago wathi: "The struggle to eradicate poverty has been and will continue to be a central part of the national effort to build the new South Africa."

Ngijana nayo ikulumo le begodu ngifuna ukukhuluma ngokwenzeka endaweni engithunyelwe kiyo, iKungwini Parliamentary Constituency Office, PCO. I-PCO le isebenzela isifunda sangeMetsweding soke, ekuyindawo emaplasi wokufuya newo-kulima. Ngombana iyi-Regional PCO, ifaka indawo yange Bronkhorstpruit neyange-Cullinan.

Kwanjesi isitjhaba sesiyawalemuka amahlelo wokuthuthukisa enziwa mbuso. Ngenyanga kaNobayeni nyakenye nango-Tjhirhweni nonyaka, thina be-PCO yeKungwini, savakatjhela amahlelo woku-zithuthukisa enziwa mphakathi. Kuna-bomma bangeKangala, konoBhalarhana, abasungula ihlelo balithiya bathi "yiManzini Wonder Brick Co-operatives." Sinobaba uKabini, abantu bathi ngu-Mayor for Life, owabasiza ngokuthi babandulwe mantangi khona bangazokubhalelwa mse-benzi wabo begodu batlolise ne-co-operative yabo. UMasipala weKungwini noweMetsweding wabasiza ngokubabhorela amanzi, wabapha iingolovana, idrada nokunye kokubasiza emsebenzini wabo wokuforoma iintina.

Begodu, khona ngeKangala kunabanye abomma abasarha imithi emikhulu—le eqeda amanzi. Bayayibasa benze ngayo i-charcoal. Abanye abomma banehlelo lokufuya iimfarigi, bazithengise.

Savakatjhela godu nabanye abomma abanehlelo lokuqotha indlala, i-Rethabiseng Food and Vegetable Gardens. UmNyango wezokuLima e-Gauteng wabapha izinto zokulima nembewu yokutjala. Kwanjesi bakghona ukuvuna, bathengise bafumane imali yokuziphilisa bona nabantababo. Sebanobuphilo obungcono.

Godu ngoNobayeni nyakenye, umNyango wezokuLima e-Gauteng wasungula ama-hlelo we-Agricultural Micro-Credit Fund, i-Mafisa, eMetsweding azokunabiselwa kiwo woke amaWadi.

I-PCO yeKungwini isebenzise ijima lesi-funda se-Gauteng elibizwa "i-Making Our Schools Work Campaign." Ijimeli liqaliswe kinazi izinto ezimbili:

> No learner is excluded on the basis of not having school fees.
>
> We strengthen school governance and safety in school by working with SGBs and CPFs.

Ama-SGB ayabandulwa khona azokghona ukwenza umsebenzi wawo ngcono. Kwe-nziwa namano wokuqalana nokuphepha eenkolweni. Kunehlelo lesikhatjhana loku-faka idrada eenkolweni.

Mongameli, isitjhaba sangeMetsweding singithume kuwe, ngombana batjho sona sigcina ngokubona uMongameli ku-TV nemaphephandabeni kwaphela. Abanye batjho bagcina ngokumuzwa nakakhuluma enrhatjhweni. Batjho ngombana mina ngikwazi ukumbona ngamehlo wenyama nokukhuluma naye, ngimtjele, UMonga-meli, bonyana abantu basatlhaga emapla-sinapha, batlhagiswa banikazi bamaplasi. Bagirizelwa izindlu zabo ngeengaragara, bayaqothwa ngemaplasini, abanye bafu-zelwe imizi ngekani, bayokulahlwa hlanu kwendlela.

Umnikazi weplasi e-Boschkop, wabetha umuntu obegade atjhayela ibhesi yaba-ntwana besikolo ambangisa, bonyana uthela ikoloyi yakhe ngethuli. Omunye batjho walayitjhwa mnikazi weplasi; wawela endleleni angamboni; wambona sele abuya.

Umuntu lo wabulungwa ngaphandle kokutjelwa komndeni wakhe.

Abantu abaqothiweko, Mongameli, nanje basahlala eholweni yomphakathi we-Rodeplaat, abanye bahlala e-testing ground yeMetsweding. UMongameli lokha nakakhuluma ngehlelo lokubuyiselwa kweenarha, uthe:

> While the land restitution programme has resulted in more settlements in the recent period, we still need to put in extra effort in dealing with remaining cases.

Kunamaqhegu amabili wakwaMahlangu, kwaDima, elinye ngelakwa Mothupi. Elidala lineminyaka ema-82 begodu mabili la, aneminyaka ema-77. Akhamba ngamadondolo. BakwaDima bafika eplasini ngomnyaka we-1939, uMothupi wafika ngomnyaka we-1960. Inarha kwamva yathengwa yimayini yeGolide, engasasebenziko kwanjesi. Isibawo sabo sokubuyiselwa inarha nanje asikaqedwa. Kwanjesi sele batshwenywa mnikazi weplasi ohlanu kwabo. Uthumela abahloli bomNyango wezokuLima bonyana abatlhorise. Batjho baphungule ifuyo yabo begodu basuse nesirhalarhala. Kodwana yena, umakhelwana lo, ufuye iinkomo ezinengi, nesirhalarhala sinengi ngeplasini lakhe.

Amaqhegu la gade avele phambi kwekhotho yange-Bronkhorstspruit. Kurareke nomarhastrada, uSkhosana wathi yena akasegisi, bekathumele ngejele abantu abarhola umndende, kodwana uthumela iinlelesi. Omunye wabobababa, Mongameli, uthe ngikutjele bonyana uneminyaka ema-82, begodu uyathoma ukungena ngekhotho ebuphilweni bakhe. Ngemaplasinapha batjho ubuphilo busafana nekadeni, kwamanye amaplasi, batjho bumbi buphala ubuphilo bekadeni. Batjho idemokhrasi yeSewula Afrika ngemapulasinapha abakayiboni.

Ngifuna ukutjho bonyana lokha navane ngikhuluma emrhatjhweni, umphakathi vane uthi ubawa amalunga wePalamende bonyana uwufundise ngamahlelo kaMongameli. Ngithokoza godu lokha UMongameli nakaswaphelisa ikulumo yakhe athi:

> Let us all roll up our sleeves and get down to work, fully understanding that the task to build the South Africa for which we yearn, is a common responsibility we all share.

Mongameli ngiphethe iincwadi neenthombe, ezinye iincwadi zivela ekhotho, zabantu abaqothwa makhotho bebalahlelwe eentradeni. Ngiphethe godu nesithombe esibonisa umuntu owabethwa likhuwa, limbethela bonyana ulithela ngethuli. Ikhuwelo azange libotjhwe. Ngiphethe godu nombiko ovela kumasipala weKungwini wabaqothwe emapulasini newalabo abagirizelwe izindlu. Ngithanda ukutjho bonyana nasakha isitjhaba seSewula Afrika, sithola bonyana izintwezi zimraro omkhulu esiqalene nawo. Ngiyathokoza. *(Translation of isiNdebele speech follows.)*

[Mr J B SIBANYONI: Speaker of Parliament, I greet the President and his Deputy, and also Members of Parliament in the new year, 2007.

I will speak my language isiNdebele, so that the nation can clearly understand what I am saying. IsiNdebele is one of those languages that were marginalized. I deliver this speech in isiNdebele in the honour of King Ndebele who started the Ndebele nation. This year March, at koMjekejeke in Metsweding next to Tshwane, there will be a commemoration of King Ndebele and King Silamba.

In this year's state of the nation address, the President spoke about the struggle to eradicate poverty, and said: "The struggle to eradicate poverty has been and will continue to be a central part of the national effort to build the new South Africa."

I support the President's speech because I want to talk about what is happening in the place that I was sent to, Kungwini Parliamentary Constituency Office (PCO). The PCO works for the whole Metsweding region, which is a rural place for land and stock farming. Because it is the regional PCO, it covers Bronkhorstspruit and Cullinan.

Now, the nation understands the developmental programmes undertaken by the state. In December last year and January this year, Kungwini PCO visited the self-empowerment projects undertaken by the community. There are women at eKangala, in Bhalarhani's place, who have started a project and named it "Manzini Wonder Brick Co-operatives." We have Mr Kabini, known as the Mayor for life, who assisted them to get training first, so that they could work effectively and also to register their co-operative. Both Kungwini and Metsweding Municipality assisted with water boreholes, donated wheelbarrows, fencing and other forms of assistance that is related to their job of brick manufacturing.

Again in eKangala there are women who saw trees that absorb a lot of water. They burn these trees and turn it into charcoal. Other women are running a piggery project and sell these pigs.

We visited women who have a poverty alleviation project, Rethabiseng Food and Vegetable Gardens. The Gauteng Department of Agriculture donated farming equipment and seeds. Now, they are able to harvest and sell their products to get money for themselves and their kids to survive and, indeed, they have a better life.

Again in December last year, the Gauteng Department of Agriculture started a programme called the Agricultural Micro-Credit Fund, Mafisa. This programme will be spread across the Metsweding wards.

The Kungwini PCO used the Gauteng campaign called "Making Our Schools Work Campaign." This campaign focuses on the following two issues: No learner is excluded on the basis of not having school fees; we strengthen school governance and safety in school by working with SGBs and CPFs.

The SGBs are now trained to perform their job better. There are also strategic plans, which focus on safety in schools and there is also an interim programme to fence schools.

President, I have been sent to you by the Metsweding community, because they only see the President on TV, in the newspapers and hear him on the radio. They said because I'm able to see the President face-to-face and talk to him, I must tell the President that people on some farms are still being harassed by the farm owners, who destroy their houses by using bulldozers, and evict them by force and throw them along the roadside.

A farm owner in Boschkop beat the bus driver who was transporting schoolchildren and accused him of raising dust in front of his car. It is alleged that the other person who was with the farm owner fell off along the road, without the farmer noticing, and that the farmer only saw him when he came back. The deceased was buried without the knowledge of his next of kin.

Evicted people are still living in Roodeplaat community hall and others in Metsweding testing ground. When the President talks about the land restitution programme, he said that: "While the land restitution programme has resulted in more settlements in the recent period, we still need to put extra effort into dealing with remaining cases."

Two old men, one from the Mahlangu family, Dima, and the other one from the Mothupi family, use walking sticks. The eldest is 82 years old and the other is 77 years old. The Dima family arrived at the farm in 1939 and the Mothupi family arrived in 1960. The land was later bought by the owners of the gold mine, which has now closed down. Their land claim is not finalised yet. They are now being harassed by the farm owner next to them. He sends the inspectors from the Department of Agriculture to harass them. He says they must reduce their farm stock and remove a poisonous plant that kills cattle. But he himself has a herd of cattle and a lot of poisonous plants.

These old men appeared before the Bronkhorstspruit magistrates' court. Magistrate Skhosana was shocked, and said that he

was not going to judge and send people who receive a government grant to prison and that he only sent criminals to prison. The other man, Mr President, they said I should tell you that he was 82 years old and that that was his first appearance before a court of law. They say that on some farms life is not like what it used to be before the new dispensation. They also say that on some farms conditions are worse than it used to be in the past, and they haven't yet seen the South African democracy.

I would like to say, when I speak on radio, that the community requests members of Parliament to teach them about the presidential programmes. I would also like to thank the President for ending his speech by saying:

> Let us all roll up our sleeves and get down to work, fully understanding that the task to build the South Africa for which we yearn, is a common responsibility we all share.

President, I have letters and pictures, some letters are from the court, for people who were evicted and thrown on the streets. I also have a picture that shows a person who was beaten by a white person, who accused him of raising dust in front of him. That white person was not arrested. I also have eviction reports and that of those whose houses were destroyed. I would like to say while building the South African nation, we find that we are still facing these problems. Thank you. [Applause.]]

Mrs P DE LILLE: Madam Speaker, hon President, hon Deputy President, hon members, let me start by thanking the hon President for his honesty in admitting some of the shortcomings that we are facing in our country. For that you must be applauded. However, some of these shortcomings are a direct result of our government's policies over the past 12 years.

There've been noticeable achievements in that time, but there have also been short-sighted decisions. In a speech to a Public Service managers' conference in 2004, the Minister of Finance, Trevor Manuel, said, and I quote:

> . . . in many aspects of management, we are failing the poor. It is a failure of our management systems and of our managers. It is our collective failure.

The ID welcomes the government's gradual return to its social democratic roots, after the largely unsuccessful policy of Gear. As social democrats, the ID supports the developmental state, but the tragic irony that confronts us is that we desperately need a strong state to bridge the socioeconomic divides of the past while in reality we have a weak state.

Too many government departments are receiving qualified audits from the Auditor-General, and too many are underspending their budgets. The latter is criminal, and the ID is expecting you, hon President, to outline what action you are going to take against guilty Ministers. The challenge that we face is to make all government departments as efficient as the SA Revenue Service, in fact, we need to "sarsify" all of them.

For the ID the solution is simple. Instead of relying on the state apparatus to deliver on social goals, we need to form partnerships with all stakeholders, such as civil society, business and the public at large.

While the state lacks capacity, our people do not. On a whole range of issues, South Africans are crying out for action, and we need to channel the energy into a productive force for change. The government must unlock the capacity within our communities and organisations by creating a developmental model that builds social cohesion. The irony, Mr President, is that the Gear policy is not designed to create a developmental state.

The goal of the Reconstruction and Development Programme was to transform growth to benefit the majority of our people. The

key elements in any development strategy, as Asgisa reiterates, must be to create employment on a massive scale to meet the basic needs of our people and to diversify the economy and exports.

This developmental vision cannot stop at BEE, making the rich more representative without addressing the suffering of the poor. The ID wants BEE to benefit workers and the poor, not only through employment equity and skills development, but also by doing far more to create employment.

Greater action should be taken against public servants and public representatives who steal from the state. The Shaik and Yengeni trials do not help to instil a new culture of law and order in our country. Neither does the fact that it is left up to the British and German prosecutors to finger South Africans involved in the arms deal corruption.

We must stop talking with a forked tongue, Mr President, about corruption, which bedevils the developmental agenda through the theft of resources from priority focus areas. We should also streamline extradition agreements between the European Union and ourselves, so that the guilty can be extradited.

Crime affects us all, Mr President. We've heard all the horror stories and some political parties have unwisely relived them on their websites. We should not use the suffering of our people for political gain, but rather channel our people's anger into a force for positive change. It is said that out of crisis, opportunities arise. Many communities have been able to turn the tide on crime. We need to highlight these successes and replicate them throughout South Africa.

This is why the ID has consistently called for a crime summit. In August 2006, the ID discussed this idea with the Minister of Safety and Security, and we are still awaiting a positive response. The summit will set up an exchange of ideas and solutions between individuals, communities, civil society, business, churches, and government. It will enable us to act decisively against the criminal minority that is holding this country hostage.

We successfully overcame the criminal minority apartheid government, so that is not new to us. We also need to take a long, hard look at our society and ask why we are producing so many violent criminals. If government has failed to implement the crucial aspects of the National Crime Prevention Strategy, then let us as a nation help you to rectify the mistakes. Let us empower loyal and patriotic South Africans to help government achieve the social cohesion that you, Mr President, so eloquently spoke about on Friday.

Government engagement with all sectors is also an important pillar of the developmental state. I am also concerned about the attack on foreign diplomats and I appeal to you, Mr President, to ensure that our compliance with the Behenna Protocol is observed. A crime summit will produce a plan owned by all of us.

The ID is encouraged that you recognise that children between the ages of 14 and 18 are falling through the social assistance cracks. We again call on you, Mr President, to extend the child support grant to all children under the age of 18, because poverty does not magically disappear when they turn 14.

The ID also believes that the school nutrition scheme should be extended to high schools, to provide sustenance, and to ensure that our high school dropout rates are reduced.

Hon President, we need to see ourselves as a leading nation in this world, and be prepared to rise to the challenges confronting us at home and internationally. The ID will continue to offer constructive solutions to the challenges we face. I thank you. [Applause.]

Mr W J SEREMANE: Madam Speaker, hon Mr President, hon Deputy President and hon members, given the time constraints I prefer to leave the usual praise singing to profes-

sionals. I would rather say, Mdengeentonga [President], masijule ngengxoxo, Mzansi . . . [let's deepen the debate, South Africa . . .] . . . ka gore ntwakgolo keya molomo. [. . . because people do differ in opinion.]

Briefly stated, we are not oblivious of the positives of South Africa's Foreign Affairs policies and thrust, not only in Africa, but in the international sphere as well. For the commendable achievements we say, "Keep it up". Only the best is good enough for South Africa. However, having said that, we would like to make a few points worth taking note of in order to rouse all of us from sitting lethargically on our proverbial laurels.

It seems there are two different kinds of human rights in South Arica. There is the ANC's version of human rights that does not tally with the values and principles contained in the Bill of Rights in our South African Constitution. What has been repeated by actions often perhaps by the ANC, though not alone, is that you keep quiet about human rights abuses if the offender is a friend of the ruling party. The Constitution, on the other hand, states that: "The state must respect, protect, promote and fulfil the rights in the Bill of Rights."

Former President Mandela succinctly stated and understood the importance of human rights. In 1994 he wrote the following:

> South Africa will not be indifferent to the rights of others. Human rights will be the light that guides our foreign affairs or policy.

I am sad to say, Mr President, that currently it is patently clear that what influences policy greatly and even undermines the very ideals expressed by Madiba is your party's loyalty to those parties which you share a long history with, and thus you tend to turn a blind eye to the human abuses perpetrated by so-called friends in solidarity. We have to speak up when human rights are violated by all and sundry, friend and foe.

Mr President, human rights should, like never before, be the light that guides our foreign policy both on the African continent and in the world out there. Neither political loyalty nor struggle solidarity should override universal basic human rights or countenance human rights abuses by sheer reticence.

Much has been written, perhaps ad nauseam, about South Africa's approach to Zimbabwe over the past four to five years, yet the problem has grown bigger. Yes, all role-players in Zimbabwe must together break the log-jam and find amicable solutions like we did, but do not rule out the fact that we were all brought to the table by pressures of some sort injected by the democratic peace and freedom-loving people of the world.

Our sotto voce approach does not help the intransigent and untenable situations prevailing in Zimbabwe, Swaziland, Darfur, etc. Surely the people, the citizens whose rights are violated, should be placed above the narrow interests of parties or governments maintaining their rule by undemocratic means that violate human rights?

On the international scene, while South Africa is doing well to eradicate the pariah stigma brought on the country by the past ignoble and unjust system, South Africa should not be complacent of some of the pitfalls that we may encounter. Multilateral and bilateral agreements, by all means, beneficial to all parties concerned, should not be at the expense of the selfsame human rights and democratic tenets that we so cherish. The presence of South Africa in the United Nations, especially on the Security Council, must be of such a nature that we promote those ideals across the board. We must use the power of our vote prudently and judiciously.

How we relate to other countries, in terms of our Constitutional interests and those of Africa as a whole, is very important. The influence we have must be for the common good of the very ideals we cherish so much.

There is no way that we can avoid looking at our partners and how they conduct their affairs in the context of what we hold dear: the Constitution; human rights; democratic and transparent good governance; various treaties and protocols, to name but a few.

We have no choice but to scrutinise ... Thank you very much. [Time expired.] [Applause.]

Rev K R J MESHOE: Deputy Speaker, hon President, hon Deputy President, hon members, I want to start by agreeing with the President:

> ... that government must move forward as quickly as possible to implement detailed programmes intended to reduce the cost of doing business in our country; to promote the growth of the small and medium business sector; to continue with programmes to build a social security net; to meet the objectives of poverty alleviation and to expand access to such services as water, electricity and sanitation.

On improving the safety and security of all citizens and communities, we expected the President to elaborate more as crime is the most spoken about subject at the moment. While the ACDP applauds the long-overdue decision to improve the remuneration and working conditions of the police and to expand the number of SAPS personnel to over 180 000 in the next three years, we want to know what new strategies government is going to implement to drastically reduce violent crime in our country.

The ACDP agrees with citizens who say that the President must make fighting crime government's number one priority. If violent crime remains as high as it is today, then programmes that promote growth of the small and medium sectors will fail, an enabling environment that encourages investment will not be created and, without new investment, poverty alleviation will be stifled.

There was a mixed reaction to FNB's anti-crime campaign and their subsequent decision to withdraw it. While some accused the organisers of attacking the President, we saw it as a desperate attempt to communicate with him. Citizens must be allowed, we believe, to exercise their right to raise their concerns with their President.

Because the ACDP supported the FNB's anticrime campaign, I want to read the letter they decided not to publish, but which was subsequently published in the media, in order for it to become part of this debate. I'm going to read the letter on behalf of those millions of South Africans who are despondent and frightened by the high levels of crime in our country. I'm doing this on behalf of parents, like me, whose children and babies have become victims of crime, some brutally raped, abused and violated. I'm doing this for those who are trying to say to the President that to them crime is not a perception, it is a reality. I'm doing this for those people who have tried to voice their fears and have been told to stop whingeing or else to leave the country.

The letter reads as follows:

> Dear President Mbeki
>
> I am a proud, but concerned South African. Proud because I live in such a wonderful democracy. Proud because my country has been recognised by the world to host the Fifa 2010 World Cup. Proud because our economy is showing exceptional growth. And proud because we showed the world that peaceful settlement can be achieved through working together.
>
> But I am also concerned.
>
> Concerned because even though I live in the most prosperous country in Africa, our crime rates are the highest on the continent, far outstripping the poorest African countries. Concerned because last year alone reported statistics recorded 18 528 murders, 54 926 rapes and 119 726 violent robberies.

I'm also concerned that crime is destroying our progress and threatens our dream of eliminating poverty and living in peace. As a result, the world continues to question the credibility of our progress.

Mr President, I know you love this country as much as I do, so please make crime our government's Number 1 priority. As a committed South African I will be right behind you—because our nation's history has shown, there's nothing we can't achieve when we work together.

Yours faithfully

I see no vindictiveness in this letter. It is a heartfelt cry for help from the President. It is the primary role, I believe, of government to protect its citizens.

The *Sunday Times* recently published a letter written by Ivan Makoku, who is now based in the UK, which I also want to read to show the concerns that people have about crime.

He wrote, and I quote:

> I am a proud South African living in the UK at the moment and I am as black as you can get. I have been considering moving back to South Africa, but I am too scared about the level of crime in my beloved country.
>
> The ANC has to realise that this is not a black or white issue. I have lived in Germany and the UK for the past seven years now. I am not moving back until crime is down. Why should I put my life on the line when I can stay here? I urge all South Africans to challenge the government and to bring back the death penalty. Come on South Africa, let us all get together and fight these criminals. This is not about white South Africans whingeing. This is not about poverty, Mr Mbeki. I was brought up in the North West and most days I did not have anything to eat. But I worked hard to help myself and my family. I am not a criminal because I chose not to be one—so don't give excuses, please. If the ANC does not deliver, I urge all South Africans to think twice when we vote in 2009.

That's the end of Mr Makoku's letter.

While the ACDP appreciates government's commitment to ensuring that the 2010 Fifa World Cup is the best ever, we nevertheless want to warn the President that if violent crime is not drastically reduced or, at best, eradicated from our country, then the privilege of hosting this prestigious event might slip through our fingers, despite the many assurances we have received from Mr Sepp Blatter, who is a friend, admirer and great supporter of South Africa.

If governments of the world voice their concerns about the safety of their citizens in this country, then Fifa might be forced to reconsider their decision. We do not want this to happen. That is why we are appealing to government to ensure that crime is dealt a deathblow. It is this government that will determine whether these threats happen or not. I therefore urge you, Mr President, on behalf of the millions of concerned South Africans, to make the drastic reduction of violent crime in this country government's number one priority.

My second warning to you, Mr President . . . [Interjections.] Yes, listen. It is that if government continues to ignore the concerns of South Africans who objected to the legalisation of so-called same-sex marriages, then the ANC will pay a heavy price for that. The price is going to be very, very heavy, Mr President.

Finally, while we have noted what the President said about government's commitment to "intensify the campaign against HIV and Aids", we want an assurance from the President that proper nutrition and treatment will be made accessible to the majority, if not all, Aids sufferers in our country. The present, so-called prevention methods that form part of government's campaign to turn the rate of Aids infections around have not

been effective, as there are now as many as 1 400 new HIV infections . . . [Time expired.] [Applause.]

Mr M M S LEKGORO: Deputy Speaker, thank you for this opportunity to address this august House.

Mr President, Madam Deputy President, hon members, I wish to join those who spoke before me in thanking the hon President for his comprehensive and enlightening state of the nation address.

It is now 13 years after our nation declared that we are free at last; free from national oppression and exploitation. The excitement and celebrations that accompany the declaration of freedom are now over. Every day that passes by it becomes clearer and clearer what past we need to deal with. It is obvious that most of us thought that the benefits of our liberation would be very immediate to all of us and on all fronts.

But all this was just a fantasy if not a fallacy. The truth is separating itself from the flight of imagination with every day that passes by. It is becoming clearer that our post-apartheid existence is a fierce struggle between the old, as characterised by the legacy of apartheid, and the new, as characterised by the policy positions advanced by the African National Congress in our new democratic dispensation.

This situation reminds me of the old saying that "the real struggle begins with the declaration of independence". It is clear from policies and programmes adopted by government in the last decade that government decided to work in an effort to grow the economy and to improve the capacity and functionality of the state. The positive economic growth figures and other economic indicators are a source of hope and it indeed needs to be sustained.

Let us join the ANC in asserting that poverty is a huge problem affecting our society, and that everything needs to be done in our power to reduce it. This is the main problem, because it is the one that underpins all other problems, including crime.

The naïve have always wanted to assert that poverty is a new phenomenon that our country is only starting to experience with the advent of democracy. Poverty dates back hundreds of years when the early colonial settlers destroyed the indigenous African economic system. It was systematically and gradually imposed on the people through land and livestock dispossession, imposition of taxes, forced removals and Bantustanisation of the indigenous people to less than 30% of the land of the Republic.

What we are seeing today is an accumulated effect of all colonial and apartheid policies and oppression. Poverty is the direct legacy of the apartheid capitalist system and its racial production relations. It is for this reason that poverty—mostly prevalent in the black communities—has actually taken the character of race. It does not affect all people in the same way and in the same degree.

South Africa, like many African countries that have a colonial past, was ravaged by plunder of colonial rule and imperial looting. Nothing was left for future generations of liberation states except the remnants. Our struggle now is to meet the needs and wants of our people with these remnants. We have not chosen this but we have to make a success of this difficult situation.

But, the big question that needs to be asked is what causes poverty in our country? Is it the level of technological know-how in the production of goods and services for the people or is it the problem of inequality and distortions in the distribution of incoming goods? I think as many others have said before me, especially those coming from institutions that deal with poverty and public policies, that South Africa is capable of producing anything and everything for its people and all who are visiting. Our problem is that of inequality in the distribution chain.

We must re-engineer production relations

and reduce inequality and income gaps. We must ensure that with every percentage growth in our economy the poor must gain in income and wealth. In other words, we have to make sure that the growth rates that we achieve are also elastic towards the poor.

Economic growth is an essential basis in the struggle to reduce poverty. It should however be noted that economic growth does not translate automatically into making gains for the poor. The state must take care to ensure that there is redistribution to the poor through direct income or the social wage. Government should not hesitate to do this. This is the only way we could drag our society out of deprivation and underdevelopment.

Infrastructure development is the access on which poverty reduction should be anchored. Both big and small community-based infrastructure projects should be utilised in an effort to create work and skills for the poor. Huge infrastructure projects are more useful in the medium and long term.

A four-country study conducted in Bangladesh, Senegal, Thailand and Zambia—as a joint venture between Japan and the United Nations Development Programme, UNDP —demonstrated clearly and without doubt that small community projects could actually bring serious benefits for the poor. We must increase the number of infrastructure projects in different communities to offer these communities the possibility to create valuable community infrastructure for themselves and to earn an income. The maintenance of this infrastructure will create yet another possibility for those involved in these projects to earn an income.

My constituency office is located in Mamelodi on the far eastern side of the Tshwane CBD. People in that area are mainly working class, and the majority are poor and unemployed. Our experience in this constituency confirms the theory that community-based infrastructure programmes are adequate instruments in addressing poverty in communities. Since the housing projects in the area have started, they have gone a long way in providing skills to those in the community who previously never had skills. Even after projects have been completed, those who participated in these projects are in a position to fend for themselves, using the skills that they have acquired during these projects.

It is however critical for the state to improve the speed at which these projects are processed and completed, because when they are prolonged they also add to stress in the community.

Baswa ba bopa ye nngwe ya dikarolo tše bohlokwa setšhabeng, mme e bile ke ba bangwe ba makala a setšaba ao a angwago ke botlhoki le tlhokego ya tlhabologo. Matsapa a mmušo a go fediša botlhoki a swanetš e go hwetša tsela yeo baswa ba kago ntšhwa tebetebeng ye ka yona. Ke nnete gore ga go bonolo go hlola mananeo a go lebelela tša mereo ya baswa. E feela, mafapha a mmušo a swanetše go dira bonnete bja gore mathata a baswa a fiwa šedi ye kgolwane. Dikgoro tša mmušo di swanetše gore mo mananeong le mešomošomong ya wona go akaretšwe merero ya baswa. Le ge go le bjalo, re swanetše go leboga mmušo mo matsapeng ao o a tšerego go thuša khomišene ya baswa le Umsobomvu Youth Fund go phethiša maikarabelo a bona.

Ke rata go feleletša ka go gatelela karolo yeo Kgoro ya Mmušo-selegae o kago e bapala go tlišeng diphetogo setšabeng. Ke a leboga. *(Translation of Sepedi paragraphs follows.)*

[The youth make up a big part of the nation. They are also a part of the nation that is highly affected by unemployment and lack of development. The government's efforts to eradicate poverty must be focused on helping the youth out of this mess. It is true that it is not easy to establish youth programmes, but government departments must ensure that they give priority to the challenges that the youth are facing. The government de-

partments must include the issues of the youth in their strategic planning. We should, however, be grateful to the government for their assistance with regard to the Youth Commission and the Umsobomvu Youth Fund in order to fulfil their responsibilities.

I would like to conclude by emphasising the role that the Department of Local Government has played in bringing transformation to the people. Thank you.]

Business suspended at 16:17 and resumed at 16:39.

The DEPUTY SPEAKER: Please be seated. We now invite the hon Minister of Safety and Security to address us.

The MINISTER OF SAFETY AND SECURITY: Madam Deputy Speaker, hon President, hon Deputy President and hon members, the ANC has started organising its structures, hon President, to give expression to the marching orders you gave at Witbank, Mpumalanga, on January 13, as our own input regarding the fight against crime in South Africa. You reminded us on that occasion that:

> The Police Service and government agencies cannot fight crime alone and that it requires the involvement and active participation of all communities and all sections of society to meet this challenge.

Your observation, Comrade President, was a reminder of what we have always known in the ANC. That question and other matters that were canvassed within our ranks did not automatically become law in the new South Africa. Some of them changed in both form and content on the operating table of negotiations.

Discussing the matter of policing in 1992, as part of our overall strategy to prepare ourselves to govern the country, we said among other things:

> Community policing has now been recognised as more effective, because it understands that it is not the police alone who combat and prevent crime. It is the community who are responsible for criminal prosecutions. They lay charges, make statements, testify in court, and assist the police in the performance of their functions. Without this co-operation, no police force can discharge its duties.

Our view at the time was that effective policing was not dependent on huge police numbers, but rather on better police-community relations. The key, we argued, was the ability of the police to root themselves among the people and work together with the communities in a well-defined partnership to prevent and combat crime.

Defining that arrangement we said:

> The relationship between the police and the policed should be one of reciprocal control.

We were clear that:

> Unless the police are rooted in and accountable to the communities in whose name they police, they will not enjoy the support of those communities.

We may have raised those questions as ANC members, but we understood, Comrade President, that we were addressing national security. We were clear that national security was a national matter that requires the involvement of all South Africans from all walks of life in our country. When we spoke about our communities, we meant all of them. That continues to be our position to date.

Crime is a very emotional matter because it affects many people directly. But while we must all agree that crime is a serious matter in South Africa, it is incumbent on all of us as leaders, hon members, to be logical and rational in our response to the scourge.

There are many South Africans who understand that truth, Comrade President. They are members of South Africa's various community-based and nongovernmental

organisations, the labour movement, business and religious sectors, as well as some political parties.

One of the responses must be the mobilisation of our communities to work together with the police to prevent and combat crime. The people at local level are the best repository for information. They know who is where and doing what, even when it relates to crime and criminality. They are the eyes and ears of law enforcement.

At this juncture, allow me to mention the role that politicians like the hon Patricia de Lille have played in mobilising residents in the areas where they live to participate in crime prevention. The hon De Lille, together with a number of residents whom she has helped to mobilise against crime, take turns to patrol the area, alongside the police.

There are other experiences like Manenberg where Comrade Mario Wanza lives. He too has played a leading role in mobilising people in his area to participate in crime prevention and fighting. Dr Mzukisi Qobo is of one mind with you, Comrade President, when you said, as you did on Friday, that:

> Working together to achieve the happiness that comes with freedom applies equally to the challenge of dealing with crime. Certainly, we cannot erase that which is ugly and repulsive and claim the happiness that comes with freedom if communities live in fear, closeted behind walls and barbed wire, ever anxious in their houses, on the streets and on roads, unable freely to enjoy our public spaces. Obviously, we must continue and further intensify the struggle against crime.

In a column piece he did for the Cape Argus on Friday, Dr Qobo wrote:

> The emergence of a more stable, healthy and balanced society will not come as a result of technical and administrative work of the government, but through collective ownership of the existing challenges and preparedness to step out of our comfort zones and be responsible citizens, including through wealth and skills transfers from areas of high resource concentration to areas of low resource concentration.
>
> Crime is a collective responsibility and dealing with it would require fundamental change in the social structure in South Africa, as well as a serious examination of the state of morality of our society.

Dr Qobo is a Mellon Research Fellow in the Department of Politics at the University of Stellenbosch.

No crime in South Africa terrifies our people like serious and violent crime. That type of crime is visited directly on victims in the form of serious and violent assault, rape and murder, as well as attempts to cause such violence.

Research by some independent bodies and the SA Police Service indicates that most of those crimes happen between people who know one another and occur, mainly, in secluded areas including behind closed doors of the homes of either the perpetrator or victim.

The police recently analysed 9 623 dockets for murder, attempted murder, rape, serious and violent assault and common assault. The result of that analysis was published in 2005-06 SAPS annual report. What the exercise revealed was that 81,5% of the murder victims were killed by persons they knew. The killers in 61,9% of the cases were relatives, friends or acquaintances of the victims. In 75,9% of rape cases, the victims knew the rapists, while in 56,9% the rapists were relatives, friends or acquaintances of the victims. Cases of assault showed higher percentages of perpetrators known to the victims including relatives, friends or acquaintances.

It seems to me that we need to do more than just policing to deal with such crimes. I believe that those crimes are a direct conse-

quence of moral decay within our communities. Others are generated by the social conditions under which people live. There, surely, must come a time, Comrade President, when as South Africans we will come together and do a thorough assessment of the extent of the damage that apartheid caused to our people as a whole—oppressed and nonoppressed.

Apartheid contributed directly to the destruction of family values that were built over many centuries by the indigenous communities of our country. Apartheid contributed directly to the collapse of the moral fibre in many of our communities.

An exhaustive interrogation of that question, therefore, may provide the answer to the problem of social crime in South Africa. Meanwhile, the ANC's commission on religious affairs intends to place the matter of social crime, especially the serious and violent kind, on the agenda of the programme of religious interaction on the moral regeneration campaign.

It is a fact that everywhere that the partnership between the residents and the police has taken root, crime has gone down. This is true of Alexandra, Sebokeng, Orlando, Motherwell and other places that I will mention, Comrade President, during my Budget Vote speech later this year.

The SA Reserve Bank and the SA Risk Information Centre have partnered the police to deal with armed robberies in a project that is called Cash Risk Management, or Crim in short. The relationship has extended to other enterprises, including the retail sector, and the gambling, entertainment and property industries.

The campaign by the police in the second half of last year, which dramatically brought down armed robberies, especially at banks and other financial institutions, as well as cash in transit heists, benefited tremendously from the co-operation with business and many members of our communities, who supply the police with valuable information.

The President, through the Presidential Big Business Working Group, influenced the forging of a relationship between that group and the justice, crime prevention and security cluster of Cabinet. The partnership, I am happy to report Comrade President, is working well in the search for the necessary responses to crime in South Africa. A system of regular interface between the two sides has become an established form.

Allow me to go back to the original point I made about community-police relationships. One of the most important interventions South Africa made to realise that objective was the establishment of the Community Police Forums. We must admit, though, that the final product of our labour was not the formidable structure we thought would help communities:

> To assume a more active role in crime prevention in the policing of their areas.

The ANC believes that we should go back to the original concept and make CPFs autonomous bodies that would be responsible for the communities they serve, but work closely with the police in a manner where they would discuss with them the policing priorities of the given local areas, and help assess police performance on the basis of such priorities.

Given that the CPFs would be responsible to the people who would use democratic means to establish them, they would have a dynamic relationship with both the communities and the local government authorities.

It is quite clear, though, that interventions we need to make relate to the entire criminal justice system. Safety and Security, Justice and Correctional Services are already working in an integrated fashion, together with the country's intelligence community to deal with crime as a united entity. Without reinventing the wheel, we would like to

expand the work of CPFs for interventions across the entire integrated justice system.

These matters, Comrade President, will be subjected to further scrutiny at the ANC's policy conference in June. It is our hope that when they are endorsed they will come to Parliament where amendments could be made to existing legislation to create the conditions that our situation demands—of better community-police relations for our nation, united in action to, to quote you Comrade President:

> Erase that which is ugly and repulsive and claim the happiness that comes with freedom.

Thank you very much. [Applause.]

Nksz M M SOTYU: Somlomo kunye noMongameli obekekileyo, Mphathiswa Nqakula liyinyaniso elokuba thina singurhulumente okhokelwa nguKhongolozi sikholelwa ekubeni idabi lokulwa nolwaphulo-mthetho yingxaki yethu sonke bemi beli loMzantsi Afrika. Ngoko ke kunyanzelekile ukuba sibhinqele phezulu, sinyathele kunye ekulweni esi sihelegu, kuba kaloku urhulumente yedwa akasoze aphumelele, ngengokuba sele utshilo. Thina malungu eNdlu yowisoMthetho silapha nje, sivotelwe ngabantu ngokusithemba, yiyo loo nto kufuneka, kwaye kunyanzelekile ukuba sibakhusele aba bantu kunye nezinto zabo ekuhlaleni. *(Translation of isiXhosa paragraph follows.)*

[Mrs M M SOTYU: Madam Speaker, the hon President and Minister Nqakula, it is the belief of the ANC-led government that the fight against crime is a responsibility of all the citizens of South Africa and that co-operation with it is important as on its own it could never succeed in the fight against crime as you have already said. People elected us to represent them in this House because they trust us, and we are obliged to protect them and their property wherever they live.]

Madam Speaker, the ANC National Executive Committee in its January 8 statement states that:

> As the ANC we will therefore undertake an extensive mass campaign to mobilise communities to assume leadership in the struggle for peace, stability and safer places to live.

Somlomo, ngamampunge into yokuba urhulumente okhokelwa nguKhongolozi akawunanzanga kwaphela umba wolwaphulo-mthetho kweli lizwe. Wakhe wasiva phi isigebenga sithi xa siza kumosha okanye siza kudlwengula siqale sikubuze ukuba ungowawuphina umbutho? Masiyeke ukuphatha amasiba abomvu thina malungu ale Ndlu, sibe sixakekile silungisa okulungileyo nokungalunganga babe bona abantu phaya ngaphandle belindele lukhulu apha kuthi sonke. *(Translation of isiXhosa paragraph follows.)*

[Madam Speaker, it is not true that the ANC-led government does not care about the extent of crime in the country. Where have you ever heard a criminal or rapist asking for one's political affiliation before committing a crime? We should cease using a red pen to mark what is and what is not wrong as people expect more than just that from all of us.]

Let us build partnerships with all sectors including churches, spaza shop owners, and tavern associations . . .

. . . kuba kaloku apha kwezi ndawo kulapho uninzi lwabantu lufumaneka khona. Nezi zigebenga kaloku nabo ngabantu; bazalwa kwasithi aba. Intsebenziswano sikwayilindele nakumashishini azimeleyo, ngoba xa ebona ukuba ubundlobongela buchaphazela uqoqosho kunye noluntu ngokubanzi thina silindele ukuba abe nendlela yokuncedisana norhulumente ngokuthi abuze ukuba anganceda njani na.

Xa nditshoyo ke Somlomo, ndithi masizame singamalungu ePalamente ukuphucula indlela esiqhagamshelana ngayo noogxa

bethu abaphaya kurhulumente, bejongene nezinto zasekuhlaleni, lowo ke ngurhulumente wezekhaya. Iinkqubo zethu neyabo mayisebenzisane ukuze sithi xa sithatha ukhenketho sisiya emaphondweni sikwazi ukukhawulelana ukwenzela ukuba sikwazi ukufikelela kwiindawo ezininzi kule minyaka kana mihlanu sinayo. Thina siziikomiti ezijongene nezokhuseleko masithathe inxaxheba ngaxeshanye ukuya kuhlola, ngakumbi kwimida yethu namanye amazwe, ukuzama ukuncedisana neSebe leZekhaya. *(Translation of isiXhosa paragraphs follows.)*

[... because these are places where most people reside. Criminals are human beings too. They come from amongst us. We ask for co-operation from the private sector too because when they see that crime affects the economy and the lives of community members, we expect them to assist government in any way they can.

By that Madam Speaker, I am appealing to hon Members of Parliament to work towards uplifting and bettering the methods of communication we use with other civil servants in local government. We should seek to integrate our programmes and theirs before we visit provinces in order to facilitate collaboration with as many areas in the five years that we have. Safety and security committees should take the initiative to plan monitoring trips to the boundaries we share with other neighbouring countries to assist the Department of Home Affairs.]

We are reminded by the President to capacitate our intelligence agencies.

Yiyo loo nto sibongoza uluntu ngokubanzi ukuba lukhathalele ukumazi ummelwane walo. Kufuneka ube liliso lommelwano wakho. Ngaloo ndlela siza kuba nakho ukuphawula xa kukho into engaqhelekanga, sihlabe ikhwelo. *(Translation of isiXhosa paragraph follows.)*

[That is the reason we are pleading with the general public to take time to get to know their neighbours. Be watchful of thy neighbours. In that way you would be able to notice anything sinister and mysterious in the neighbourhood and inform the police.]

Whereas the President in the state of the nation address was not specific about overcrowding, he made a commitment that government would ensure that decisions to expand the infrastructure of our correctional facilities services are implemented. This indicates the fact that our democratic government still regards overcrowding as a serious challenge, which must be addressed.

The peace and stability cluster Ministers, together with all the affected departments' Ministers, made a request to Members of Parliament through the constituency offices to assist in the identification of facilities in their constituencies to be converted into secure places of safety for abused women, children, and children in conflict with the law.

Siza kuthanda ukubongoza uluntu ukuba luwamkele amabanjwa asigqibileyo isigwebo sawo nanjengokuba ebetshilo uNgconde ukuba uyacela ukuba sibamkele phakathi kwethu. Siye saphawula ukuba uluntu alubamkeli ncam abo baphuma entolongweni, sele besigqibile isigwebo, nto leyo eyenza ukuba baphinde benze izenzo ezigwenxa ezenza bazifumane sele bephinde babasemva kwezitshixo. Kunjalonje abanye babo baphuma bezincutshe kwimisebenzi yezandla. Loo nto ithetha ukuba baza kuba luncedo eluntwini. *(Translation of isiXhosa paragraph follows.)*

[We humbly ask community members to welcome back those people who served and completed their sentences, and by that I am repeating what the hon Ngconde had already mentioned. We have observed that communities do not find it easy to welcome former inmates back among them, something that drives some of them into committing crimes that eventually send them back to prison. Some of them come out skilled in handicraft in most cases. That indicates that they could be useful to society.]

The ANC in its National General Council in 2005 mted proces relting to rtnlistion of our own system and resolved tht there should be the estblishment of an enquiry mechnism to monitor and rationlise the superior cort structures. Though this legislation is still in process, the President in his stte of the ntion ddress announced tht the government, in consultation with the judiciry, would finlise the remining spects of the trnsformtion of the judiciry.

Ndiyazi kwpele ukuyenela kuyo yonke imiphakathi ukuba kwenziwe ukuhlolisisa okuthe thuthu ukuze kuvinjwe le nkinga kuba kuthiwa abantu abathathu bafe ngenxa yokuthi bebambe umuntu othile. Kuthiwa umuntu othile ubulewe ngabantu abathathu kodwa kuthiwa bonke abantu abathathu bayabanjwa

primarily as a result of the sweat, toil, and blood of the masses, but with indispensable international support. Thus a democratic and progressive South Africa must speak out in support of all oppressed, threatened and bullied nations: from Cuba and Venezuela to Palestine and Iran. We must continue to be amongst the frontline nations in striving for a much-strengthened South-South solidarity.

The current WTO talks are an example that acting in concert we can withstand the bullying and hypocrisy of the North. You must be congratulated, together with the rest of Africa, for your steadfastness on matters of a fair international trade regime.

We also share in the nation's delight about South Africa's tour of duty in the UN Security Council. We wish and hope that South Africa will make a lasting impression in striving for international peace and security.

Comrade President, Africa our motherland and Africans as a people do not occupy the front rows in terms of levels of development amongst nations of the world; this is despite its great endowment with primary commodities. This is a challenge to the African political class and the masses of our people to bring pride and dignity to ourselves by becoming masters of our own destinies and captains of our souls. It means greater control and efficient management of the resources at our disposal for the benefit and development of Africa.

In a globalising world, it can only mean deeper and faster integration—economically, militarily and politically—of all of Africa, a Pan-African unity that would give us a zone of manoeuvre and resistance to external pressures. We are alive to the obstacles that are there, but we believe there is no alternative to unity or integration. Can we have our government on the side of those who are calling and working for greater and quicker integration? We hope so.

We wish to express our support for the government on its role in Africa. South Africa is doing for Africa far more than any other African country today. We believe this needs to be applauded and encouraged. [Applause.]

Chairperson, if we move from the premise that it was the intolerable and gut-wrenching poverty and inequality that mobilised our people to rise in struggle against settler colonialism, then the freedom we have attained should address itself to these two: poverty and inequality that afflicts the majority.

The struggle to improve the material conditions of our people should remain the primary task and focus of this epoch. All other social problems we face find their resolution ultimately in addressing the challenges of poverty and inequality in our country. This will come about as a result of a national effort by all of us, the citizenry, government and private capital.

The historic political settlement of Kempton Park in 1993 had given private capital an opportunity to demonstrate its commitment to the new dispensation by committing their resources to addressing these two challenges. Can we say that private capital has responded enthusiastically to this challenge? [Interjections.] We do not think so.

Even the 18,4%, President, that you spoke about in terms of investment, we know is in large measure due to the increase in public investment by government. We know that the Growth and Development Summit had agreed on a higher percentage of around 25%, which we have not been able to attain.

We also believe that the state has a fundamental role—a developmental role—to play in the socioeconomic landscape of our country, but this can only be done if the state is sufficiently capacitated, properly organised and has strategic leadership in its bureaucracy.

We concur that the vacancy rate at senior management levels is unacceptable, and the

lack of strict and consistent monitoring and lack of compliance with laws, regulations and procedures is undesirable. These have a huge impact on local government delivery, the implementation of the Expanded Public Works Programme and many others.

Comrade President, our Constitution directs us to honour those who fought for freedom in our country. The President has correctly not failed to honour them, thus reminding us that as we celebrate freedom, let us honour service—the service of those who have served, suffered and sacrificed for our freedom. This is a tradition that should continue forever into the future so that future generations can appreciate where we come from and understand the traditions and values of the liberation movement.

If the President had lifted his eyes, he would have seen beyond the activists of the 1956 Women's March and the 1976 uprising, and the leaders and survivors of the 1960 Sharpeville and Langa massacres. He would have seen beyond iNkosi Albert Luthuli, Comrade Oliver Tambo and Comrade Steve Biko, and Mangaliso Robert Sobukwe, whose passing away 29 years ago we will commemorate in the little Karoo town of Graaff-Reinet next week. He would have seen the late Sabelo Phama, who died on 9 February 1994 on a dusty and desolate road in Tanzania, on the eve of our democratic breakthrough.

Comrade President, indeed there are cold souls out there who do not feel the warm embrace of freedom, who feel that their sacrifices and efforts go unacknowledged. We believe there is in you, comrade, the largeness of heart and the magnanimity of victory to embrace the totality of the liberation movement family, thus guaranteeing the equal enthusiastic celebration of freedom as the collective achievement of all.

The PAC remains committed to positively contribute, as it has done during the liberation struggle, in this epoch of national reconstruction and development. Thirteen years is a very short time in the life of a nation. A lot has been done so that our country does not contain within it and represent much that is ugly and repulsive in human society, but much more still needs to be done. The struggle continues. I thank you. [Applause.]

Mrs W S NEWHOUDT-DRUCHEN: Chairperson, hon President and hon Deputy President, and hon members, the history of the ANC has always been one of fighting oppression, of fighting discrimination. We have now achieved our democracy and freedom, but the fight continues: against poverty and against crime. Just as our commitment and energy went into fighting oppression, in the same way our commitment will be to fighting poverty and crime. The work continues.

Among the many effects of the system of apartheid, poverty, social dislocation and systematic violence helped to create conditions for the growth of crime. In spite of the growing crime, work done over the past decade shows that crime can be beaten if South Africans continue to work together to reduce criminal activities and to build safer communities—communities where our children can play freely, where women can walk anywhere and also be free inside their own homes, where our elderly will be respected and not abused.

In our 1994 election manifesto, the ANC had a clear plan to build a better life for all, one that requires a peaceful and secure environment in which people can live without fear. The 1994 manifesto stated that our country needed peace. We needed to end the violence against communities and the abuse of women and children. It was required of our government to commit to dealing firmly with the violence and crime.

In the 1999 ANC manifesto the ANC had a clear plan for combating crime and corruption, to get tough on the underlying causes of crime such as poverty and inequality, and tough on crime and corruption itself.

In our 2004 election manifesto, we said we should improve the security of all South Africans, and make life increasingly difficult for criminals in both private and government structures. The ANC and the ANC government have always shown that it is interested in building safe communities for all South Africans. We have never shied away from that; we see that the ANC has always taken the security of all South Africans into consideration.

As the hon President said on Friday, and I quote:

> Since 1994 we have worked to transform the SA Police Force . . .

Many hon comrades will expand on that later—

> . . . and other institutions of the criminal justice system to serve all our people more effectively and to work to safeguard their safety and security. We have increased the numbers of police personnel, improved systems of co-ordination and management, and improved the efficiency of our courts and prosecution services.

Yet, as the hon President continued to say: ". . . all our efforts will not succeed unless we make tangible progress in addressing the socioeconomic conditions that feed crime and violence".

I agree, hon President, that the police service and government agencies cannot fight crime alone, and that it requires the involvement and active participation of all communities and all sections of society to meet the challenges of crime. We must stand united against crime.

Every year since 1998, from 25 November to 10 December, South Africa takes part in the campaign "Sixteen days of activism for no violence against women and children". South Africa uses this international and UN-recognised campaign annually to generate increased awareness of the negative impact of violence against women. The campaign starts on 25 November, which is the international day for no violence against women. This day was also chosen to commemorate the death of the Mirabal sisters in 1960 at the hands of dictatorship of Rafael Trujillo in the Dominican Republic. The campaign ends on 10 December, which is International Human Rights Day.

During that 16-day period, there are also two other important international commemoration dates. The one is 1 December, which is International Aids Day, and the other 3 December, which is the International Day for Disabled People. Those days are recognised and celebrated here in South Africa.

We have seen an increase in the abuse of women and children. The President of the ANC has mentioned that there will be an extensive mass campaign to mobilise communities to assume leadership in the struggle for peace, stability and safer places to live. The campaign will also seek to strengthen partnerships between communities and the police service, and between the public and private sectors. This campaign also pays particular attention to crimes of violence, especially violence against women and children. We will extend this campaign of the 16 days of activism to be for the whole year, 365 days, so as not to forget that violence against women and children is just not to be tolerated.

When we think of building a safe community, we must also think of other vulnerable groups in our communities, such as people with disabilities and the elderly. They are also abused, and sometimes in many ways very silently. People with disabilities are often not understood, for example, when a person with a mental disability is abused, his statement is not taken seriously. When a person with multi-disabilities is abused, no one believes that person.

When a deaf child is sexually abused or raped by her educators, the case is thrown out of court, simply because they don't have qualified and accredited South African sign

language interpreters. When a deaf person who has never gone to school, who has never been exposed to sign language, becomes a victim, it is important that a deaf person acts as a relay interpreter to assist the sign language interpreter.

Reporting should be handled with sensitivity, by both the police and the staff of the court. They also need sensitivity training and training on how to work with people with disabilities.

There should be physical access to police stations and to courts. When the elderly report a problem, such as the abuse of their pension, this is sometimes a problem. In my area many old people were abused and raped, and many times it is done by perpetrators whom they know. A policeman in my area then called the old people together and explained to them about crime. Crime is happening to them and they know the perpetrators.

We need the community to be involved. We cannot emphasise that enough. When I read the newspaper, I read of a mother who abused and beat a child until she died. The neighbours heard this but they didn't want to get involved. What happened to the slogan "every child is my child"?

Community development workers, too, need to be involved and be active and participate or be mediators between the police and the old people.

Here in Parliament, what have we done for people who have been abused children and for women? A parliamentary task group on sexual abuse of children was set up, and in the Women's Parliament issues of domestic violence were discussed and issues of trafficking of women and children were highlighted.

And now we have the Children's Bill, which was signed by the hon President and is now an Act. In a comprehensive section of the Act, section 18, the trafficking of children is discussed. For the first time trafficking is discussed as a crime. The Act also provides a message to look after the interests of children. The work continues for a better life for all our people. Thank you. [Applause.]

Mrs S M CAMERER: Chairperson, Mr President, one of the things which you highlighted in the state of the nation address as ugly and repulsive in our society is an increasingly high rate of corruption and falling moral and ethical standards in all areas of government service. You committed to greater effectiveness of anticorruption strategies for all spheres of government by the end of the year and to intensify the public sector and national anticorruption campaign.

Never in the history of our country has this been more necessary. There is no doubt that South Africa is suffering from an ethical and moral malaise. The evidence is not just anecdotal; it is documented daily in the courts, in the media, in Parliament. The ANC's secretary-general has said "this rot is across the board". Members of the public can rightly ask: Who can we trust?

Let us start at the top of the justice system. Can we trust the judges? I believe, with some exceptions, standards have not been sacrificed on the altar of transformation, but increasingly we are having problems. Take the Judge President of the Western Cape, John Hlope: court papers have revealed that he was unable to perceive the conflict of interest in a situation where he was the recipient of large amounts of money, some R500 000, from the Oasis Group, but nevertheless gave them permission to sue one of his fellow judges. Clearly, he should have recused himself from the case. Surely this lack of judgment should be taken up again by the Judicial Service Commission.

Justice Minister Brigitte Mabandla needs to be more proactive, since she has a role prescribed by law in all this. No judge may do remunerated work outside their judicial work without her permission. In the light of how Judge Hlope has acted, she should

refuse or withdraw any permission he might have, but she has done nothing about it.

Instead, she has misdirected her energies to turn down the Free State Judge President's request that she appoint some local members of the Bar—who happen to be white—to act temporarily as judges to clear the significant case backlogs in that province. She has apparently demanded that any appointees be of another colour.

Mr President, you made reference in your address to the need to reduce these court backlogs. There are currently very few black attorneys or advocates in the Free State willing or able to act. The Minister and I sit on the Judicial Service Commission together, and she knows this. Playing these pointless racial games does not enhance transformation or the effective administration of justice.

Another judge has been captured on film allegedly driving drunk and being disorderly. Sadly these and other events have made it essential to pass legislation to deal with misconduct by judges more comprehensively and to establish a much-needed, it seems, code of conduct for them. Perhaps, Mr President, you can persuade the Minister of Justice to fast-forward this long delayed legislation. If we cannot respect the judges, who is left for the public to look up to?

Then there is the case of our top cop, Commissioner Jackie Selebi, who admits to being the friend and confidante of an alleged organised crime boss, from whom, it seems, he regularly received gifts. Surely the public has every right to ask why the police is still being led by someone who believes that he need not abide by the moral constraints of high office.

Then there are the shenanigans going on in Correctional Services, where a different set of rules seems to apply to white-collar criminals with top ANC connections. Mr Tony Yengeni was found by our courts to be a crook, but he was escorted into prison by the Speaker of this House, received lengthy visits in his cell, or should I say hospital ward, by the Minister in charge of prisons. [Time expired.] [Interjections.]

Mrs L S CHIKUNGA: Chairperson, hon President, uBabe Mbeki, Deputy President, u Make Mlambo-Ngcuka, Ministers, Deputy Ministers, hon Members of Parliament, ladies and gentlemen, on an important occasion such as this one, it is befitting and important to be reminded about the selflessness of our fallen heroes and heroines of our struggle for liberation.

I therefore dedicate my speech to those 42 people, including children and women, who were massacred by the SADF in the early hours of the morning of that fateful day of 9 December 1982. One of them was a young, energetic patriot, the real son of the soil and recently qualified medical doctor who at the time was only 27 years old and completing his internship at the Edendale Hospital and that was Doctor Norman Ngciphe.

The crime problem is a complex phenomenon, particularly in a society ravaged by apartheid and colonialism. Having said that, I am not suggesting that crime is unique to South Africa, rather it is a universal problem.

Akungabazeki ukuthi ubugebengu buyinkinga ehlasela iningi labantu. Kodwa futhi abathinteka kakhulu yibo laba abampofu abahamba ebusuku ngezinyawo, beyofuna imisebenzi noma bebuya emsebenzini; yibo abangakwazi nokufaka imithangala emide ngoba abanamali. Yibo laba abahlala emapulazini, abahlukunyezwa maqede umnikazi wepulazi ayovula icala kuqala, athi webelwe. Yingakho indlela yokulwa nobugebengu ifuna kuliwe nezimbangela. Ziningi izimbangela zobugebengu, ilungu elihloniphekile lale Ndlu, uKoornhof, lizokhuluma ngazo kodwa-ke ngeke uzehlukanise izimbangela zobugebengu nokulwa nobugebengu. *(Translation of isiZulu paragraph follows.)*

[There is no doubt that crime is a problem

affecting many people. But the most affected people are the poor people, the pedestrians, who walk on our roads at night, looking for employment or coming from work. These are the people who cannot build the sophisticated, high walls because they are penniless. These are the people who stay on the farms, and are ill-treated by the farm owners and who then, after ill-treating them, run as swiftly as they possibly can to open theft cases against these very poor people. It is for all these reasons that we say that in our fight against crime, we need to start first by fighting the causes of crime. There are many causes of crime and the hon member of this House Mr Koornhof will talk about these. But you cannot divorce the causes of crime from the fighting of crime.]

Health professionals say: Treat the cause of the disease and not just the symptoms and signs. In preventing crime we have to deal and treat the causes and not just the symptoms.

Yingakho kuyiqiniso ukuthi kumele silwe kakhulu kunakuqala nobuphofu nokuswela imisebenzi. IMbuluzi, eMpumalanga, endaweni engisebenzela kuyo, iyindawo esemakhaya, futhi ekhungethwe ubuphofu. Ekuzameni ukulwa nobuphofu siye sanikela ngezicathulo zesikole kubantwana abahlupheklle abasemabangeni aphansi.

Omunye umntwana ocishe abe neminyaka eyishumi nambili uye wathi esebonga, "Kukabili ngizama ukuntshontsha izicathulo esitolo ngoba ekhaya vele ngeke bakwazi ukungithengela, futhi esikoleni abanye abantwana njalo uma kuvulwa izikole baba nezicathulo ezintsha." Uye wathi futhi, "INkosi ingibonile, ngeke ngiphinde ngicabange ukweba. Ngiyabonga kakhulu." Lokhu kusho ukuthi ngeke sithi silwa nobugebengu sibe sikushiya ngaphandle ukuswela. Yingakho kumele silwe nobumpofu, khona-ke lokho kuyoba nomthelela omuhle ekulweni nobugebengu.

Siyile ezimbizweni lapho kuba khona noMongameli wethu, kube khona nePhini likaMongameli kanye noNgqongqoshe. Sasikhona eMkhondo, wayekhona nomama uThoko Didiza, ekhona noMongameli ngesinye isikhathi ePixley ka Isaka Seme. Sasikhona eGovan Mbeki, nathi siyazibiza izimbizo emagatsheni, futhi siyaya emakhaya lapho singena umuzi nomuzi.

Bathi abantu, "Mongameli, Phini lika-Mongameli, Ngqongqoshe, Lungu lePhalamende, sidinga imisebenzi, sihluphekile. Bathi abanye, "Sidinga amanzi nokunye". Kanti abanye bakhala ngeziteshi zamaphoyisa, njengesiteshi samaphoyisa saseMayflower. Abanye bayasho ukuthi obunye bobugebengu bubangwa ukweswela nokuphela kwezimilo zabantu.

Asibacabangeli, akukho ndaba esizakhela yona, asibhuli futhi asiphuphi, sisho abakushoyo. Ngakho-ke sizokwenza lokho abakushoyo, singesabe muntu. [Ihlombe.] Yingakho sidingana sonke ekulweni nobugebengu: amaphoyisa, izimantshi, abezokuhlunyeleliswa kwezimilo kanye nosomabhizinisi.

Isiteshi samaphoyisa saseFeni, eMbuluzi, sibe ngesihamba phambili ezingeni lokusebenza kwamaphoyisa ngoDisemba kuzwelonke. Imfihlo yabo bathi ukuthi basebenza nomphakathi, benza izigebengu zingabi nandawo; basifuna baze basithole isigebengu, uma nje siseNingizimu Afrika. Kodwa futhi lawa maphoyisa athi, njengamalunga emiphakathi, ayahlanganyela asize ezinhlelweni zokunciphisa ububha. Lo mphakathi uyafakaza uthi ubugebengu behlile. *(Translation of isiZulu paragraphs follows.)*

[Therefore, that is why it is indeed true that we need to fight crime, poverty and unemployment more energetically than before. Mbuluzi, my constituency in Mpumalanga is one of the places plagued by poverty. In trying to combat poverty in the area, we donated school shoes to destitute primary school children.

One of the children in one of the schools

who was about 12 years of age, when thanking us, said: "It is about the second time now that I have been trying to steal shoes at a certain store, because at home they cannot in any way afford to buy me a pair, and besides the other children would always have a new pair of shoes at the beginning of every school term. The child continued and said: "The Lord has seen me, and I will never think about stealing again. I thank you very much." This, therefore, means that we cannot exclude poverty in fighting crime. We, of course, need to fight poverty so that our fight against crime can bear positive results.

We have attended many izimbizo whereby the President, the Deputy President and the Ministers would be present. We were present at Mkhondo and the hon Madam Thoko Didiza was present as well, and the President was also present at Pixley ka Isaka Seme. We were there at Govan Mbeki. We also have our own izimbizo at branch level, and we also visit houses door to door.

The people say: "Mr President, the Deputy President, Minister, Member of Parliament, we need jobs, we are destitute." Others say, "We need water and other things." And yet others complain about police stations which are ineffective, like the police station in Mayflower. Others say crime is a result of the moral degeneration of our people.

We do not think for the people. We do not invent stories. We are not prophesying or dreaming, but we are saying what people say. Therefore we will do what they say, and we will not shy away from it. [Applause.] That is why we need each other in fighting crime. We need police, magistrates, correctional officers, and the private sector.

The Feni police station at Mbuluzi was voted the best working police station nationally in December last year. They said their secret for success is that they work with the community, making sure that the criminals do not have a place to hide; they would look for the criminals until they find them, especially if they are still in South Africa. When these police officers were asked how they managed to do it, they said they are members of the public themselves; they take part in programmes to fight poverty. The community indeed testified that crime has since come down in the area.]

Chairperson, fighting crime in a sustainable, comprehensive and measurable manner is high on the agenda of government and this Parliament. We believe that if all of us can combine our effort in fighting the root causes of crime which, among other things, include poverty and degeneration of morals, we will win this fight.

It is also equally important to be reminded that section 35 of the Constitution deals with the arrested, detained and accused persons. In this section the provision 3(h) deals with the presumption of innocence until proven guilty by the law. This calls for sensitivity among all of us as communities to have self-respect and respect for the dignity of others in fighting crime.

Lo msebenzi udinga imali eningi impela. Sisishayela ihlombe isimemezelo esenziwe uMongameli sokuthi inani lamaphoyisa lizokhushulwa liye ezi-180 000 kule minyaka emithathu ezayo. Ngale kokwandiswa kwesibalo, kusho ukuthi kuzodaleka amathuba emisebenzi kubantu abayi-180 000. Sikushayela ihlombe lokho. *(Translation of isiZulu paragraph follows.)*

[This work needs a lot of money. We applaud the announcement made by the President that the police force will bring their total number to over 180 000 police officers in the next three years. Besides the expansion of police personnel, there will be 180 000 job opportunities for the people. We really applaud this.]

Chairperson, suggesting that corruption is a product of this government is weird and unjust to say the least. Pre-1994 South Africa was a racially fragmented country and the majority of people were subjected to a

morally and politically corrupt regime. Postapartheid South Africa has witnessed the new government embarking on development and reconstruction in order to overcome corruption, which leads to poor services created by apartheid rule. Some of you benefited from it.

Lo hulumeni yiwo olwa nohwaphilizo olungene emithonjeni yabantu isikhathi eside. Qha, lo hulumeni akaluhhli uhwaphilizo, ulubeka obala—umehluko lowo. [Uburwelewele.] Uhwaphilizo lushaya uhlangothi lwemisebenzi kahulumeni kodwa futhi lukhona nasohlangothini lwezimboni ezizimele. Abadala bathi ugotshwa useманzi. Kuqala ngokuthi umuntu athi kogogo ngenkathi beya kohola impesheni, "Ngizokufaka phambili emgqeni kodwa nginike u-R10." Kusuka lapho kuye nasemsebenzini umuntu athi, "Ngizokufaka emsebenzini. Ngifuna R300." Kuya naselunikezeni amathenda, umuntu athi, "Ngizokunika ithenda, nginike R50 000," aze athathe nemali yethu emabhange nge-Internet. Ugcina esecabanga ukuthi vele indlela yokuphila inkohlakalo nohwaphilizo. *(Translation of isiZulu paragraph follows.)*

[This is the government that really fights corruption which has been deeply embedded in people's veins for a long time. Oh yes, this government does not hide corruption, this government brings it into the open—that is the difference. [Interjections.] Corruption affects government departments terribly but it is also present in the private sector. There is an old saying which says that you should teach the child whilst he is young. Corruption starts with someone saying to an elderly lady queueing for her pension, "If you can give me R10, I will make you jump this queue." That's where it starts, and it goes up to workplaces, where someone would say, "I have a position for you, if only you would give me R300." It doesn't only end there. It even applies to awarding of tenders. You would find someone saying, "Give me R50 000 and I will award a tender to you." Such a person would end up stealing our money from the banks through the Internet. Such a person ends up thinking that corruption is a way of life. [Time expired.]]

Ms N M MDAKA: Chairperson, hon President, hon members, ladies and gentlemen, in his state of the nation address to the House, the hon President has once again given us the inspiration that the government remains hard at work to ensure that the nation's objectives will sooner or later be met.

The points you have raised, hon President, are generally favourable. We support many of the initiatives you have spoken about, and it would be an injustice to our country if we were to say otherwise.

The UIF admits that the hon President unveiled an ambitious plan to stimulate economic growth and to fight poverty and crime, and that has renewed our hope as a nation. The hon President stated categorically that an average of 4,5% growth rate of our economy over the past two and half years has been at its highest since we attained our democracy.

In order for a good quality of life for all our people to become a reality, poverty must be replaced with prosperity. In order for the people of South Africa to enjoy any form of prosperity they must have jobs. The first pillar for any poverty alleviation programme is job creation, and most of the jobs must be permanent.

In a rapidly globalising world, an increasing number of countries are becoming more competitive and ready to make their contribution to world markets, culture and social exchanges. We must decide now on what South Africa is going to be and on what it will be known for in this rapidly globalising world. We need to plan something more, something better and make the required investments to achieve our goals.

Chairperson, the opportunity and privilege given to our country to host the 2010 Fifa Soccer World Cup is clearly going to bring a major boost to our economy.

It was and it still is a great concern, hon President, that you stated in the state of the nation address that on 1 September last year 27% of municipalities did not have municipal managers. This brings the vacancy rate at senior management level to over 50%.

It makes one wonder, hon President, whether the five-year local Government Strategic Agenda is the right tool to eliminate challenges faced by the municipalities. We must be vigilant to avoid such problems that can become obstacles in organising the 2010 soccer showpiece.

We need the goodwill of all our people to make our country succeed. We also need to extend the call for social discipline in other segments of our society, including workplaces and communities.

In the final analysis, through a political will, the fight against crime and poverty can be won. Where there is will there is always a way. We carry the responsibility of giving to the country a government which the people can look up to for leadership and moral inspiration. I thank you. [Applause.]

Dr G W KOORNHOF: Mnr die Voorsitter, mnr die President, die Adjunkpresident, Ministers, Adjunkministers, "comrades" en agb lede, ek neem graag aan hierdie debat deel, waarin ek hoofsaaklik in Afrikaans sal praat, en ek gaan fokus op die tema van die skepping van veiliger gemeenskappe, en dus op hoe om misdaad effektief te bekamp.

Laat ek dadelik, ter inleiding, die voorkoms van misdaad in ons land in konteks plaas. Dit is 'n feit dat die impak van die apartheidsbeleid voor 1994, tesame met die gebruik van die polisie as 'n instrument van onderdrukking, gelei het tot 'n skerp toename in misdaad en geweld in ons gemeenskappe.

Verder kan die bekamping van misdaad nie in isolasie gesien word van ander belangrike prioriteite nie. Dit sluit in die verligting van armoede, die skep van werkgeleenthede, die uitwissing van ongelykhede, die voorsiening van behuising, gesondheidsdienste en toegang tot basiese dienste vir die meerderheid van ons mense.

Wat betref die voorkoms van misdaad, wil ek graag 'n perspektief gee uit die kiesafdelingsgebied wat ek deur die ANC toegedeel is, naamlik die oostelike voorstede van Pretoria, of Tshwane. Eerstens wil ek erken dat misdaad en geweld 'n ernstige probleem in hierdie gebied is. Omdat deur-tot-deur werk hier problematies is, besoek ek gereeld gemeenskapsleiers, insluitende predikante, mediese dokters, die skoolhoofde, sakeleiers en polisiebevelvoerders om die omvang van hierdie probleem prakties te bepaal. Die tipe misdade wat voorkom en die effek daarvan op mense en die gemeenskap word almal aan hierdie leiers meegedeel.

Die afgelope ses maande was daar 'n dramatiese toename in veral gewelddadige huisroof, waar mense in hulle huise aangeval en ernstig beseer is. Daar is ook baie verkragtings en skietvoorvalle. In my kiesafdeling hoor ek van die ervarings en vrese van mense wat geweldsmisdade beleef. *(Translation of Afrikaans paragraphs follows.)*

[Dr G W KOORNHOF: Mr Chairperson, Mr President, the Deputy President, Ministers, Deputy Ministers, comrades and hon members, I gladly participate in this debate where I shall be speaking mainly in Afrikaans and shall be focusing on the theme of creating safer communities, thus focusing on how to combat crime effectively.

Let me start immediately by putting, an introduction, the occurrence of crime in our country in context. It is a fact that the impact of the apartheid policy before 1994, together with the use of the police as an instrument of oppression, gave rise to a sharp increase in crime and violence in our communities.

Furthermore, the combating of crime cannot be seen in isolation from other important

priorities. This includes poverty alleviation, job creation, the eradication of inequalities, the provision of housing, health services and access to basic services for the majority of our people.

I would like to speak about the occurrence of crime from the perspective of the constituency area that the ANC had allotted to me, namely the eastern suburbs of Pretoria, or Tshwane. Firstly, I want to acknowledge that crime and violence is a serious problem in this area. As working from door to door here is problematic, I regularly visit community leaders, including pastors, medical doctors, the school principals, business leaders and police commanders to determine the scope of this problem in practice. All the different types of crime that occur, and the impact thereof on the people and the community, are conveyed to these leaders.

The past six months there was a dramatic increase especially with regard to violent housebreakings, where people were attacked and seriously injured in their homes. There are also many rape and shooting incidents. In my constituency I get to hear about the experiences and the fears of people who encountered violent crimes.]

My constituency work on this matter of violent crime made me realise that crime statistics can never mirror the pain, the fear, the uncertainty, the trauma and the resignation of our people. I did research on statistics of crime in my constituency area, but I'm not going to give it today, because it hides the individual despondency of many of our people about crime.

The question that arises is: What do we do to solve the problem of crime in our societies? In his book *The Tipping Point*, Malcolm Gladwell wrote that we are all powerfully influenced by our surroundings, our immediate context. To combat crime effectively, we therefore need to change the social context in which crime is currently flourishing. A combination of relatively small changes can have a big impact. Such smaller changes will work together for larger changes, which will result in a tipping point where the occurrence of crime will be reduced. In changing the social context in which crime is currently flourishing, we need to improve the functioning of the SA Police Service, but we must also address, for example, poverty, the criminal justice system, violence on television, restrictive borders, mobilisation of the youth, respect for life, etc. It is possible that with the slightest push in just the right places, crime can be tipped.

Dit is juis om hierdie rede dat ons president Mbeki se uitsprake wat hy in sy staatsrede verlede Vrydag hier gemaak het, naamlik dat ons die stryd teen misdaad gaan voortsit en verder verskerp, nou moet ondersteun. Die uitdaging is om hierdie visie van die President nou suksesvol te gaan implementeer.

Die President se aankondigings oor die stryd teen misdaad is in lyn met die ANC se Nasionale Uitvoerende Komitee se 8 Januarie verklaring en strategiese plan. Drie van die sleuteltake wat geïdentifiseer is vir implementering teen misdaad, wat as 'n prioriteit vir hierdie jaar geïdentifiseer is, sluit in: die mobilisering van gemeenskappe om leiding te neem in die stryd vir vrede, stabiliteit en veiliger woonplekke; die bou van vennootskappe tussen gemeenskappe en die polisie; en verskerpte deelname aan gemeenskapspolisieforums.

Ek wil graag 'n paar voorbeelde noem van praktiese stappe wat in ons kiesafdelingsgebied gedoen of beplan word om die sosiale konteks waarbinne misdaad voorkom te verander. Hopelik gaan dit ons nader bring aan die "tipping point" om misdaad suksesvol hok te slaan.

Eerstens, een van ons ANC-takke het besluit om 'n vrywillige taklid elke Saterdagaand aan 'n polisiestasie beskikbaar te stel vir diens, sodat 'n SAPD-lid beskikbaar gaan word vir sigbare polisiëring. 'n Ander ANC-tak het 'n taklid geïdentifiseer om gereeld

gemeenskapsforums by te woon om te bepaal waar hulp vir die polisie nodig is en waar gewone kiesers kan help.

Tweedens, 'n fokus op verskerpte bewusmaking van die gemeenskap oor agtelosigheid teenoor misdaad, want mense is nie altyd veiligheidsbewus oor soms oop deure en oop hekke in hul eie woonplekke nie, en ook om mekaar te help, op te skerp en te ondersteun.

Derdens, help om die omgewingsuitleg te verander. Byvoorbeeld, waar daar nie straatligte werk nie, waar daar lang gras in openbare plekke is, waar daar dig beboste oewers langs die spruite is, moet in gesprek getree word met die plaaslike owerhede en sê: Help met hierdie klein veranderings sodat daar 'n groot impak gemaak kan word.

Vierdens, moedig gemeenskappe aan om meer betrokke te raak by misdaadbekamping, soos byvoorbeeld gemeenskapspolisieforums; die patrolering van eie gebiede op eie koste en onbewapen, en laat die polisie weet van probleme. Laat die gemeenskap die oë en die ore van die polisie wees.

Vyfdens, inisieer samewerking tussen gemeenskappe en die polisie en sekuriteitsmaatskappye en, sesdens, moedig strenger polisiëring aan. Ook ten opsigte van die metropolisie, byvoorbeeld waar alledaagse verkeersreëls oortree word, dat ons sulke reëls strenger toepas en, laastens, bevorder die idee van een van die suksesse in ons gebied, naamlik die Hatfield Hof, waar jy vanaand gearresteer word en môre in die hof verskyn, en die "City Improvement District" wat insluit sypaadjies plavei, straatligte regmaak, stukkende vensters herstel, skoonmaakdienste verskaf, en inligting tussen die polisie en sekuriteitsmaatskappye uitruil.

Hierdeur wil ons vir die President sê ons as LP's in hierdie gebied gaan help om die regering se misdaadplan suksesvol te implementeer deur die sosiale konteks en omgewingsontwerp waarbinne misdaad gepleeg word te help verander in vennootskap met die gemeenskap, en in vennootskap met die polisie en ander rolspelers. Ons vertrou hierdie klein veranderings kan groot gevolge meebring.

Ten slotte, geweldsmisdaad het geen respek vir lewe nie. Ons moet 'n respek vir lewe by ons mense aankweek. Ons moet by die jeug begin sodat ons die nasionale kohesie van ons nasie kan voltooi. *(Translation of Afrikaans paragraphs follows.)*

[Precisely for this reason, we should now support the pronouncements made by our President Mbeki in his state of the nation address here last Friday, namely that we will be continuing and further intensifying the fight against crime. The challenge now is to implement this vision of the President successfully.

The announcements by the President on the fight against crime are in line with the statement and strategic plan of the National Executive Committee of the ANC of 8 January. Three of the key tasks which were identified for implementation to combat crime, and were identified as a priority for this year, include the following: Mobilising communities to take the lead in the struggle for peace, stability and safer living areas; establishing partnerships between communities and the police and intensifying participation in community police forums.

I would like to mention a few examples of practical steps that are taken or intend to be taken in our constituency in order to change the social context in which crime occurs. Hopefully, it will bring us closer to the "tipping point" in order to combat crime successfully.

Firstly, one of our ANC branches has decided to make a voluntary branch member available for service at a police station every Saturday evening, in order for a SAPS member to become available for visible policing. Another ANC branch identified a branch member to attend community forums on a regular basis in order to determine where the police need assistance and where ordinary citizens can assist.

Secondly, focusing on intensifying community awareness regarding carelessness when it comes to crime, because people are not always safety-conscious with regard to sometimes leaving doors open and gates open in their own homes, and also to help, inform and support each other.

Thirdly, help to change the environmental layout. For example, where streetlights are not in working order, where there is tall grass in public areas, where there are thickly-wooded banks along streams, engage in consultation with local authorities and say: Assist with making these small changes in order that a big impact can be made.

Fourthly, encourage communities to become more involved with the combating of crime, for example, to become involved in community police forums; to patrol their own areas at their own cost and unarmed, and to inform the police of problems. Let the community be the eyes and ears of the police.

Fifthly, initiate co-operation between communities and the police and security companies and, sixthly, encourage more stringent policing. With regard to the metro police also, for example, where common traffic regulations are violated such rules should be more stringently enforced, and, lastly, promote one of the successful ideas in our area, namely the Hatfield court where you would be arrested tonight and appear in court tomorrow, as well as the City Improvement District which would include paving sidewalks, fixing streetlights, repairing broken windows, providing cleaning services and exchanging information between the police and security companies.

Through this we wish to inform the President that we, as MPs in this area, are going to assist government to implement the crime plan successfully, by changing the social context and environmental design in which crime is committed in partnership with the community, and in partnership with the police and other role-players. We trust that these small changes can result in major consequences.

In conclusion, violent crimes have no respect for life. We have to cultivate a respect for life amongst our people. We should start with the youth, in order for us to complete the national cohesion of our nation.]

In 1994 we started a rainbow nation. We have walked this road now for 13 years. Currently we stand at the dawn of the age of hope. Collectively, we should not allow crime to steal our dream for this nation. We don't want to become a nation of fear; we want to become a nation of hope.

Ek dank u. [Applous.] [I thank you. [Applause.]]

Mr P J NEFOLOVHODWE: Chairperson, hon President of South Africa, hon Deputy President, on an occasion of this nature, on 18 February 2003, Azapo stated as follows:

> The growth of the economy in the various sectors mentioned in the address by the President is indeed encouraging in so far as it strengthens economic fundamentals. However, this growth should at the same time be accompanied by the growth in jobs and standard of living of the poor. To the extent that this is not happening, is a matter that Azapo believes should be attended to with speed.

We all know that in a capitalist society such as ours, the capitalist class does not preoccupy itself with the eradication of poverty. At best it can create some jobs, but even in creating these jobs it does so only if this is consistent with the profit it makes. The question we should ask is: Who should bear the responsibility for the creation of adequate jobs? What then should be done in a situation where economic growth is 4,5% or even higher and jobs that are created are not consistent with this growth?

Many will no doubt agree with Azapo that a situation of this nature calls for innovative economic policies as well as the acceleration of economic intervention strategies. Government must act, and all of us must also decisively support a move to create more jobs.

We must begin to move to a situation where jobs that are created are measured against the number of poverty-stricken people who access these, as opposed to just accepting statistical data that jobs are being created without any indication as to whether the majority of the poor are benefiting from these jobs. We should measure whether these jobs are indeed accessible to the poor in terms of requisite skills that correspond to the jobs created.

With regard to the Expanded Public Works Programme, we should ascertain whether allocated resources are achieving the desired effect in terms of poverty eradication and raising the standard of life of poor citizens. We should indeed move away from merely being happy and proud of budget allocations, without monitoring whether resources allocated are reaching the poor as well as producing the intended results.

To Azapo it is important to note that poor existential circumstances, poor housing, joblessness, homelessness and a combination of other factors that the poor are subjected to, contribute to the dehumanisation of people and lead to feelings of inferiority and hopelessness.

Crime is one of the most spoken about subjects in our country, sometimes in an exaggerated fashion. To this end we agree with the call to unite around this matter. Azapo suggests that the following measures should be taken: Enhancing family and community values by creating conditions for the healthy upbringing of children—that is looking at the family and communities as core starting points for the promotion of free and responsible citizens; and determining the extent to which poverty and dehumanising conditions of existence may contribute to individual dispositions to crime.

Government should declare mini-states of emergency, targeting crime hotspots, and deploy the police and the army to root out criminals and weapons that are used to commit crime.

Coupled with this, the judiciary should carefully look at inconsistencies relating to sentencing and imprisonment of offenders. Notwithstanding the fact that sentencing is a matter of law, Azapo does not understand why a white person who shoots a person and alleges that he mistook him for a dog gets a fine and a suspended sentence, while a black shoplifter who steals a bottle of perfume is sentenced to imprisonment without a fine. So the judiciary must do something about this. [Interjections.] [Applause.]

The perception out there is that those who can afford expensive lawyers can avoid the full might of the law, and that when you are poor you go to prison, even for minor offences or a crime that you never committed. Azapo believes that more could be achieved through national co-operation where the interests of the country are paramount. I thank you. [Applause.]

Mr K O BAPELA: Thank you, Chairperson, the President, Deputy President, Ministers and Deputy Ministers and all hon members.

Ke a le dumedisa. Ke re thobela. Ke a le tamisa. [Greetings to you all.]

> The ANC forms part of the global forces, including governance, parties and civil society organisations in developing and developed countries, campaigning for a humane and equitable world order.

This is a quote from the ANC's Strategy and Tactics.

Mookamedi, mo moletlong le tshepedisong ya wona, mokgatlo wa ANC o ile wa ithuta le go tsentsha letsogo morerong wa tshomisano go tsa tlhompho ya botho—human solidarity—lefaseng ka bophara. [Director, the ANC has in their celebration and proceedings learnt about, and also played a world-wide role in respect for human rights.]

It was informed in its international work by values of internationalism, promotion of

human rights against abuses and violations, and support for national liberation.

Le lehono re sa ntše re ikemišeditše go latela diphišegelo tšeo. Gape ebile re tla tšwela pele go tiiša ditlemagano le mekgatlo yeo e šomišanago le rena—strengthening of progressive networks—go fihlela re bona tekano le tlhompho ya botho lefaseng ka moka. *(Translation of Sepedi paragraph follows.)*

[We are still willing to follow up on those wishes. We will also strengthen the spirit of working together with other organisations—strengthening of progressive networks—until there is equality and respect for humanity across the world.]

That is the emergence of an equitable and humane world order. The emphasis is also made to remind us where we come from and why we are continuing on the path to create a better world, and also to express the ANC's solidarity message to the people of Myanmar.

The ANC's lekgotla stated as follows:

> The ANC should work, together with other organisations locally and internationally, to campaign for the restoration of democracy and human rights in Myanmar.

The meeting further reiterated the ANC's deep concern at the situation in Myanmar, including widespread repression and the continued house arrest of Aung San Suu Kyi, and urged that these matters be taken up through the appropriate organs of the UN systems.

We raise this issue to clarify our position, knowing that we will be meeting at international platforms soon; some amongst us will take it out of its context for selfish interests or may regard it as regrettable, as already said by some.

As a matter of record, we want to inform Parliament and the nation that our delegates, who have attended numerous meetings of the Inter-Parliamentary Union and also the Commonwealth Parliamentary Association, have signed, attended and spoken in solidarity with the people of Myanmar who in these bodies will have sidetalks and petitions for signing. We will continue to give support to and express solidarity with the cause of the people of Myanmar and will support resolutions, if appropriately raised at the correct platforms.

Ke tshepha gore Mookamedi o tla otlologa gomme a fa setšhaba sa gaborena lesedi ka ga taba ye, le gore a bontšhe gore re le Maafrika-Borwa re a e thekga gore go be le tharollo ka se se diragalago kua Myanmar.

Taba ya bobedi yeo ke tlago bolela ka ga yona ke tema yeo Palamente e e kgathago mo go tlišeng toka le tekano lefaseng. *(Translation of Sepedi paragraphs follows.)*

[I trust that the director will take this opportunity to give our people information on this issue and to show that we as South Africans support that the issues of Myanmar be resolved.

The second thing I would like to talk about is the role that Parliament plays in strengthening justice and equality in the world.]

Parliaments all over the world are strongly emerging as international players in global politics. So is our Parliament. We have affiliated to a number of world parliamentary bodies and are being canvassed to join others. During the visit by our Speaker to Belarus an appeal was made to the Speaker that we should form a non-aligned movement parliamentary body, which we are considering, as one of the international parliamentary bodies that are emerging.

The challenge remains that affiliation alone is not enough, and we should now embark on transforming these bodies to make them more relevant and significant, in order for them to become instruments of change, taking up such issues as fighting poverty, through the monitoring of our respective countries' performance in achieving the Millennium Development Goals; consoli-

dating the African Agenda; pursuing such programmes as Nepad, regional economic integrations, global warming issues; fighting the causes of terrorism; ensuring that the number of African children going to school increases; ensuring that health accessibility to women and children is a right and not a privilege for a few; ensuring that conflicts on the continent are eliminated and that women and children live in peace and do not remain refugees forever; and ensuring that Africa emerges as an important global player.

We strive for a world free of hunger and poverty. We are striving for a day when, in years to come, we will say, as a country and as a continent, "Tlala o nyele, bohumi bo fedile". I hope the interpreter did not use the wrong word. "Tlala o nyele" means "we have defeated hunger and poverty". [Laughter.] Ke sepedi seo. [That is Sepedi.]

We need to engage, monitor and involve our people in a participatory democracy, in seeking solutions afflicting humanity, as parliaments, as people's representatives, representing the people who voted us into parliaments.

We have just adopted, as the Joint Rules Committee of Parliament, a policy for the establishment of a parliamentary group on international relations that will guide us to engage with and fulfil all these challenges I've mentioned. We hope that before the end of the first quarter we'll be able to adopt it in both Houses to begin implementing it.

Parliamentary diplomacy is on the rise and members will be expected to empower themselves and follow events closely in pursuance of the strategic goal of a better world and a better Africa. We should not view international or foreign politics in a narrowminded way, as our foreign policy captures it correctly, and I quote:

> Foreign relations are an expression of the domestic interests.

We do all this to attract investment to our country, to open space for our goods to enter other markets in the world, for our people-to-people relations to grow and increase, to allow mobility of skills which benefits countries, and for parliamentarians also to become ambassadors of their own country.

In relation to the theme of this year's state of the nation address, Parliament chose the theme "Let's deepen debate in South Africa". Part of the contribution to the debate is for South Africans to discuss, debate and express views around our role on the continent in particular. There is acknowledgement by the continent of South Africa's role in conflict resolution and peacekeeping, and that we have a strong economy, better infrastructure and strong leadership. Some even go to the extent of saying that we have a strong army. Hence there is a continuous call for us to participate in various missions on the continent.

The rest of the continent acknowledges that as a country we obviously have our own domestic challenges. Notably, we have expressed the need for us to fight poverty and ensure that the poor's needs are met, and the need to fight crime, particularly violent crime. But they are also confident that South Africa will triumph over these two pressing issues. They also warn us that as South Africans we have a tendency to run down our own country. We hope that in engaging with and debating these issues, we will give rise to action and programmes towards delivery.

A debate needs to start on whether South Africa should consider a policy option for the creation of a fund for development aid, focusing on Africa, obviously because of the size of our economy, to assist with development challenges for the continent and to set a trend for other stronger countries in Africa to follow suit. Currently, the African Renaissance fund is just an intervention fund.

South African private sector investment in the continent in areas of retail, mining, construction and engineering should be encouraged. However, we need to emphasise

here that private companies, too, have a responsibility in ensuring that our flag is raised high, that they respect employment practices, and that they procure and buy goods locally.

Government should foster a partnership in the spirit of Nepad and the vision for a better Africa, and businesspeople should raise the flag proudly, as we do within such a vision.

As I end my speech, I would also like to call on parliamentarians to discuss and report on international matters in their own constituencies and give reports there. As Ingoapele Madingoane said in his famous poem in the 80s: *"Africa My Beginning, Africa My Ending."*

Lastly, I want to urge that we should also, as is happening in the capitals of Kenya, Tanzania, Zimbabwe, Zambia and Mozambique, just to mention a few, name our streets after leaders such as OR Tambo, Chief Luthuli, Nelson Mandela, Julius Nyerere, Patrice Lumumba, Kwame Nkrumah, Sam Nujoma, Kenneth Kaunda, etc. We should consider doing so in thanking these leaders for fighting colonialism and freeing Africa, and also for contributing to the liberation of South Africa. Again I say: Africa my beginning, Africa my ending! Africa my home! Thank you. [Applause.]

Dr A I VAN NIEKERK: Mnr die Voorsitter en agb President, ek wil graag 'n paar opmerkings maak na aanleiding van die President se opmerking in sy staatsrede dat hy grondhervorming wil versnel. Mnr die President, ek gaan vandag in Afrikaans met u praat, want ek is 'n boer, soos vele ander, wat my familieverbintenis met die landbou 350 jaar terug kan naspoor. Ek praat met u as 'n Afrikaner wat uit die landbou kom en in murg en been hier geskape is en hier wil bly. Ek wil bydra tot die sukses van hierdie land en ek wil sien dat grondhervorming slaag, want ek steun dit.

Landbou is nie 'n maklike bedryf nie. Die klimaat is onvriendelik, die reënval min en die politiek vol voorskrif. Die landbou in Suid-Afrika dra 30% tot ons ekonomie by, direk en indirek, en ons is een van sewe lande in die wêreld wat 'n netto uitvoerder van voedsel is. Daar is nie kitsoplossings vir landbouprobleme nie. Die sukses en volhoubaarheid van landbou kom uit kennis, ondervinding en praktiese planne, en 'n fyn balans tussen klimaat en ekonomiese en politieke realiteite.

Indien u die huidige grondhervormingsproses wil versnel, het u 'n groot probleem. Besef u dat feitlik alle grondhervormingsprojekte wat met landbou te doen gehad het tot dusver misluk het? Dit was swak beplan, is onbeholpe bestuur en het in chaos geëindig. Om die huidige rigting van grondhervorming te versnel, voorspel net versnelde mislukking en dit kan ernstige gevolge vir ons land inhou.

Kyk net wat het met die ekonomieë van die buurlande gebeur waar grondhervorming politiek en prakties verkeerd gehanteer is en die landbou nie volhoubaar bedryf is nie. Indien u grondhervorming suksesvol wil toepas, sal u die rolspelers, die rigting en die metodiek van grondhervorming in Suid-Afrika moet verander. U sal die landbougemeenskap, en veral hul leiers, in hierdie verband moet betrek.

Hulle het die noodsaak van grondhervorming aanvaar. Hulle verskil nié met die regering oor die beginsel van grondhervorming nie, maar oor hoe om dit suksesvol, prakties en volhoubaar toe te pas. Hulle het die kennis, ondervinding en vermoë om dit te bewerkstellig. U het hul betrokkenheid nodig indien u wil slaag.

Hul hand van samewerking word egter konstant weggeklap. Hul welwillendheid word wantrou. Die beter verhoudings tussen die regering en die boere onder die vorige Minister is tot niet. Verhoudings tussen die regering en die landbou is tans erg deurmekaar. Daar word op foute gekonsentreer en nie op oplossings nie.

Algemene beskuldigings teen die boere word om hul hoof geslinger. Oortredings van wette en vergrype van mag deur 'n klein persentasie van die boere word as algemene klag teen alle boere opgestel. Hierdie vergrype word nie goedgepraat nie en word ook nie deur die oorgrote meerderheid van georganiseerde landbou geduld nie. Hierdie ondeurdagte beskuldigings van regeringskant sonder stawende bewyse word op alle boere van toepassing gemaak en vertroebel verhoudings nóg meer.

Aan die voorpunt van hierdie onverkwiklike aanslag is die nuwe Minister van Landbou en Grondsake in haar uitsprake. Stem u saam met die Minister as sy sê dat alle boere onpatrioties is en nie die regering erken nie? Stem u saam dat alle boere plaasarbeiders onmenslik behandel en onwettig van die plase afsit, soos die Minister in haar Kersboodskap aan boere geïmpliseer het? Stem u saam met die verwoording van getuienis wat gebaseer is op Rawsonville-aanklagte dat boere in die algemeen hulle arbeiders verkrag en aanrand?

Meneer die President, die landbouperd sal nié saamwerk om oploswater te soek of te drink as dit met 'n gesplete sweep van vals beskuldigings gegesel word nie. Kry die vertroue van die landbouperd, en u sal baie ver en rustig op sy rug kan ry. Dan sal grondhervorming van krag tot krag gaan en suksesvol in hierdie land tot voleinding gebring word. Ek dank u. [Applous.] *(Translation of Afrikaans speech follows.)*

[Dr A I VAN NIEKERK: Chairperson and hon President, I would like to make a few remarks with regard to the President's statement in his state of the nation address that he would like to accelerate the pace of land reform. Mr President, I am going to speak to you in Afrikaans today, because I am a farmer, as so many others, who can trace back my family's ties to agriculture for 350 years. I am speaking to you as an Afrikaner that hails from an agricultural background, who was born and bred here and would want to stay here. I want to contribute towards the success of this country and would like to see the success of the land reform process because I support it.

Agriculture is not an easy industry. The climate is unfriendly, rainfall scarce and politics encumbered with regulations. Agriculture contributes, directly and indirectly, towards 30% of South Africa's economy, and we are one of seven countries in the world who are net food exporters. There are no instant solutions for agricultural problems. The success and sustainability of agriculture is derived from knowledge, experience, practical plans, and a fine balance between climate and economical and political realities.

If you wish to accelerate the present land reform process, you have an enormous problem. Do you realise that thus far all agricultural land reform programmes have actually failed? The planning was bad; it was poorly managed and ended in chaos. Accelerating the current direction of land reform, only predicts accelerated failure and this could have serious implications for our country.

Just look at what has happened to the economies of the neighbouring states where land reform had been dealt with in a politically and practically incorrect manner and where agriculture was not managed in a sustainable way. If you want to apply the land reform process successfully, you will have to change the role-players, the direction and methodology of land reform. You will have to involve the agricultural community, and especially their leaders, in this regard.

They have accepted the need for land reform. They do not differ with the government on the principle of land reform, but rather on how to apply it in a successful, practical and sustainable manner. They have the skills, experience and ability to bring this about. You need their involvement if you wish to succeed.

between their co-operation is rejected time and again. Their goodwill is regarded with circumspect. The improved relations between the government and the farmers under the former Minister have been destroyed. Relations between the government and the agricultural sector are extremely chaotic at the moment. Dominance is given to laws and not to solutions.

General accusations directed at farmers are used to judge them all in the same manner. Contraventions of the laws and the abuse of power by a minority of farmers is held as a general complaint against all farmers. These transgressions are neither condoned nor deemed by the overwhelming majority of organised agriculture. These ill-considered accusations on the side of government without evidence to substantiate it are applied to all farmers and commercial commandos even further.

As the finalising of this unpleasant onslaught is the new Minister of Agriculture and Land Affairs in her announcements. Do you agree with the Minister when she says that all farmers are criminals and they do not recognise the government? Do you agree that all farmers treat their farm workers inhumanely and illegally evict them from the farms as the Minister implied in her Christmas message to the farmers? Do you agree with the wording of evidence based on the Ravensmead charges that farmers generally rape and assault their farm workers?

Mr President, the worldwide of agriculture will not co-operate to find solutions, or be part of such solutions, if it is flogged with a whip with false accusations. Seek the trust of agriculture's workforce and you will have an extended and smooth ride on its back. Trust and reform will give true strength to strength and it will come to fruition successfully in this country. I thank you. [Applause.]

The MINISTER OF LABOUR: Chairperson, Chairperson, Mr President, Deputy President, members of the House, I would like to deviate and start by reminding briefly to some aspects of the debate. And I would like to underline that I certainly accept the humanities of the hon Lees in his observations with regard to the question of crime.

I do want to say that I think that we must unfold the temptation to evaluate the national progress on the basis of reactions by individuals who may be traumatised by personal tragedy or those who may be seeking justification for their actions or inaction. I refer specifically to the examples that were quoted by the hon Lees and the hon Mkhize—I see here he has escaped from the House now.

Now, the hon Botha has correctly reminded us that the majority of victims of crime in this country are black, or rather the poor. And I say: the majority of the poor are black. They are in townships, in informal settlements, they are in the countryside, they are in Bayview, Umlazi, Soweto, Sunnyside and other cities. These very, very poor sections of our population are the vast majority and are the victims of these crimes.

Now, we single out the voice of some wealthy individual who can afford to take his whole family and leave this country and go to Australia and then this is highlighted in the House before this month. The hon Mkhize invites into this House the sentiments of someone who is sitting in the entertainment centres of European cities, pointing a finger and saying how wrong this country is.

What we need—and I think what we as South Africans should be doing—is to speak to those who recognise that crime is one of the problems in our country. But who, instead of sitting as spectators in waiting away, take action to join with all of us to fight this crime. What are we going to speak about: the majority of black and white South African farmers who are missing in our dear farms in the Free State, the North West and Limpopo, and who are working hard and continue to the national effort to fight crime.

Those are the people, I think, we should be speaking about and speaking to here. [Applause.] The examples, in my view, that we should highlight, are the commendable efforts of loyal and patriotic black and white South Africans who are working with all of us to fight this crime so as to make South Africa a better place. Let's hear more of those . . .

Laat ons 'n bietjie meer hoor van iemand soos André Venter, wat sy beste jare gegee het sodat Suid-Afrika glorie op die rugbyveld kan hê. Vandag sit hy verlam in Bloemfontein. Laat ons meer hoor van die spelers—blank en swart—wat nou in die krieketspan, in rugby en in sokker Suid-Afrika se naam hoog hou, nie van 'n paar individue wat Suid-Afrika die rug gekeer het, en weggeloop het Australië toe nie. *(Translation of Afrikaans paragraph follows.)*

[Let us hear a little bit more about somebody like Andre Venter, who gave his best years in order for South Africa to achieve glory on the rugby field. Today he is sitting in Bloemfontein—paralysed. Let us hear more about the players—white and black—who are currently in the cricket team, in rugby and in soccer maintaining South Africa's good reputation, not just about a few individuals who have turned their backs on South Africa and run away to Australia.]

Let them go to Australia. Let them make it a happy home for themselves, that's fine. We are interested in the citizens of this country who want to sit here and fight and who want to make South Africa a better place. [Applause.]

We need partners in the battle against crime and not this eloquent spectators speaking from the exaggerated comforts of their own elsewhere.

I am sorry, but these are not examples to be held before the youth of our country.

Mr President, in 1906 Pixley ka Seme wrote:

> The giant is awakening. From the four corners of the earth, Africa's sons . . .

And here I want to add, "and Africa's daughters"—

> who have been proved through fire and sword are marching to the future's golden door, bearing the records of deeds of valour done.

One hundred and one years later, the golden door is in sight, the quest for unity amongst the peoples of our continent is still central to our understanding of a better life for all. Our march through fire and sword lasted for over four centuries and entailed the defeat of colonialism and imperialism. For the first time in the history of our continent, we hold the possibility of shaping our own destiny. We are busy with the task. [Applause.]

Chairperson, we have been committed to the liberation of the people of South Africa since 1912 in an organised fashion. We then enshrined the goals of peace, stability, equality and of building of a better life in the Freedom Charter in 1955. Moreover, Africans across the continent and our movement amongst them understood and accepted that whilst one country in our continent was not free, all were not free. It explains therefore why nations across our continent, in spite of their problems, made firm their commitment to supporting the democratisation of this country. And today, in our own country, that goal has come through and we are seized with that vision and with that spirit.

Today we keep to the view that without peace, without security, there can be no development on the continent. Without peace and stability in the continent of Africa, there can be no peace and stability in South Africa. Thus we have no option, but to address the various conflicts still raging on our continent.

Mr President, in this regard your leadership must not waiver; our movement should not waiver behind you. We must continue to deal with the problems at home, but our contribu-

tion to the advancement of the continent is imperative. [Applause.] Last week, the World Bank released a study and it says:

> Conflicts are now arguably the single most important determinant of poverty in Africa, that recent research suggests that the incidents and severity of conflicts in Africa have had a robust negative effect on the growth rate of incomes. Countries that experienced civil wars had an average income of 50% lower than those of countries that experienced no civil war.

A study released a little earlier in 2004 confirms that:

> The direct cost of war is only a fraction, often less than 10%, of the indirect costs. Far more people die from more related diseases and malnutrition than from battle deaths. The implications of these conflicts need to be understood if the urgency of their resolution is to be prioritised.

They cannot be subject to knee-jerk reactions and one size fits all solutions. And South Africa cannot take part in the drive to resolve these conflicts when it has the luxury to do so. I am therefore proud to announce that our past interventions have so far had a telling impact on the continent. But, as the World Bank report says:

> The fact that wars are ended doesn't necessarily mean that their underlying causes have been addressed. For peace to be sustainable over the long run the root causes of conflict need to be addressed.

That explains why, although we resolved the Burundi problem sometime ago in terms of going to elections, South Africa has sustained the presence of some of her contingents in order to enable that fledgeling democracy to take route and to be able to sustain itself.

Consequently, we are adjusting our approach and introducing in the training of our people, content that improves the impact of our interventions. The men and women who are now going out into Africa to do peace support operations are being armed with capacity, not only to deal with the raging conflict but to be able, beyond the resolution, to assist the communities in which they operate.

They are redirecting their energies into those activities that begin to lay the foundation for the development of those countries. The strengthening of the African Union, the SADC, the creation of the Africa Standby Force and the SADC Brigade, are all parts of a battery or strategies that both our countries and neighbours use to resolve conflicts in order to encourage development and to create a better life for all in the continent.

I said in December last year, and I know that this raised some questions in certain quarters, that South Africa will be the last to leave the DRC. There is no possibility that we can leave such a huge country that has both the potential, if properly guided and protected and supported, to advance development not only inside that country, but also impact on the nine other countries that surround it.

That is a situation that is in the lap of Africans. Europeans will probably withdraw from the DRC when it suits them, because they are far located from where we are and from where the problem is. Africans have no choice. Mr President, again, we must not hesitate in insisting that our nation should, without sacrificing domestic programmes, continue to support the efforts of the people of the DRC by way of sustaining our presence there in order to keep stability in place. Threats to our very existence on this planet are prevalent and must be confronted, they are more than just a question of conflict on the continent. The threat, for instance, of nuclear weapons is real and continues to be a serious cause for concern.

South Africa is one of the countries leading the drive for the nonproliferation of nuclear weapons and we are doing that in our cares for peace and a safe world. The destruction

of the ozone layer and the threat of environmental degradation must be tackled in our global as well as our local and regional forums.

One of the biggest problems facing our world today is the emergence of superpower unilateralism and the aggressive reactions which unleash tensions pregnant with the capacity to thrust whole regions into limited war and indeed even conflagrations. It is therefore important to appreciate that we did not lead in containment of conflict on the continent, others without our sensitivity will find space to drive the continent deep into the morass of a disaster. [Time expired.]

FOODSTUFFS, COSMETICS AND DISINFECTANTS AMENDMENT BILL

(Consideration of Bill)

There was no debate.

The Deputy Chief Whip of the Majority Party moved:

> That the House refuses to pass the Foodstuffs, Cosmetics and Disinfectants Amendment Bill as amended by the National Council of Provinces.

Agreed to.

Foodstuffs, Cosmetics and Disinfectants Amendment Bill accordingly not passed.

The House adjourned at 18:19.

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

FRIDAY, 17 NOVEMBER 2006

ANNOUNCEMENTS

National Assembly

The Speaker

1. **Submission of Private Members' Legislative Proposals**

   (1) The following private member's legislative proposal was submitted to the Speaker in accordance with Rule 234:

   (a) ***Public Finance Management Amendment Bill*** (Mr E W Trent)

   In accordance with Rule 235 the legislative proposal has been referred to the Standing Committee on Private Members' Legislative Proposals and Special Petitions.

COMMITTEE REPORTS

National Assembly and National Council of Provinces

Report by the Joint Monitoring Committee on the Improvement of Quality of Life and Status of Women:

-

Evaluation of the Implementation of the National Gender Policy Framework in Offices on the Status of Women and in Local Government Departments - November 2006

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ABBREVIATIONS AND ACRONYMS

ABET	Adult Basic Education and Training
AU	African Union
BPFA	Beijing Platform of Action
BEE	Black Economic Empowerment
CCB	Change Control Board
CGE	Commission on Gender Equality
CDWs	Community Development Workers
CDWP	Community Development Worker Programme
CMIP	Consolidated Municipal Infrastructure Programme
CF	Consultative Forum
CEDAW	Convention on the Elimination of all forms of Discrimination
DFUs	Departmental Focal Units
DGES	Departmental Gender Equality Strategy
DMCs	Departmental Management Committees
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
EAP	Employee Assistance Programme
EE	Employment Equity
EPWP	Expanded Public Works Programme
GFPs	Gender Focal Points
GFU	Gender Focal Unit
GUs	Gender Units
GPG	Gauteng Provincial Government
GCIS	Government Communications and Information Systems
HODs	Head of Departments
HRC	Human Rights Committee
HRFPs	Human Rights Focal Persons
IDPs	Integrated Development Plans
IPGS	Integrated Provincial Gender Strategy
ISRDP	Integrated Sustainable Rural Development Programme
IGGF	Inter-Governmental Gender Forum
JMCIQLSW	Joint Monitoring Committee on the Improvement of Quality of Life and Status of Women
KPI	Key performance indicator
LED	Local Economic Development
MEC	Member of the Executive Committee
MOU	Memorandum of Understanding
MDG	Millennium Development Goals
MINMEC	Minister and the Members of Executive Committees
MIG	Municipal Infrastructure Grant
MIT3	Municipal Infrastructure Technical Task Team
National OSW	National Office on the Status of Women
OSDP	Office for the Status of Disabled People

OSY	Office for the Status of Youth
PCF	Premier's Coordinating Forum
POA	Programme of Action
PPASA	Planned Parenthood Association of South Africa
Provincial GFPs for LG	Provincial gender focal points for local government
Provincial OSWs	Provincial Offices on the Status of Women
SMS	Senior management service
SMMEs	Small Medium and Micro Enterprises
SALGA	South African Local Government Association
SANDF	South African National Defence Force
SAPS	South African Police Services
SADC	Southern African Development Cooperation
SPUs	Special Programmes Units
URP	Urban Renewal Programme
VCT	voluntary counselling and testing
WSSLG	Water Services Sector Leadership Group

EXECUTIVE SUMMARY

Background

The South African Government committed itself to both the Convention on the Elimination of all forms of Discrimination (CEDAW) and the Beijing Platform of Action (BPFA) with the objective of improving the quality of life and status of women. In addition, world leaders, including South Africa, have agreed to take these commitments forward in the form of the Millennium Development Goals (MDG).

It therefore becomes imperative to evaluate and review how the government has worked towards the goal of gender equality, examining the stated aims of government departments and Offices on the Status of Women (OSWs), the budgets they are allocated, relevant policy and legislation that has been processed and the extent to which transformation has taken place, for example in relation to representativeness at different levels. South Africa is one of fourteen countries chosen to pilot gender mainstreaming. As a result, national departments, other government role-players and provinces are expected to report regularly on progress. The 2005 hearings of the Joint Monitoring Committee on the Improvement of Quality of Life and Status of Women (JMCIQLSW) formed part of this continued monitoring process.

This report provides, first and foremost, an account of the August 2005 hearings held by the JMCIQLSW to which the Department of Provincial and Local Government (DPLG), the South African Local Government Association (SALGA), provincial Offices on the Status of Women (provincial OSWs) and provincial gender focal points for local government (Provincial GFPs for LG) were invited. **The hearing focused on four main aspects:**

a. An assessment of departmental programmes nationally, provincially and locally aimed at achieving the objectives of CEDAW and the BPFA.
b. An overview of the different practices in each local government department or Office on the Status of Women with reference to government policy, international commitments and the Constitution.
c. Identification of areas of concern.
d. An assessment of the implementation of legislation and policies, identification of weaknesses and blockages, and recommendations for improvements.

Apart from the National Office on the Status of Women, the Department of Provincial and Local Government and the SA Local Government Association (SALGA), all Provincial Offices on the Status of Women – with the exception of the Eastern Cape Province – made presentations to the JMCIQLSW. In addition, Provincial Gender Focal Points for Local Government of the following eight provinces also made presentations to the Committee:

a. Eastern Cape, Department of Housing, Local Government and Traditional Affairs;
b. Gauteng, Department of Social Development;
c. KwaZulu-Natal, Department of Local Government and Traditional Affairs;
d. Limpopo, Department of Local Government and Housing;
e. Mpumalanga, Department of Local Government and Housing;
f. Northern Cape, Department of Local Government and Housing;
g. North West, Department of Developmental Local Government and Housing; and
h. Western Cape, Department of Local Government and Housing;

In addition, the report takes into account information provided by the National OSW to the JMCIQLSW during a meeting held in June 2006. Additional information provided by the Western Cape Province to the Committee in 2006 is also reflected.

Overview of main findings

The August 2006 JMCIQLSW hearings and the June 2006 meeting between the Committee and the National OSW drew attention to the following findings:

a. The DPLG has an Equity and Development Unit that deals specifically with the coordination of sector wide policies and programmes such as gender, HIV/AIDS, disability and youth. It has both an external and internal gender focus.
b. The DPLG established a *Women's Forum* that seeks to promote internal dialogue around women issues and provide overall support to female employees in the Department.
c. In terms of black people (African, Coloured and Asian) the target that was set for all public service departments is 75% and the DPLG has by June 2005 achieved 84.4%. It represents 9.4% more than required.
d. With regard to women, the public service target is 30%. The DPLG achieved 36.4% by June 2005 – 4% more than required.
e. The SALGA has a *Gender and Women Empowerment Programme* that falls under the Directorate: Strategic Affairs headed by the Executive Director. The political champions of the programme are political representatives and officials from all provinces. They constitute the Social Development Working Group, chaired by a member of the National Executive Committee.
f. The SALGA has only one woman out of nine Deputy CEOs and three women out of 14 members of the Executive Management Team.
g. The 2004 Local Government Gender Audit, undertaken by the SALGA, revealed that there are 54 (or 19.01%) women mayors, 77 (or 27.11%) women speakers and 18 (or 6.34%) women municipal mangers in the country.
h. With the exception of the Western Cape Province, the other eight provinces have OSW structures of varying kinds, situated in the Premiers' Offices.
i. Gauteng Province does not have an OSW. OSW functions are carried out by the Gender and HIV/AIDS Sub-Directorate which reports to the Director: Social Development within the Office on the Premier.
j. The explanation given by the provinces of Gauteng and the Western Cape to the JMCIQLSW was that to them the name of the structure was not important, but rather its functions.
k. All Provincial OSWs are located in the Premiers' Offices. They mostly report to the Director: Programmes, except for KwaZulu-Natal's OSW, which reports to Chief Director: Human Rights and North West's OWS, which that reports to the Chief Director: Governance.
l. All Provincial OSWs are headed by Deputy Directors, except KwaZulu-Natal (headed by a Director) and Limpopo (the post has been advertised at a Director level).
m. According to the National OSW June 2006 survey conducted amongst national departments –

i. All 30 responding departments/government agencies appointed GFPs.
ii. 13 of the 30 departments have appointed persons responsible for gender-related issues at a Director level or higher.
iii. Of the 30 GFPs, 9 (30%) focus only on gender issues, while 21 GFPs (70%) have responsibilities that include gender, disability, youth, child rights, HIV/AIDS, employment equity, human resource management and/or employee assistance in various combinations.
iv. None of the GFPs report directly to Directors-General in the departments.
v. The National OSW Audit Report of 2003 indicated that 31.03% (i.e. 9) departments had appointed GFPs at the mandated levels in 2003. There was thus a 7.7% drop (from 31.03% to 23.33%) in the number of government departments complying with the mandate of the gender policy document and Cabinet Memo of 1997.

n. According to the Province of the Eastern Cape, Department of Housing, Local Government and Traditional Affairs, there is not a *single* female municipal manager in the Province (2005).
o. The Department of Social Development in Gauteng Province reported that, in line with the provincial government's planning cycle, the provincial departments' strategic plans are analysed to assess if gender issues are incorporated and mainstreamed in the plans. Comments are forwarded to the departments and the Premier in the event of gaps being identified for a one-on-one follow up session with the Premier and the MECs.
p. Gauteng Province has had much success with the *Women's Dialogue* initiative.
q. Gauteng Province indicated that although management representativeness in respect of gender is already in line with minimum national targets (i.e. 30%), there is a drastic decline in representativeness of females from low level to Senior Management Service (SMS), with the majority of female employees at lower levels (e.g. nursing, teaching, clerical, etc.).
r. The OSW of the Province of KwaZulu-Natal has a draft gender policy and is currently working on an implementation strategy as well as a gender monitoring tool.
s. The Limpopo Province, Department of Local Government and Housing, indicated that there were no GFPs in most municipalities, except for Mopani Municipality that had appointed a GFP at administrative clerk level.
t. The Mpumalanga Province, Department of Local Government and Housing, reported that a resolution had been taken at the Premier's Coordinating Forum that youth units should be established in all municipalities and that these units would also address gender and disability concerns. The OSW indicated that the resolution did not say anything about gender.
u. The Mpumalanga Province OSW reported that GFP coordinators had been appointed in all 10 departments of the Province. Some departments had approved structures and others were in the process of advertising posts.
v. The Western Cape Province, Department of Local Government and Housing have an approved Human Rights Mainstreaming Business Plan (2005 – 2006).
w. The Western Cape Province had an OSW until 1 April 2006. Since then, the OSW had been restructured, although it is still situated in the Department of the Premier, but now under the Branch: Operations. The Office reports to the Deputy Director General who in return reports to the Premier. The Premier made the office a "priority-issue office". The new Directorate: Social Dialogue and Human Rights (that incorporated the previous OSW) is divided into four sub-directorates with an overall budget of R8 million. At least R3.8 million had been put aside for the women's programme.

x. Following a road show to five district municipalities during November 2004, the Western Cape OSW transferred an amount of R70 000 in the 2004/2005 financial years to each of the district councils of Eden, Central Karoo and Overberg for the establishment of integrated offices for youth, gender and disability or to re-train existing individuals involved in the above portfolios.

Most of the Provincial OSWs and Provincial GFPs for Local Government identified certain areas of concern, weaknesses and challenges, as well as recommendations that are outlined in the full report.

General observations

The overall quality of information provided by Provincial OSWs and Provincial GFPs for Local Government to the JMCIQLSW is not of a very high standard. For example, it seems as if some reports were "padded" with what is in fact irrelevant information or information of peripheral importance to the Committee. In order to improve future information-gathering it is recommended that the Committee be more specific, perhaps even prescriptive, with regards to format, layout, content etc. Consequently, it may be necessary for the Committee to request additional information from the role-players concerned to fill the gaps in order to make possible a comprehensive, more accurate assessment of the national and provincial situation as it pertains to gender.

1. INTRODUCTION

The South African Government committed itself to both the Convention on the Elimination of all forms of Discrimination (CEDAW) and the Beijing Platform of Action (BPFA) with the objective of improving the quality of life and status of women. In addition, world leaders, including South Africa, have agreed to take these commitments forward in the form of the Millennium Development Goals (MDG).

The BPFA, adopted in 1995, is a comprehensive plan of action to enhance the social, economic and political empowerment of women, and is premised on the need for the sharing of power and responsibility in the home, workplace and in wider society. The BPFA calls for the integration of gender perspectives in all policies and programmes and focuses on concrete measures to address critical areas such as poverty and the economy, human rights, peace, violence against women, people-centred sustainable development, health, and the equitable sharing of family responsibilities. The BPFA links strategic objectives to actions to be taken by government, the private sector, the mass media, NGOs and international bodies.

It therefore becomes imperative to evaluate and review how the government has worked towards the goal of gender equality, examining the stated aim of government departments and OSWs, the budget they are allocated, relevant policy, legislation that has been processed and the extent to which transformation has taken place, for example in relation to representativeness at different levels.

Evaluation is necessary to assess the actual implementation and impact of government's policies on women. This process is therefore important for Parliament in its role of monitoring government and evaluating whether it is achieving gender equality. The review

process coincided with the MDG +5 review, offering an opportunity for greater coherence and focus on equality and empowerment of women across all the MDG. Similarly, the Beijing +10 process is about accountability for the delivery of existing commitments to ensure gender equality and women's empowerment.

The challenge to transform society to improve the quality of life and status of women is not compartmentalised but requires a coherent, co-ordinated approach between different levels of government in terms of programmes and priorities to which are allocated sufficient human and material resources.

In so doing, the African Union (AU) is committed to the principle of gender equality, provides opportunities for institutionalising gender mainstreaming and increased participation of women in regional decision-making. The AU commission agreed on 50/50 gender parity, something that was supported by the President of South Africa when he committed our country to 50/50 parity on gender equality.

Finally, South Africa is one of fourteen countries chosen for piloting gender mainstreaming. As a result, provinces are expected to report on the following issues:

a. Challenges of mainstreaming gender equality in provinces.
b. Gender mainstreaming at all levels of governance, national, provincial and local.
c. The level of private sector engagement by the public sector.
d. The need to develop a strong women's movement in South Africa.
e. Coordination of issues in terms of reporting in the region, nationally and internationally.
f. Women in leadership positions especially in senior management positions.
g. Implementation of and compliance with of Acts of Parliament, including Acts addressing gender mainstreaming.
h. Coordination on gender mainstreaming.
i. Evaluation and monitoring of Acts.

2. SCOPE OF REPORT

The information in this report emanates from mainly three sources:

Firstly, in August 2005 the JMCIQLSW invited the Department of Provincial and Local Government, the SA Local Government Association (SALGA), Provincial Offices on the Status of Women (OSWs) and Provincial Gender Focal Points (GFPs) for Local Government to make presentations to the Committee. The hearing focused on:

a. An assessment of departmental programmes nationally, provincially and locally aimed at achieving the objectives of Convention on the Elimination of Discrimination Against Women (CEDAW) and the Beijing Platform for Action (BPFA).
b. An overview of the different practices in each local government department or OSW with reference to Government policy, international commitments and the Constitution and ;
c. Identification of areas of concern;
d. An assessment of the implementation of legislation and policies, identification of weaknesses and blockages, and recommendations for improvements.

Secondly, almost a year later, in June 2006 the JMCIQLSW met with the National OSW to discuss various aspects related to gender and women's empowerment.

Thirdly, in 2006 the Western Cape Province provided some additional information to the JMCIQLSW.

3. FINDINGS

3.1. National Sphere

3.1.1. Department of Provincial and Local Government (DPLG)

Gender matters and implementation of National Gender Policy

The DPLG implement the National Gender Policy through different units and programmes. The Equity and Development unit deals specifically with the coordination of sector-wide policies and programmes such as gender, HIV/AIDS, disability and youth. The Chief Directorate: Human Resource Management and Development is responsible for the internal coordination of these programmes and the monitoring of relevant legislation.

The external programme focus of the DPLG includes:

a. Integrated Development Plans (IDPs) – The IDPs are usually developed through the process of community participation in local government, and that process is attended by all the community members. One of the issues of emphasis here is that the municipal plans should highlight the responsibility or commitment that a municipality is making towards gender mainstreaming.
b. Local Economic Development (LED) – LED deals mainly with projects particularly in small, medium and micro enterprises and introducing people from previously disadvantaged communities to small business ventures.
c. Integrated Sustainable Rural Development Programme
d. Urban Renewal Programme
e. Municipal Infrastructure Grant (MIG) – The MIG deals with mainly the allocation of grants to municipalities that are focused on improving the infrastructure within a municipal area.
f. Annual Women in Local Government Conference – This conference gives a platform to women councillors, municipal managers and officials in local government to share ideas and raise issues collectively.

The main objectives of the external unit in relation to gender are to:

a. Develop strategies aimed at the promotion of women empowerment and gender equality in local government.
b. Coordinate awareness programmes on gender issues within municipalities.
c. Liaise with Sector Departments, DPLG-associated organisations and local government in conceptualising, initiating and coordinating programmes for enhancing the number and quality of women in local government.
d. Develop preferential funding mechanisms for grants aimed at empowering women.

e. Develop a comprehensive intergrated model of capacity development that addresses the issue of quality versus quantity.
f. Play a leading role in addressing cultural and environmental barriers to women's role in local government.
g. Monitor and evaluate departmental projects and programmes emanating from DPLG to assess compliance.

As far as gender is concerned, the internal focus of the DPLG is on:

a. The establishment of a *Women's Forum* that seeks to promote the internal dialogue around women issues and provide overall support to female employees in the Department. The forum caters for all female employees irrespective of their position and must:
   i. Ensure an enabling environment that acknowledges the social issues such as division of labour, stereotypes, prejudices and assumptions about women.
   ii. Facilitate gender sensitive training to promote non-discriminatory working relationships, and respect for diversity.
   iii. Raise awareness on existing legislation.
   iv. Acknowledge women's professional achievements.
   v. Coordinate activities to observe national and international events, and facilitate dialogue.
b. The *Employment Equity (EE) Plan* and monitoring thereof. The EE Plan is monitored through the Department's recruitment and our human resource development processes. In addition, the Departmental Bargaining Council and Employment Equity Committee have a role in monitoring the equity plan.
c. *Gender profiles at senior management service (SMS) level.* The Department provides quarterly reports to the Director General and the Minister on the progress that the Department is making in achieving equity. The current status in terms of gender at SMS level is as follows:
   i. In terms of Black people (African, Coloured and Asian) the target that was set for all public service departments is 75% and the Department has by June this year achieved 84.4% - 9.4% more than required.
   ii. With regard to women, the public service target is 30%. The Department achieved 36.4% by June 2005 – 4% more than required. DPLG is continuing to place emphasis in terms of these targets and the monitoring deals not only with achieving the required numbers, but it also deals with the development of women in the Department.

TABLE 1: Number of employees in the DPLG as at 30 June 2005

NUMBER OF EMPLOYEES IN THE DEPARTMENT AS AT 30 JUNE 2005

Salary level	Number of females in employment				Number of males in employment				TOTAL
	African	Coloured	Asian	White	African	Coloured	Asian	White	
1	0	0	0	0	0	0	0	0	0
2	16	0	0	0	10	0	0	1	27
3	5	0	0	0	7	0	0	1	13
4	4	0	0	1	2	1	0	1	9
5	49	0	1	3	15	0	0	0	68
6	5	0	0	4	2	0	0	1	12
7	10	0	0	7	2	1	0	0	23
8	8	0	0	5	7	0	0	1	21
9	16	1	1	2	19	0	0	1	40
10.	1	0	0	1	2	1	0	3	8
11.	22	3	0	9	22	2	2	2	62
12.	1	1	0	2	1	0	0	4	9
13.	13	3	0	2	19	4	3	5	49
14.	7	1	0	0	9	1	1	5	24
15.	1	0	0	0	0	2	0	0	3
16.	1	0	0	0	1	0	0	0	2
Total Permanent Employees	**145**	**8**	**2**	**36**	**108**	**11**	**9**	**24**	**343**
Total Contract Employees	**14**	**1**	**0**	**1**	**1**	**0**	**0**	**0**	**17**
Total Staff	**159**	**9**	**2**	**37**	**109**	**11**	**9**	**24**	**360**

TABLE 2 Summary of DPLG SMS employment equity representativeness status in comparison with the public service targets as at 30 June 2005

CATEGORY	PUBLIC SERVICE AND DPLG TARGESTS	STATUS AS AT 31.03. 2005	STATUS AS AT 30.06.2005	GAP AS AT 30.06.2005
Black People (African, Coloured and Asian) at SMS level	75%	81.1%	84.4%	+9.4%
Women at SMS level	30%	35.1%	36.4%	+6.4%

MIG (Municipal Infrastructure Grant) monitoring system

There are various institutional arrangements that have been put into place to ensure that the MIG-MIS is co-owned by the DPLG, sector departments, municipalities and other key stakeholders. Co-ownership is achieved via participation of key stakeholders in the various working groups of the Municipal Infrastructure Technical Task Team (MIT3) and the Change Control Board (CCB). Increasing levels of ownership of the system by sector departments, municipalities and other entities will grow over time as usage increases with concomitant reliance on the system.

Some of the institutional arrangements to support co-ownership of the system include the following:

The CCB (Change Control Board) composed of senior management who will manage and prioritise the requests for changes to the system. Requests for changes to the system will emanate from the MIG-MIS working group, which has sector participation. These requests for change will be listed in a report that is tabled at the CCB.

The MIG-MIS Working Group is responsible for providing technical support towards the development and further enhancement of the MIG-MIS. This includes all sector departments' requirements to report on the impact of the Municipal Infrastructure Grant.

The MIG-MIS User Group attends to the challenges faced by the MIG (Municipal Infrastructure Grant) unit in utilising the MIG-MIS, coordinating and pulling together resources, and looking at other mechanisms that may add value to the MIG-MIS and ensure the accessibility of the MIG-MIS.

The centralised MIG-MIS Call Centre assists with technical queries, comments, information or suggestions relating to the MIG-MIS.

The key performance indicators specific to MIG-funding include the following:

a. Job creation, including Extended Public Works Programme (EPWP), women and youth
b. Training, including EPWP, women and youth
c. Small Medium and Micro Enterprises (SMMEs) and Black Economic Empowerment (BEE) utilised
d. Households serviced
e. Value of all registered MIG Projects
f. Counter funding (Public and Private)
g. Actual expenditure by implementing agents
h. Performance in Nodal Areas
i. Performance on SMIF Projects
j. Performance on EPWP Projects
k. Performance on all labour intensive projects
l. Projects forming part of MSPs

Selected projects must to adhere to the conditions and selection criteria of the MIG, only then may a registered project be implemented to deliver sustainable infrastructure. Compliance is ensured within the existing administrative and legal framework of MIG. Compliance is enforced via:

a. Implementing control mechanisms and guidelines.
b. Procurement procedures.
c. Memorandum of Understanding (MOU) conditions in alignment with grant conditions.
d. Obligation to provide information and report in terms of legal requirements.

Impact of MIG on lives of women

The vision of the municipal infrastructure grant programme is aimed to provide all South Africans with at least a basic level of service by the year 2013 through the provision of grant finance aimed at covering the capital cost of basic infrastructure for the poor.

The MIG programme is part of government's overall strategy to eradicate poverty and create conditions for local economic development. The programme will therefore maximise opportunities for employment creation and enterprise development. MIG is based on a demand-driven approach where service delivery is decentralised to municipalities. Municipalities play a central role in co-ordinating development activity and the delivery of municipal infrastructure in their jurisdictions.

It is important for the economic spin-offs of infrastructure delivery to be maximised. This relates primarily to temporary and permanent job creation arising for municipal infrastructure investments. This condition of the MIG will be associated with national Government's EPWP. The gender provisions of this programme are adhered to.

The MIG is monitoring the progress on employment and training with regard to women on a quarterly basis as part of the quarterly key performance indicator (KPI) report.

In the 2004/05 financial year, 5 287 655 person days of employment have been created through all implemented MIG projects. (*Person days* are calculated as the number of persons multiplied by the average length of employment - days.) It is more accurate to report in person days on infrastructure as some employees only work for hours and others for a whole day.

Implementation of the Traditional Leadership and Governance Framework Act of 2003

On 11 December 2003 the President assented to the Traditional Leadership and Governance Framework (Act no 41 of 2003), and it was subsequently published in the Government Gazette on 19 December 2003. Provinces are currently finalising their province-specific legislation as required by the Framework Act. KwaZulu-Natal, Eastern Cape, Free State, North West, Mpumalanga, Limpopo, have all drafted their Provincial Legislation.

Provisions of the Traditional Leadership and Governance Framework Act of 2003

The Act seeks to set national norms and standards for the enactment of provincial legislation. It further seeks to define the place and role of the institution within the new system of democratic governance. For the first time in history, the institution will play a significant role in uplifting the standards of living of an estimated 14 million people in the rural areas. It is a fact that during the era of colonialism and apartheid, the institution became a tool of the government strategy of extending its control over Africans. In the process the institution was distorted.

Recognition of categories of traditional leaders

One of the effects of the interference in the institution by the colonialists and successive governments was the deliberate non-recognition of African kings. Significantly the Act seeks to restore this status to those who, by custom and tradition, are entitled to it. National guidelines on the role and functions of kings will be developed once the Bill has been passed into law.

Functions of Traditional Councils

During the apartheid era, traditional structures of governance were abolished. In their place, structures such as tribal and regional authorities were created. These structures were allocated insignificant functions. Such structures will now be abolished. Traditional Councils blended with elements of democracy will be established. These structures will perform visible and important functions such as:

a. Supporting municipalities in the identification of community needs.
b. Participating in development programmes of municipalities and of the provincial and national spheres of government.
c. Promoting indigenous knowledge systems for sustainable development.
d. Assisting, supporting and guiding traditional leaders in the exercise of their powers and the performance of their functions.
e. Administering the affairs of the traditional community in accordance with custom and tradition.
f. Promoting the ideals of cooperative governance, integrated development planning, sustainable development and service delivery.

These direct functions will be complimented by additional roles to be allocated by different government departments. For the Traditional Councils to perform these functions effectively, Government must plough in enough resources in order to strengthen and capacitate these structures.

Partnerships between traditional councils and municipalities

The absence of legislation governing the institution of traditional leadership created an atmosphere of uncertainty regarding the relationship between democratically elected municipalities and traditional leadership structures. This impacted negatively on the basic delivery of services to the majority of people who live in conditions of extreme poverty in the rural areas. The Act has opened a window of opportunity for municipalities and traditional councils to co-operate with each other in the spirit of cooperative governance. Traditional Councils have now been given a strong voice in matters of development. Government believes that the envisaged partnerships will go a long way in accelerating service delivery in the rural areas.

Houses of Traditional Leaders

The Act retains the existing national and provincial Houses with an emphasis on capacitating members of the Houses to perform their functions much more effectively. In addition, Local Houses of Traditional Leaders will be established. This is intended to deepen and cement the relationship between municipalities and traditional leaders.

Commission on Traditional Leadership Disputes and Claims

The apartheid government bestowed unto themselves the power to appoint and depose traditional leaders. Those who resisted encroachment on the institution were harassed, deposed or forced into exile. As a result, many legitimate traditional leaders found themselves in the cold, and isolated from their communities. Government is set on closing this embarrassing chapter. A commission, chaired by Professor Thandabantu Nhlapo, has been appointed by the President to investigate all disputes and claims dating from 1927 – the year in which the notorious Native Administration Act found its way onto the Statute books.

Implementing the Framework Act

The technical processes pertaining to the drafting of Bills are by and large complete. What remains now is engagement at political level to facilitate finalisation, especially at the legislature stage. MINMEC set a deadline of January 2005 for the passing of all provincial legislation.

The commencement of the Framework Act with effect from 24 September 2004 means, among other things, that:

a. The transitional periods in the Framework Act are now in operation.
b. The Traditional Authorities must be converted into Traditional Councils by 24 September 2005.
c. Community authorities that have no claims to make to the Commission on Traditional Leadership Disputes and Claims must be disestablished within two years after the commencement of the Traditional Leadership and Governance Framework Act.
d. The member of the Executive Council of a province responsible for traditional affairs must, within one year of the commencement of the Traditional Leadership and Governance Framework Act, disestablish any regional authority, *Ibandla Lamakhosi*, Council of Chiefs and ward authority functioning under tribal authorities that have been established in terms of applicable legislation before the commencement of the Act.

The Framework Act provides for a partnership with municipalities. This provision must be aligned with section 81 of Municipal Structures Act, which provides for ex-officio participation in municipal councils. There are a number of amendments that must be made to the Framework Act. Most of them are of a technical nature. Provinces have complied with the Framework Act, but they have also called for the amendment of the Framework Act in a number of areas.

The location of the function of traditional leadership within various provincial administrations has had a tendency to hinder coordination. For example, there are instances where, politically, traditional leadership resides within the Premier's office while it resides within a department in terms of administration (e.g. Local Government and Housing, etc).

The basis on which the Commission will address disputes from Gauteng, Western Cape and Northern Cape is not clear, in view of the fact that these provinces have so far not been involved in the legislation process.

The Framework Act recognises traditional leadership. This implies that traditional leaders are now entitled to remuneration, even in those provinces where formerly they were not paid. With the finalisation of the White Paper and the Framework Act, this means that policy is now in place to allow for the determination of pension and medical aid benefits for traditional leaders.

The Determination of the Traditional Leadership role of the Khoisan will be finalised by end of 2005.

Provincial poverty projects, local government projects and provincial self-empowerment projects

The DPLG is working with sector departments on a number of poverty and self-empowerment projects, and some of the reported projects are as follows:

Mothers-to-mothers programme

This project started in 2002 in Khayelitsha and has been extended to other areas in the Province. The objective of this project is to support HIV-positive women in income generating projects, training and healthy living. It does not only concentrate on treatment, but also on training mothers to be volunteers, mentors and training facilitators in their communities. Some of the skills acquired are beading skills and the production of products that are sold both locally and internationally. The Cape Craft and Design Institute has partnered with the City of Cape Town to offer skills training in this regard.

Mothers all celebrate 16 days of activism

The Urban Renewal Programme team visited the Mothers all project in the Eastern Cape during December 2004 whereby the Premier of the Eastern Cape launched the 16 days of Activism Campaign against Women and Child abuse. The theme was 16 hours in 16 days, whereby the victims of abuse were given hooters and pledges were signed to help raise funds.

Implementation strategy for gender mainstream in the water services sector

The implementation strategy was developed by the Water Services Sector Leadership Group (WSSLG). The purpose of the strategy is to ensure that appropriate planning and execution of gender mainstreaming programmes, projects are undertaken in a consistent and coherent manner. The WSSLG is represented by the Department of Water Affairs and Forestry (DWAF), SALGA, Water Services Sector Institutions Coordinators, National Water and Sanitation Training Institute and civil society organisations in the water services sector.

Implementation of Local Government Municipal Systems Act of 2000 and Local Government Municipal Structures Act of 1998

Neither the Local Government: Municipal Structures Act (Act No. 117 of 1998) nor the Local Government: Municipal Systems Act (Act No. 32 of 2000) is elaborate on promoting the welfare and interests of women in local government.

In the case of local government elections, the Structures Act states that when parties compile their proportional representation lists, "*every party must seek to ensure that 50% of the candidates on the party list are women and that women and men candidates are evenly distributed throughout the list.*" As illustrated on the next page, a recent exercise conducted by the DPLG (with data provided by the Municipal Demarcation Board) provides figures of female mayors, councillors and municipal managers in the country.

TABLE 3 Number of female mayors according to the DPLG

PROVINCE	NO. OF FEMALE MAYORS	NO. OF MAYORS	PERCENTAGE OF FEMALE MAYORS
Gauteng	4	15	26.6%
Limpopo	6	32	18.8%
Mpumalanga	5	20	25%
KwaZulu-Natal	7	61	11.48%
Western Cape	7	30	23%
North West	7	25	28%
Northern Cape	10	31	32%
Free State	5	25	20%
Eastern Cape	4	45	9%
TOTAL	**54**	**284**	**17.25%**

TABLE 4 Number of female councillors according to the DPLG

PROVINCE	NO. OF FEMALE COUNCILLORS	NO. OF MAYORS	PERCENTAGE OF FEMALE COUNCILLORS
Gauteng	301	982	30,65%
Limpopo	328	1056	31,06%
Mpumalanga	207	954	21,70%
KwaZulu-Natal	421	1782	23,63%
Western Cape	221	781	28,30%
North West	297	820	36,22%
Northern Cape	142	404	35,15%
Free State	210	732	28,69%
Eastern Cape	394	1440	27,36%
TOTAL	**2521**	**8951**	**28,16%**

TABLE 5 Number of female municipal managers according to the DPLG

PROVINCE	NO. OF FEMALE MMS	NO. OF MMS	PERCENTAGE OF FEMALE MMS
Gauteng	1	15	6,67%
Limpopo	6	32	18,75%
Mpumalanga	4	20	20,00%
KwaZulu-Natal	3	61	4,92%
Western Cape	0	30	0%
North West	0	25	0%
Northern Cape	1	31	3,23%
Free State	3	25	12,00%
Eastern Cape	0	45	0%
TOTAL	**18**	**284**	**6,34%**

Section 16(3) of the Systems Act, stipulates that when a municipality is in the process of establishing mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality, the municipality must take into account the special needs of—

- people who cannot read or write;
- people with disabilities;
- women; and
- other disadvantaged groups.

In terms of section 73 of the Structures Act, if a metro or local council decides to have ward committees, it must establish a ward committee for each ward in the municipality.

- A ward committee consists of—

(a) the councillor representing that ward in the council, who must also be the chairperson of the committee; and

(b) not more than 10 other persons.

- A metro or local council must make rules regulating—
  - (a) the procedure to elect the subsection (2) (b) members of a ward committee, taking into account the need—
  - (i) for women to be equitably represented in a ward committee; and
  - (ii) for a diversity of interests in the ward to be represented;
  - (b) the circumstances under which those members must vacate office; and
  - (c) the frequency of meetings of ward committees.
- A metro or local council may make administrative arrangements to enable ward committees to perform their functions and exercise their powers effectively.

In 2003, the DPLG hosted a conference on ward committees and the Minister presented draft guidelines on the subject at the conference. On 24 June 2005, these guidelines were finalized and published in the Government Gazette.

3.1.2. The South African Local Government Association (SALGA)

The SALGA is a body endorsed by the South African Constitution and is the recognized *voice* of local government. It is a voluntary organisation and obtains its funding from membership levies, government grant and donor funding. The Association has nine provincial associations led politically by the provincial chairperson and administratively by the deputy CEO. The SALGA has a total membership of all 284 municipalities and is the employer body and represents 8 824 councillors and ±120 000 municipal employees.

Internal empowerment programme for women

The Gender and Women Empowerment Programme falls under the Directorate: Strategic Affairs headed by the Executive Director and has the Social Development Unit. The political champions of the programme are political representatives and officials from all provinces and they constitute the Social Development Working Group which is chaired by a member of the National Executive Committee. The Working Group has a staff compliment of four people at national office and one at each province.

TABLE 6: The SALGA staff breakdown

POSITION	TOTAL	WOMEN	MEN
Deputy CEOs	9	1 (Mpumalanga)	8
Executive Management Team	14	3	11
National Executive Committee	10	7	3
National Working Group Chairpersons			
Provincial Chairpersons	9	3	6

TABLE 7 Female representation in local government posts according to the SALGA1

CATEGORY	TOTAL	WOMEN	MEN	N/CLASS	NONE
National gender representation in Council	8 828	2 565 (29.06%)	6 263 (70.94%)		
Mayors		54 (19.01%)	229 (80.63%)	1 (1.6%)	
Deputy Mayors		24 (8.45%)	74 (26.05%)	4 (1.40%)	182 (64.08%)
Speakers		77 (27.11%)	186 (65.49%)	10 (3.52%)	13 (4.58%)
Chief Whips		27 (9.51%)	163 (57.39%)	9 (3.17%)	85 (29.93%)
Municipal Managers		18 (6.34%)	264 (93.31%)	1 (0.35%)	
Election type: PR	5 075	1 910 (37.63%)	3 165 (62.36%)		
Election type: Ward	3 753	655 (17.45%)	3 098 (82.54%)		

[1] Information is based on the results of the 2004 Local Government Gender Audit.

Successes and challenges

Successes:
a. The Local Government Gender Audit.
b. Development of the Local Government Gender Policy Framework in partnership with DPLG.
c. The incorporation of gender empowerment in the SALGA constitution.
d. The annual Women in Local Government Conferences held in partnership with DPLG.
e. The Benoni Declaration of 2005.

Challenges:
a. Partnerships sometimes undermined common cause of women empowerment.
b. No common programmes by government that adequately address roles and responsibilities and take into consideration mandate of different spheres of government.
c. Number of women political representatives improved, less achieved on administration side of municipalities.

3.1.3. The National Office on the Status of Women (National OSW)

Vision and mission

The vision for the National OSWs is *keeping the promise of a better life for women through excellence in governance*, while their mission statement is *to mainstream and advance gender equality in leading, developing and managing the strategic agenda of Government.*

Strategic objectives

Currently (2006) the National OSW is working towards the achievement of seven strategic objectives:

a. *Internal*: To strengthen the internal OSW management and leadership capacity to achieve internal organizational cohesion as part of the Presidency.
   External: To strengthen management and leadership capability of public service managers to mainstream gender to enable/contribute to organisational (government) cohesion.
b. To improve:
   - Access to OSW, gender-based analysis, information, its management and dissemination internally and externally.
   - Coordination and integration within the Presidency through participation in PCAS and GDCY Programmes.
c. To coordinate, monitor, evaluate and communicate the national policy framework for women's empowerment and gender equality, and the National Gender Action Plan.
d. To mainstream gender equality in nation building and in emphasising women's empowerment priorities in the peoples contract.
e. To mainstream gender in the integrated approach (i.e. the cluster system) to governance, for accelerated service delivery.
f. To support and strengthen government participation through gender mainstreaming initiatives aimed at building a better Africa and better world.

g. To ensure the centrality of gender equality goals in the advancement of the development (women's empowerment) state with emphasis on economic growth, integration of the second economy, creation of jobs and eradication of poverty.

TABLE 8 National OSW programme activities (2006)

ACTIVITY	WHAT DOES IT INVOLVE?	BUDGET
1. Internal Presidency involvement and integration	▪ Strategic Planning ▪ Performance Management ▪ Change Management ▪ GDCY Involvement ▪ PCAS Involvement ▪ OSW Management Practice ▪ Financial Management ▪ Improving "Basics"	R2 403 000
2. Gender mainstreaming	▪ Local Government Strategy ▪ ASGISA Strategy ▪ Transfer of Gender Training Manual ▪ National Gender Programme of Action ▪ Cluster Mainstreaming ▪ Gender Mainstreaming Best-Practice ▪ National Commemoration Strategy	R640 000
3. Strengthening the National Gender Machinery	▪ High level NGM Review ▪ Provincial legislatures – review and best practice strategy ▪ Gender Focal Point Review ▪ NGM Coordination Strategy ▪ POSW Capacity Providing Strategy ▪ Contributing to Strengthening the women's movement	R235 000
4. Monitoring, evaluation and reporting	▪ GWM & EF Analysis and Trending ▪ NGPoA Implementation Monitoring ▪ Annual National Gender Audit ▪ Reporting Obligations at Sub-regional, Regional and international levels	R155 000
5. International obligations	▪ 4th World Conference on Rural Women in South Africa ▪ Participation in 51st Session of the UN Commission on Status of Women ▪ Regional and Sub-Regional Meetings	R223 000
6. Advocacy	▪ Commemoration of National Celebratory events: o Women's month – 50th anniversary of the women's march o 16 Days Campaign	R1 000 000
TOTAL BUDGET		**R2 403 000**

Provincial compliance with the National Gender Policy Framework (2006/2007) and the budgets for Provincial OSWs in the Premiers' Offices

The provincial OSWs in all nine provinces were requested to provide information on their location, structure, reporting lines and budgets. All provinces responded to the request and the findings of the survey are as follows:

a. With the exception of the Western Cape, the other eight provinces have OSW structures of varying kinds, situated in the Premiers' Offices. The Western Cape has had an OSW until 1 April 2006. Since then, the office has been transformed. (Please refer to point 3.2.1.9 that follows.)
b. Gauteng does not have an OSW. OSW functions in this Province are carried out by the Gender and HIV/AIDS Sub-directorate which reports to the Director: Social Development, within the Office on the Premier. One of the difficulties that the Premier of Gauteng raised was that there were three critical cross cutting areas namely women, youth and people with disabilities. The empowerment of women cannot be separated from that of youth and people with disabilities. Gauteng wished to approach these issues in a way in which they could pay attention to these issues.
c. The explanation given by Gauteng and the Western Cape to the JMCIQLSW was that to them the name of the structure was not important, but rather its functions.
d. All Provincial OSWs are located in the Premiers' Offices and mostly reports to the Director: Programmes, except for KwaZulu-Natal that reports to Chief Director: Human Rights and North West that reports to the Chief Director: Governance.
e. All Provincial OSWs are headed by Deputy Directors, except KwaZulu-Natal, which is headed by a Director, and Limpopo, whose head-of-OSW position had been advertised at Director level.

TABLE 9 : Provincial compliance with the National Gender Policy Framework (2006/2007)

PROVINCE	LOCATION	REPORTING TO	BUDGET	STRUCTURE
Eastern Cape	Premier's Office	Director: Programmes	R1 248 000	1 Deputy Director 1 Assistant Director 1 Administrative Officer 1 Sign language interpreter
Free State	Premier's Office	Director: Programmes	R837 500	1 Deputy Director 2 Assistant Director 1 Senior Administrative Officer
Gauteng	Premier's Office	Director: Social Development	R2 330 000	1 Deputy Director 1 Senior Administrative Officer
KwaZulu-Natal	Premier's Office	Chief Director: Human Rights	R3 991 000	1 Director 1 Assistant Director 1 Administrative Assistant
Limpopo	Premier's Office	Director: Programmes	R1 824 000	1 Deputy Director 3 Assistant Directors
Mpumalanga	Premier's Office	Director: Target Groups	R870 000[2]	1 Deputy Director 4 Assistant Directors 1 Senior Administrative Officer 3 Administrative Officer 1 Administrative Clerk
Northern Cape	Premier's Office	Director: Programmes	R2 983 000	1 Deputy Director 3 Assistant Directors 1 Administrative Officer 2 Administrative Clerks
North West	Premier's Office	Chief Director: Governance	R4 694 000	1 Deputy Director 1 Senior Administrative Officer 1 Secretary
Western Cape	Please refer to point 3.2.1.9 for information.			

The level of GFPs in national departments and compliance with the Beijing Platform for Action and the National Gender Policy Framework

The obligations of national departments in terms of the appointments of GFPs are defined by:

a. Cabinet Memorandum 3 of 1996
b. The South African National Policy Framework for Women's Empowerment and Gender Equality
c. The Beijing Platform for Action

[2] The budget excludes the budget for Women's Month activities.

The National OSW conducted a survey on 6 June 2006 to assess the extent to which government departments are complying with the provisions of the National Policy Framework, and thereby Strategic Objective H of the BPFA, as far as it refers to the human resource capacity dedicated to gender mainstreaming. The survey did not assess the skills levels of GFPs since the focus at this stage is on the systems in place and the premise is that the National Gender Policy Framework for Women's Empowerment and Gender Equality is very clear about the requisite skills and expected outputs. It should be noted therefore that an important gap in this survey is that it did not assess the financial resources available for the GFPs for their coordination tasks, nor did it assess overall departmental spending on identified gender priorities or women specific programmes.

South Africa is signatory to the BPFA. Strategic Objective H of the BPFA recognises the obligation of state parties to create or strengthen, as appropriate, national machineries for the advancement of women. The BPFA recognises the role of gender machineries as that of supporting government wide mainstreaming of a gender equality perspective in all policies and programmes.

The BPFA identifies the necessary conditions for effective functioning of national machineries as follows:

a. Location in the highest level of government.
b. Sufficient resources in terms of budget and professional capacity.
c. Opportunity to influence development of all government policies.
d. Institutional mechanisms or processes to facilitate decentralised planning, implementation and monitoring involving NGOs and CBOs.

The Cabinet Memorandum of 1996 (number 3 of 1996, dated 27 June 1996, file number 13/1/1/1) provided for the establishment of the National OSW in The Presidency. Additionally, it provided for the establishment of GFPs in national departments

In 1998 the OSW completed an audit of systems in place in national departments to facilitate effective gender mainstreaming. Based on the findings of the audit, the National Gender Policy Framework on Gender Equality and Women's Empowerment made specific recommendations on the requisite status and location of GFPs in national departments.

An analysis of the survey indicates the following:

a. Of the 32 national departments/government agencies that were provided with the survey questionnaire, 30 responded.
b. The National OSW was unable to obtain information from the departments of Home Affairs and Agriculture, as well as the Government Communications and Information Systems (GCIS), the National Prosecuting Authority, the SA Revenue Services, the SA Secret Services and Stats SA. These departments and government agencies are not reflected within this audit report due to the absence of GFPs or a contact point that the OSW could work with given the tight time-frame in which this audit was conducted. In some instances, some GFPs failed to respond timeously to the questionnaire and therefore are not included within the audit report.
c. All 30 responding departments/government agencies have indicated that GFPs are appointed within their institutions.
d. Overall, 13 of the 30 departments have appointed persons responsible for gender-related issues at a Director level or higher.

e. 9 out of the 30 departments (26.66%) have GFPs responsible for gender-related issues alone, of which 7 (23.33%) have GFPs appointed at the mandated level, i.e. at the Director level. While the GFPs in the South African Police Services (SAPS) and the South African National Defence Force (SANDF) are responsible for gender-related issues only, they are however appointed at the Deputy Director level.
f. The Departments of Foreign Affairs and the DPLG have indicated that they are currently in the process of appointing GFPs at the Chief Director level.
g. Gender Units (GUs) or Special Programmes Units (SPUs) have been established in 18 of the 30 responding government institutions. Of this figure, only 7 have dedicated gender units which are headed by a Director or, as in the case of the Department of Trade and Industry, a Chief Director.
h. Of the 30 GFPs surveyed, 9 (30%) focus only on gender issues, while 21 GFPs (70%) have responsibilities that include gender, disability, youth, child rights, HIV/AIDS, employment equity, human resource management and/or employee assistance in various combinations.
i. None of the GFPs report directly to Directors-General in the departments. Of the 9 GFPs solely responsible for gender-related issues, most report to a Chief Director in the Director-General's Office. 21 of the 30 GFPs are reporting to a Director: Special Programmes or Director: Human Resource Management or to an official not in Senior Management.
j. 21 GFPs (i.e. 70%) have responsibilities that include other issues such as disability, child rights, HIV/AIDS, youth, elderly, EE, Employee Assistance Programmes and or human resource matters in various combinations.
k. No GFP in any of the 30 departments reports directly to the Director-General.
l. Of the 9 GFPs solely responsible for gender-related issues, most report to a Chief Director in the Director-General's Office.
m. 21 of the 30 GFPs are reporting to a Director: Special Programmes or Director: Human Resource Management or to an official not in senior management.
n. The National OSW Audit Report of 2003 indicated that 31.03% (i.e. 9) departments had appointed GFPs at the mandated levels in 2003. There was thus a 7.7% drop (from 31.03% to 23.33%) in the number of government departments complying with the mandate of the gender policy document and Cabinet Memo of 1997.

TABLE 10 Appointment and assessment of GFPs for 2002, 2003 and 2006 (national departments)

DEPARTMENT	2002					2003					2006				
	GFP	PERSON	UNIT	FORMAL APPOINTMENT	ASSESSED ONLY ON GENDER WORK	GFP	PERSON	UNIT	FORMAL APPOINTMENT	ASSESSED ONLY ON GENDER WORK	GFP	PERSON	UNIT	FORMAL APPOINTMENT	AREAS OF WORK ASSESSED [3]
Arts and Culture	x					x	x				x	x		x	GDCY/HIV/EAP
Communication											x		x	x	GDCY
Correctional Services											x		x	x	G
Education	x		x	x	x	x		x	x	x	x		x	x	G
Environmental Affairs and Tourism	x		x		x	x	x				x		x	x	GDCY
Foreign Affairs											x[4]	x			G/D/EE/OD
GCIS															
Health											x		x	x	G
Home Affairs	x	x				x	x								
Housing											x		x		GDCY/HIV/etc
ICD	x	x				x	x				x		x[5]		GDCY/HIV/EAP
Justice and Constitutional Development											x		x	x	G
Labour											x	x		x	GDCY
Land Affairs	x		x	x	x	x		x	x	x	x		x	x	G/C
Minerals and Energy	x	x		x	x	x	x		x	x	x		x	x	G
National Intelligence Agency											x	x			G/EE/D

[3] G = Gender; D = Disability; C= Children's Rights; Y = Youth; EE = Employment Equity; EAP = Employment Assistance Programme; OD = Organisational Development

[4] DFA – Interim person for gender as the GFP post at Chief Director level as been advertised

[5] ICD – Unit = Special Programmes and Employee Wellness

DEPARTMENT	2002					2003					2006				
	GFP	PERSON	UNIT	FORMAL APPOINTMENT	ASSESSED ONLY ON GENDER WORK	GFP	PERSON	UNIT	FORMAL APPOINTMENT	ASSESSED ONLY ON GENDER WORK	GFP	PERSON	UNIT	FORMAL APPOINTMENT	AREAS OF WORK ASSESSED[6]
National Treasury	x	x				x	x				x[7]	x		x	CEO/G
Provincial and Local Government	x	x				x	x		x		x		x		GDC/HIV/EAP
Public Enterprises	x		x	x	x	x		x			x	x			GDC/HIV/HRD
Public Service and Administration	x		x			x	x		x		x	x			G/EE/HRD
Public Service Commission	x	x				x	x				x		X[8]	x	GDCY/Labour Rel
Public Works											x	x		x	GDCY/EE/HIV
SALGA											x		x	x	G/D/Y/HIV
SAMDI	x		x	x		x	x	x			x[9]				G training
SANDF	x		x	x	x	x		x	x		x		x	x	G
SAPS	x	x		x		x		x	x		x	x		x	G
Science and Technology	x		x			x		x	x	x	x		x		GDCY/EE/HIV
Social Development	x	x		x	x	x	x		x	x	x		x	x	G
Sport and Recreation											x	x		x	G/Sports Coord
Stats SA	x		x	x	x	x	x								
Transport											x	x		x	GCDY/HIV
Trade and Industry	x	x		x	x	x		x	x	x	x		x	x	G

[6] G = Gender; D = Disability; C= Children's Rights; Y = Youth; EE = Employment Equity; EAP = Employment Assistance Programme; OD = Organisational Development

[7] National Treasury has a GFP position that is currently vacant due to resignation. Position is at DDG level and was employed as COO.

[8] Public Service Commission – part of special programmes

[9] SAMDI does not have a GFP but a gender focus through development of gender training and empowerment programmes which includes an internal departmental focus as well.

DEPARTMENT	2002					2003					2006				
	GFP	PERSON	UNIT	FORMAL APPOINTMENT	ASSESSED ONLY ON GENDER WORK	GFP	PERSON	UNIT	FORMAL APPOINTMENT	ASSESSED ONLY	GFP	PERSON	UNIT	FORMAL APPOINTMENT	AREAS OF WORK ASSESSED [10]
Water Affairs and Forestry	x		x			x		x	x	x	x		x	x	G/D
TOTAL	**20**	**9**	**10**	**10**	**9**	**20**	**12**	**9**	**11**	**7**	**30**	**11**	**18**	**21**	

[10] G = Gender; D = Disability; C= Children's Rights; Y = Youth; EE = Employment Equity; EAP = Employment Assistance Programme; OD = Organisational Development

TABLE 11 Rank of GFPs and supervisors in departments for 2006 (national departments)

DEPARTMENT	GFP RANK	NO OF PERSONS IN UNIT	RANK OF SUPERVISOR
Arts and Culture	Deputy Director	1	Director: HR
Communications	Director [11]	5	Chief Director Special Projects
Correctional Services	Director	5	Deputy Commissioner
Education	Director	7	Chief Director
Environmental Affairs and Tourism	Assistant Director (vacant)	2	Deputy Director: Transformation and Special Projects
Foreign Affairs	Deputy Director [12]	1	DDG: Human Capital Management to the DG
Health	Director	5	DDG: Human Resources to DG
Housing	Deputy Director	2 units of 2 persons each	Director: HRM and Director: Human Settlement and Policy Integration
Independent Complaints Directorate	Assistant Director	2	Senior Manager: HRM
Justice and Constitutional Development	Director	3	Chief Director in DG's Office
Labour	Contract person at salary level 11	1	Executive Manager HRM (Director)
Land Affairs	Deputy Director	5	Chief Director (COO)
Minerals and Energy	Director	4	Chief Director: Special Programmes in the DG's Office
National Intelligence Agency	Deputy Director	1	Director (Unit Head)
National Prosecuting Authority			
National Treasury	DDG (COO)	(currently vacant)	DG
Office of the Public Services Commission	Ass. Director	2	Deputy Director: HRM
Provincial and Local Government	Deputy Director:	1	Chief Director: HIV /AIDS /Youth /Gender / Disability
Public Enterprises	Deputy Director	2	Director: Human Resources
Public Services and Administration	Director: HR	1	CFO
Public Works	Deputy Director	1	Director: HR recruitment and planning
SALGA	Manager: Head of Unit	3	Senior Manager
SA Management Development Institute	Executive Manager (Director)	1	Chief Director
Science and Technology [13]	Deputy Director	1	Manager: HRM
Sport and Recreation	Sport Officer (Level 8)	1	Acting Senior Manager who reports to Chief Director
Social Development	Director	2	COO to DG
South African National Defence Force	Deputy Director (Colonel)	4	Major General: Chief Director Equal Opportunities
South African Police Services	Deputy Director	1	Director: Equity
Transport	Deputy Director	1	Director: Capacity Development
Trade and Industry	Chief Director	6	DDG: Enterprise and Industry Development Division
Water Affairs and Forestry	Director	3	DDG: Corporate Services

3.2. Provincial Sphere

3.2.1. Assessment of departmental programmes, implementation of legislation and policies and an overview of different practices

3.2.1.1. Province of the Eastern Cape

Department of Housing, Local Government and Traditional Affairs

Municipalities in the province are at various levels of compliance. This varies according to size and resource base of the various entities. Bigger municipalities and those in erstwhile Cape Provincial Administration areas are generally better off than the newly created municipalities which form the majority. Issues of capacity both in terms of empowerment and human resources (numbers) also add to these variations. The rural –urban divide is a contributing factor as well. There are low levels of compliance with relevant legislation due to weak structural arrangements to support initiatives both at the local and provincial levels in particular gender related programmes and initiatives.

Human resource issues/gender equity

The majority of municipalities in the province have employment equity targets in place but the big challenge is implementation resulting in a situation where there is not a *single* Municipal Manager in the province who is a woman. Recruitment processes continue to show gender disparities notably in top management positions. Very few women councillors are chairpersons of portfolio committees and this has an impact on the municipal projects and programmes in terms of gender mainstreaming and more importantly on the IDPs of the various municipalities.

Integrated Development Plans (IDPs)

The original integrated development documents and subsequent reviews have not managed to bridge the gap in terms of gender inclusiveness of plans. IDPs have shown glaring omissions and lack of participation by women and other vulnerable groups in the entire IDP process. This reflects the absence of a gender lens on the side of municipalities due to the absence of relevant desks to monitor and ensure mainstreaming.

Development programmes

In the past two years efforts have been made by the provincial gender focal person to make as part of the criteria for funding quotas for women involvement in projects. This has happened notably in the ISRDP and LED initiatives. This has paid off as projects now show a remarkable difference in reports and budgets earmarked for women at the provincial level, which in turn has influenced local allocations. While this intervention is not enough, it presents a breakthrough.

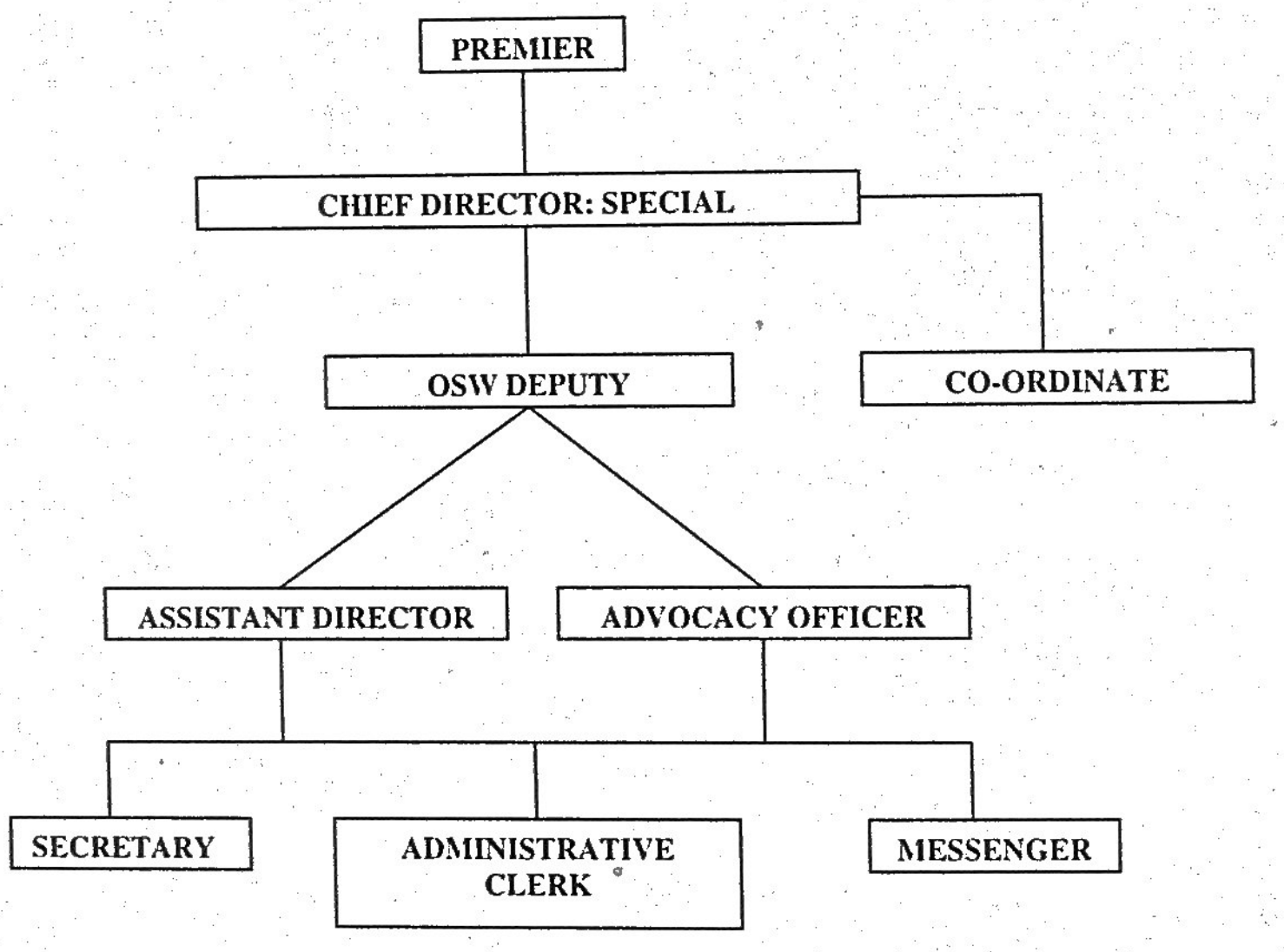
Housing

In terms of the housing code, 20% of approved housing projects should be awarded to women in construction. A success story in this regard is Women in Construction group in the Ukhahlamba District Municipality area where women have been allocated projects worth ±R12 million. Compliance levels are minimal as this varies from municipality to municipality. Municipalities still do not have confidence in female contractors and this thinking influences the allocations given to women. In the entire province less than half of municipalities have reached the 30% quota. The challenge facing these women is that municipalities still have no support structures in place to assist emerging women contractors, and women themselves are in most instances not organised, as they still battle with organisational issues. There are also weak monitoring mechanisms at the provincial level to assist the local level.

3.2.1.2. Free State Province

Office on the Status of Women

Diagram 1: Free State Province – OSW structure



Key areas of concern

a. Monitoring
b. Research
c. Advocacy
d. Liaison and network
e. Capacity building
f. Coordination

Achievements

a. Shift from calendar activities to programme based activities.
b. Established Inter-departmental Gender Committee.
c. Established and coordinated the Provincial Gender Forum.
d. Created awareness of the Gender Policy Framework at municipalities.
e. Taking the girl-child to work.
f. Budget analysis.
g. Pilot project with GETNET.
h. Establishment of Men's Forum.
i. Assisted municipalities in the establishment of gender desks.
j. Launched the provincial SA Women in Dialogue.
k. Members of the Inter-departmental Disability Committee.
l. Created awareness on sexual orientation (gays and lesbians).
m. Launched Girl-child Summit in partnership with departments.
n. Completed Gender Audit 2005.

Outstanding and ongoing programmes

a. Women in business.
b. Women with disabilities.
c. HIV/AIDS.
d. Resource library of Directorate: Special Programmes.
e. Establish partnership with Provincial House of Traditional Leaders.
f. Awareness campaigns on DVA in rural areas.
g. Educate women, young women and girls on legislation e.g. Customary Marriages Act, Termination of Pregnancy Act and other relevant legislation targeting rural areas.
h. Gender mainstreaming (September/October 2005).

Partnerships with NGOs

a. Commission on Gender Equality
b. Thusanang Advice Centre
c. Network on Violence Against Women
d. Young Women's Network

e. Youth Commission
f. Tertiary institutions
g. Women's fund raising societies
h. Planned Parenthood Association of South Africa (PPASA)
i. Victim empowerment and gender
j. Partnership with all Chapter 9 institutions
k. Partnership with SA Women in Dialogue (SAWID)

Gender mainstreaming training

a. Botshabelo (2004)
b. Limpopo (2004)
c. Canada (2004)
d. Bloemfontein (2005)

Municipal achievements

a. 30% quota for women in Executive Mayor's position.
b. Employment and correct placement of GFPs in district mayor's office.

Liaison and networking

a. Partnership with CGE
b. Partnership with social partners e.g. ABSA, First National Bank
c. VODACOM, ESKOM, SPOORNET, CELL-C, MTN
d. Media – Lesedi Stereo, Radio Oranje, OFM

Inter-sectoral outreach programme

Taking services to communities in partnership with departments.

TABLE 12 Free State Province – Institutional mechanisms

GFP = Gender Focal Point **SPO = Special Programmes Officers**

DEPARTMENT	STATUS	LEVEL	CHALLENGES	RECOMMENDATIONS
Environmental Affairs & Tourism and Agriculture	GFP + Unit SPO	Deputy Director	Not fully compliant, the Policy Framework recommends that GFPs be at Director level. The location of the Deputy Directors at these departments is also not according to recommendations, i.e. should be at MEC or HOD's office. The OSW Coordinator is also at Deputy Director level and reports to the Chief Director: Special Programmes. Because of this level she cannot monitor the relevant departments as both are on the same level.	The Office of Chief Director: Special Programmes is in the process of lobbying for equality at the levels and location of GFPs and SPOs in departments. The Chief Director has also engaged GFPs and SPOs to prepare a consolidated report to the Executive Council, making recommendations about levels and location. These two departments are currently the only ones that have partly complied by placing their GFP and SPO at Deputy Director level.
Health, Social Development, Local Government & Housing, Safety & Security, Provincial Treasury, Public Works, Roads & Transport, Sports, Arts & Culture and Office of the Premier	SPO	Assistant Director	The level of the officials in these departments is not compliant with the Gender Policy. Officials are at Assistant Director level and are located in different Directorates and/or sub-directorates. Currently, none of them are either at MECs' or HODs' offices. Since the SPOs and GFPs are not strategically placed, either at MEC or HOD office, this means that they cannot influence departments' programmes on women's development. Access to information from within departments is also a problem due to their placements, ranks, location and levels.	The GFP focuses only on gender based programmes, whist SPOs have a basket of functions and responsibilities e.g. women, HIV/AIDS, children, girl-child, disabled people and the elderly. The other problem is how to integrate GFP functions to run parallel with SPOs to bring about uniformity, as this is currently creating problems. The process of bringing equality between GFPs and SPOs has already started by the Chief Director: Special Programmes. This aims to address levels, ranks and location of both GFPs and SPOs.
Gender Focal Persons in municipalities	GFPs. There are 5 district municipal GFPs appointed, all accept one are placed in the Executive Mayor's Office.	There is no uniformity with regard to levels, location and rank. Two district municipalities (Fezile Dabi and Thabo Mofutsanyana) each have a GFP in all their local municipalities. Lejweleputswa has indicated that the process of employing a GFP at the local municipality is in the pipeline.	Some municipalities have not to date employed GFPs, some citing lack of resources etc. Few of those employed are at different levels and location. Some are correctly placed i.e. in the Mayor's Office as Administrative Officers, whilst others are at Administrative Clerk level, and strategically they are unable to engage management on issues of recruitment processes, budget and other gender policy issues.	All municipalities should employ GFPs at Assistant Director level Their location should be at the office of the Executive Mayor or Mayor of local municipality. An adequate budget should also be allocated to the GFPs to enable them to address women's development programmes. GFPs should also be visible in the HR recruitment employment process i.e. from short-listing up to the level of interviews. This will give the GFP an opportunity to influence the appointment based on the gender policy.

3.2.1.3. Gauteng Province
Department of Social Development

Gender forum

A gender forum is in place, comprising of GFPs from each department. The forum meets twice per quarter for a period of two days. The first day is used for discussion of programme/projects implementation progress and the second day is meant for capacity building of GFPs. A capacity building programme comprising of 5 modules was developed, and all the GFPs were trained. Aspects of the training modules focus primarily on gender mainstreaming and developing IDPs for each GFP. This eased the process of translating the training to practice - in mainstreaming gender issues within departments.

Policy advice on departmental gender budgets

A gender budget format developed with the Provincial Treasury is provided to departments to assist them in developing their gender budget statements in line with the provincial government's budget cycle. Almost all the departments have gender budget statements in place.

Gender mainstreaming

In line with the provincial government's planning cycle, the provincial department's strategic plans are analysed to assess if gender issues are incorporated and mainstreamed in the plans of the departments. Comments are forwarded to the departments and the Premier in the event of gaps being identified for a one-on-one follow up session with the Premier and the MECs.

Transversal programmes

Strategic support is provided to Sports, Recreation, Arts and Culture (SRAC) with regard to the commemoration of Women's Day. Women's awards were a key feature of the commemoration event, profiled as part of the Premier's Flagship Project – the Imbokodo Awards. The activities of Women's Month that are department specific were successfully coordinated with GCIS provincially. A highlight of the activities of Women's Month was the regional dialogues held in all municipalities within Gauteng.

Institutional framework

The institutional framework seeks to (a) foster collaboration between the provincial and local government, (b) fulfil the goals of Gauteng as a Globally Competitive City Region that upholds issues of social inclusion beyond strengthening economic growth and (c) acknowledge the Premier as the champion of gender issues to drive the mainstreaming of gender provincially and at local government level.

Women's Dialogue

On 2 and 3 December 2003, Women's Dialogue met to review the last ten years and to identify a Framework Programme of Action (POA) for the future that identified what Government, the private sector, nongovernmental organisations and women themselves should do. The Dialogue agreed that there should be annual meetings to monitor the implementation of the Plan Of Action. After December 2003, Women's Dialogue inputs were included in the Five-Year Strategic Programme of the Gauteng Provincial Government (GPG). Departments used this programme to develop their detailed five-year strategic plans. Key mainstreaming issues for women were identified and all plans where checked to ensure these issues were included. All of the Five-Year Strategic Priorities for GPG address women and gender issues. These are:

Enabling faster economic growth and job creation
Fighting poverty and building safe, secure and sustainable communities
Developing healthy, skilled and productive people
Deepening democracy and nation building and realising the constitutional rights of our people
Building an effective and caring government

PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

TABLE 13 Gauteng Province – Women's Dialogue

WOMEN'S DIALOGUE SAID GPG SHOULD DO –	WHAT GAUTENG PROVINCIAL GOVERNMENT DID –	
Ensure that laws protect women and children from abuse **Raise awareness about women's rights** **Make criminal justice system more sensitive**	**Monitor handling by SAPS of domestic violence cases** **Continue to implement our victim empowerment services** **Established 99 VEP centres at SAPS. Another 28 will be completed by March 2005** **Fund 13 shelters** **Opening of iKhaya Le Themba as one stop centre for abused women and children** **Victim-friendly services are offered at all clinical medico-legal sites** **ARV PEP (Post Exposure Prophylaxis) provided at 51 sites** **16 days of activism campaign** **Built 16 houses for women with special needs in Ivory Park** **Seminar for women in the Criminal Justice System**	**Women's rights – Protection of women and children**
Educate boys and girls to change stereotypes **Raise awareness of women's rights** **Address cultural and religious issues** **Encourage openness on sexuality at schools**	**Life skills programmes exist in almost 90% of schools including training of peer educators and SGBs. Evaluated in 2005** **In partnership with NGOs like NICRO conducted gender sensitivity training and addressed violence among adolescent learners at all places of safety and secure care centres** **Together with local government provide education materials, training in respect of circumcision practices**	**Education and awareness raising of children on women's rights**
Host Men's Dialogues Women's rights must be regarded as human rights which must be addressed by men as well	***Men's March in March 2004 to raise awareness on HIV/Aids*** ***Gauteng Men's Forum is up and running*** ***Men's Dialogue held*** ***Men Against Abuse pilot project in Eldorado Park*** ***Adverts addressing men including on HIV-related gender issues reached a listenership of 12 million people.*** ***Research shows that 70% of Gauteng men say they use condoms for sex with "a non-regular partner"***	**Education and awareness raising of men on gender issues**
Roll-out Antiretrovirals (ARV) with support and education ***Ongoing prevention campaign promoting behavioural change*** ***Increase availability of female condoms*** ***Capacitate NGOs*** ***Support for workplace programmes***	***ARV roll-out is ahead of target at 20 sites to more than 10 000 people (60% female)*** ***ART will be offered to pregnant women with AIDS from 05/6.*** ***NGO partners assist with education, mobilisation and counselling*** ***Shoshanguve Clinic won Premier's Service Excellence Award for high quality ARV service*** ***Supply of female condoms increased from March 2005*** ***World Aids Day* (respect women and protect children) *reached 2.1 million people***	**Women's rights and HIV/AIDS**
Programmes for support and development ***Ensure barrier free access and accessible transport*** ***Increase employment*** ***Housing for people with disabilities (5% of housing stock)***	***All people with disabilities have free health care*** ***95% of hospitals and clinics have ramps and lifts. Some have parking bays*** ***25% increase in number of hearing aids and 15% increase in battery-operated wheel chairs*** ***Housing Dept exceeded 5% of housing stock target. Project at Lakeside focusing on people with disabilities*** ***GPG to target 2% of staff to be people with disabilities*** ***Will be increasing no of GPG buildings that comply with national building regulations for people with disabilities***	**Women's rights and disability**

WOMEN'S DIALOGUE SAID GPG SHOULD DO –	WHAT GAUTENG PROVINCIAL GOVERNMENT DID –	
Promote job creation and income generation projects and women co-operatives *Provide training and infrastructure to develop and support women in business* *Enable removal of barriers to access to financial institutions* *Set up women's fund* *Have procurement policies that prefer women* *Support the Proudly South African Campaign* *Information sharing and coordination of services* *Market places which are safe* *Career guidance for girls to enter male dominated professions* *Entrepreneurship training for young girls and women* *Improved maths and science education*	*EPWP has:* 9262 women in waste management project 136 women in grass cutting project 323 women in curtain making *Women in construction* In housing: Supports 35 black women owned companies In public works: being awarded projects to value of R14 million *Women in buses programme* 33 women owned companies employing 166 people *Women in craft* 73% women participation in Provincial Craft Summit (220 women) 83% women participation in craft training. *GPG to set up SMME Agency in April which will provide financial and non-financial support to SMMEs* *GPG joined Proudly SA Campaign last year* *Between 40 – 50% of GPG procurement to BEE companies in 2004* *GPG working on BBBEE strategy but has committed to procure 60 – 70% of services from BBBEE companies by 2009. This will include women owned and controlled companits* *Continuing to roll out MPCCs in communities to provide information* *Deploying 204 community development workers in 108 wards from April 2005.*	Economic empower-ment of women
	Upgrading market places as part of EPWP *Improving FET colleges* *On maths and science:* 90% of schools offer mathematics; 56% of learners will write maths and science on higher grade this year Have set improvement targets *Next year: Ophrah Winfrey School for Girls*	Economic empower-ment of women
Provide basic and affordable services *Build houses which are close to economic opportunities, can provide privacy and a healthy environment* *Help women become involved in housing delivery process* *Provide affordable safe transport*	*Increased access to basic services and a certain amount free* 2005/6 target is 95% residents to receive basic water free & 82% free basic electricity Bucket system on its way out. *New housing settlements are take into account need for sustainable communities e.g. Brickfields, Cosmo City, Kliptown and Lotus Gardens* *Increasing women involvement in housing through provision of security of tenure, increasing women contractors* *Government has plans in place to improve transport*	Housing and services
Give all women grants at 55 years of age *Support the most vulnerable families* *Extend feeding scheme to secondary schools*	*Continued to ensure grants are provided as administration is taken over by national Government* *Reduced fraud and corruption in the grant system* *Bcma Pele programme to be launched in June providing school fee exemptions, free health care, child support grants and school uniforms for grade 1 to the province's poorest children* *We continue to roll out food gardens*	Social security and protecting the poor

WOMEN'S DIALOGUE SAID GPG SHOULD DO –	WHAT GAUTENG PROVINCIAL GOVERNMENT DID –	
Promote Batho Pele in health services *Ensure better treatment of patients* *Health literacy programmes* *Train volunteers*	*90% of subdistricts have extended hours of service* *90% of clinics will offer all primary health care services by March 2006* *Target a 10% reduction in waiting times.* *Put in place plan to address nonperformance by senior hospital managers* *Will increase the number of trained community health workers from 700 to 2000 by March 2006*	**Health care**
Promote sport, recreation for women	*40% women participate in SRAC dance programme* *There is increasing women participation in jazz programme* *20% women participation in theatre programme with shows directed by women and 2 shows dealt specifically with women's issues.* *15% of bursaries for art and culture go to women.* *15 000 of 40 000 of participants in Masekhane Games were women.* *35% of coaches trained were women* *Putting in place recreation programmes in township recreation centres catering for all ages, sexes etc.*	**Art, culture, sport and recreation**
Make education accessible and available to all *Promote early childhood education* *Provide adult education and training* *More effective access to training of Dept of Labour and SETAs* *Bursaries to needy students* *Implement Gauteng online* *Provide more libraries*	*No school fees for children living in the poorest 10% of areas* *Building more classrooms in areas where needed and planning better for future* *Implementing strategy to improve ECD services* *Relooking at ABET to provide more relevant training* *Ongoing bursary fund* *Learnership target of 8% of GPG employees* *Gauteng online implemented by end 2006 in all schools* *Born to Read Programmes launched in 9 libraries and 1 hospital*	**Education and training**
Involve communities in law enforcement *Provide rehabilitation programmes* *Have stricter regulation of liquor drinking*	*Continue to train, monitor and support the SAPS* *Introduced the Liquor Act which more effectively regulates liquor stores, shebeens etc.*	**Safety and security**
	Celebrated August 9th at Union Buildings **Presented Women's Awards on Aug 9th to women who have made significant contribution in our communities** **Hosted a dinner to honour women councillors and plan to introduce awards for women councillors** **Had award ceremony for SAPS units dealing with families and children where VEP volunteers were also recognised**	**Celebrating and recognising women**
	We have also sought to advance women officials in government **Over 50% of MECs are women** **29.3% of senior management positions held by women** **We have set a target of 50% women in senior management by 2009. The national target is 30%** **Women's Dialogue for health workers was held in Dec 2004** **Departments hold internal commemorations for Women's Month and 16 days of activism.**	**Women in GPG**

During Women's Month, a series of regional dialogues were held in all 6 regions of the province, i.e. the 3 Metros and 3 District Councils. This was a process of localising the previous Provincial Women's Dialogue held in December 2003. A collated report of the 6 regions was compiled, highlighting common strategic issues for follow up by municipalities. The Office of the Premier is acknowledged as the lead agency that provides strategic leadership in coordinating, facilitating, advocating and advising the Premier as well as the Inter-Governmental Gender Forum (IGGF) regarding the mainstreaming of gender in government. The IGGF responsible for the mainstreaming of gender issues is a coordinating forum for both levels of government (provincial and local). It is also ensured that the DPLG works closely with the SALGA in providing strategic support. The IGGF will assume a monitoring and evaluation role by providing a platform where provincial and local government would table their progress reports on a quarterly basis regarding the implementation of the POA. The Sub–Directorate will use the Premier's Coordinating Forum (PCF) to present a progress report on a six monthly basis regarding the implementation of the POA at provincial and local government levels. Provincial and local government are tasked with the responsibility to become the implementing agencies that are responsible for delivery of services to all citizens particularly women, in line with their core business.

GPG Gender Workplace Programmes

The legislative framework for the Gender Workplace Programmes is provided by:
SA Constitution, 1996
Public Service Act, 1994
Public Service Regulations
Collective Agreements
Departmental Policies, Procedures, Practices and Directives
Employment Equity Act, 1998
Basic Conditions of Employment Act, 1997
Labour Relations Act, 1995
Occupational Health and Safety Act, 1993
Skills Development Act, 1998
GPG Gender Policy Framework
National Policy Framework for Women's Empowerment and Gender Equality

TABLE 14 Gauteng Province – 2003 Gender Policy Framework highlights for provincial employees

OUTCOME	OUTPUT
Eradication of Gender discrimination within GPG and promotion of human rights culture.	Gender sensitization (workshops/training and awareness campaigns). Dissemination of gender relevant information. National Women's Day/Month. Gender Forum. Transversal Policy Framework on Sexual Harassment Policy and/or Violence Against Women. Departmental budgets to implementation of the Policy.
Gender Representation at all levels (demographics).	Implementation of Affirmative Action Policies with targets (HRD Strategy). Recruitment Policies are free of discrimination. Retention Strategy for female employees.
Ensuring that GPG is a gender-friendly place to work.	Provision of Health Care Facilities. Gender sensitive Employee Assistance Programme. Conditions of employment.

TABLE 15 Gauteng Province – Provincial employees - gender breakdown 2005

CATEGORY	WOMEN	MEN
Total employees = 111 752	68%	32%
Senior management (post levels 13 – 16)	30%	70%
Middle management (post levels 9 – 12)	44%	56%
Junior management (post levels 7 – 8)	67%	33%
Low level (post levels 1 – 6)	73%	27%

Management representativeness in respect of gender is already in line with minimum national targets (i.e. 30%). There is a drastic decline in representativeness of females from low level to Senior Management Service, with the majority of female employees at lower levels (e.g. in nursing, teaching, clerical, etc.).

<u>The GPG is trying to close the gap between women on lower levels and men on higher levels by doing the following:</u>

1. Reviewing the employment equity (EE) targets (including numerical targets, Human Resource Planning and monitoring).
2. Skills development, including –
   a) Equitable distribution of Training and Development Budget (monitoring)
   b) Accelerated Development Programmes
   c) Mentorship Programmes
   d) Learnership Programmes
   e) ABET Programmes
   f) Succession Planning
3. Retention strategy – how to retain existing employees.
4. Scarce skills – how to attract potential female employees into scarce skills occupations e.g. learnership and internship programmes (targets), external bursary scheme and participation in *Take a Girl Child to Work Campaign* (Cell C).
5. Addressing the barriers/discriminatory practices and shortcomings in policies, procedures and practices –

a) Part of EE Plan (Striving towards HR Best Practice);
b) Do we recognize diversity in personal circumstances, e.g. working mothers, single parents?
c) Does the work environment provide for child care facilities, flexible working hours etc?

In addition, it is also important to check if departments have the following in place and how effective it is:

- EE Plans (numerical and non-numerical targets)
- Workplace Skills Plans (targets)
- Learnership and Internship Programmes (targets)
- Gender Policy and Gender Awareness Programmes
- Gender Workplace Forums/Gender Desk
- HIV/AIDS Workplace Policy
- Nondiscriminatory HR policies, practices and procedures (audited)
- Employee Wellness Programme, including Employee Assistance Programme (EAP)
- Diversity Management Programmes
- Gender Workplace Budgets
- Reliable and accurate HR Information
- Monitoring and Evaluation tools

3.2.1.4. Province of KwaZulu-Natal

Department of Local Government and Traditional Affairs

The Department of Local Government and Traditional Affairs commits itself to adopting measures to make gender equality a reality through:

a. Co-ordinating gender equality training and education of all staff within the Department so that gender equality is integrated in all aspects of the work from the onset, including policies.
b. Planning and implementing effective and innovative strategies for the promotion of women's empowerment and gender equality.
c. Creating an enabling policy environment for translating the departmental commitment to gender equality into reality through reviewing departmental policies and planning in line with National Gender Policy Framework.
d. Establishing a Departmental Forum for the advancement of the status of women as well as the achievement of gender equality.
e. Advocating for the promotion of new attitudes, values and behaviour, and culture of respect for all human beings in line with the policy.
f. Monitoring and evaluating projects and programmes.
g. Establishing mechanisms to liaise with civil society to utilise the experience, skills and support provided by NGOs.

(As summarized in the table, the Department is involved in a number of activities aimed at achieving the objectives of the National Policy Framework on Women's Empowerment and Gender Equality.)

Table 16: Province of KwaZulu-Natal – Gender-related activities

DATE	PROJECT
April 2003	Distributed e-mail to all staff in respect of the World Health Day. Health issues and children's rights were highlighted in the e-mail.
May 2003	Workshops were conducted in the 3 centres where staff were addressed by a dietician about nutrition and diet issues. This was in respect of International Day of Action for Women's Health. Distributed e-mail highlighting children's issues to all staff for Child Protection Week.
July 2003	Distributed e-mail to all staff in respect of Men's Health Month. Issues pertaining to impotence addressed.
August 2003	Workshops were conducted in the 3 centres where staff were addressed by women in the department about personal freedom. A speaker also addressed staff on women's rights in terms of the law. Their rights in terms of maintenance, inheritance, etc were addressed. Booklets containing the information, printed in English and Zulu were distributed to all staff. The MEC attended all the workshops. These workshops also formed part of the celebration of the 16 Days of Activism of No Violence Against Women and Children.
September 2003	During Cancer month a circular was distributed addressing issues pertaining to cervical, prostate and testicular cancer. Tips were also given to staff on lifestyle changes that could prevent cancer and lead to a healthy life.
November 2003	Distributed e-mail to all staff in respect of the 16 Days of Activism Against Women and Children Abuse. Issues pertaining to the campaign were highlighted. White ribbons were distributed to all staff at the World Aids Day workshops to show support for the campaign against violence against women and children.
February 2004	Workshops were conducted in the 3 centres where staff were addressed by speakers from Lifeline and the Domestic Violence Assistance Programme, who provided information pertaining to rape, pregnancy and abortion. They were also addressed by a dietician in respect of nutrition issues and free cholesterol and blood glucose testing was offered to staff.
March 2004	A circular was distributed in respect of Human Rights Day, highlighting the significance for women.
October 2004	Workshops were conducted in the 3 centres and staff were addressed by speakers from Maphanga Consultants on: Gender and the shape of society; Government and Politics; Role of women in development and the economy and where to start looking for help and finance etc.
2004	Activities were arranged to highlight the following : • International Day of Action for Women's Health • Cervical Health month • Breast Health Month • International Women's Day • Activism on No Violence Against Women and Children
2005-2006	These will be the same as those of 2004, but more emphasis will be on training all staff including management on gender and to ensure awareness of these days. Focus will also be placed on a theme for each year e.g. • Women and their Health • Women and their Families • Women and their Careers. Three workshops have been scheduled for the 23-26 August 2005, to celebrate National Women's Day in all three regions. This year the focus will be on the following topics: • Women, Sex and Relationships • How to succeed in a Man`s World and; • Making a career move, corporate dressing and beauty tips etc
Departmental Gender Policy Statement	The Department has developed an internal policy that addresses its specific needs in terms of Gender Equality. This policy was approved by the newly appointed Head of Department in March 2005.

The Department has a dedicated budget for staff gender awareness programmes. In 2005 the budget was R75 000 (excluding training, development and staff wellbeing), with planned increases in the next 2 financial years, depending on the needs and new strategies.

Employment equity

TABLE 17 Province of KwaZulu-Natal – Women in management (senior, middle and junior)[1]

A = African
C = Coloured
I = Indian
W = White

	SENIOR MANAGEMENT (LEVELS 13 – 16)				MIDDLE MANAGEMENT (LEVELS 9 – 12)				JUNIOR MANAGEMENT (LEVELS 7 & 8)			
	A	C	I	W	A	C	I	W	A	C	I	W
2002/03	12	0	6	4	25	1	11	10	16	3	7	22
2003/04	15	0	6	3	15	1	9	11	24	3	8	20
To 15/6/05	19	0	6	3	15	1	10	10	24	3	8	19

The Department has embarked on target advertising so that the gaps in terms of employment equity can be addressed. This involved a complete review of the status quo of the Department's workforce profile, per salary level and identifying the gaps per level.

Human resource development

a. Bursaries

The Department is committed to the empowerment of women especially with regard to affording them opportunities to improve their knowledge, skills and competencies so that they are more competitive in the labour market. To this end, the Department has awarded 26 women with bursaries for the 2004 academic year, of which 24 are from within the Department and 2 are external students.

b. Training

The total number of women trained by the Department during the 2003/2004 financial year is 630 and among those, nine opportunities were granted to the disabled.

c. Employee Assistance Programme (EAP)

The Department has an EAP which is accessible to all employees. This confidential programme and assistance and support which are offered by the Department have resulted in improved mental and physical wellbeing for many staff members. During the 2003/2004 financial year 47 women utilised the services of the Employee Assistance Programme (EAP). To date a total of 21 women have utilized the services during this financial year.

[1] Indicated as percentages.

TABLE 18 Province of KwaZulu-Natal – EAP activities

WHEN	WHAT
HIV/AIDS Education (May 2003)	▪ Joint presentation conducted with Disability, Gender and HIV/ AIDS ▪ Viewed videos on AIDS against the Family, ▪ Sex and the Positive Person and HIV and Nutrition.
Induction Training (August 2003)	Presentation on EAP and HIV/AIDS.
Substance Abuse Workshop (August – September 2003)	▪ SANCA PMB and Durban conducted an educational workshop. ▪ Mr. S Hamilton performed an Industrial Theatre.
Obtain male and female condoms (August 2003)	50 femidoms obtained from Lifeline and 4 boxes of male condoms from ATTIC for distribution.
Distribution of Information Pamphlets (October 2003 – March 2004)	Pamphlets were distributed at Substance Abuse Workshops, World AIDS Day, during STI Week throughout the Department, during the Peer Educator training and Management Training on Managing HIV/AIDS in the workplace and at the Induction Workshop.
Promotional Items ordered for substance Abuse Workshops and World Aids Day 2003 (October & November 2003, January 2004)	The order was placed for the e-Pap (a nutritional supplement). Copies of the pamphlets on e-Pap were distributed. Calendars were distributed to all staff members. First Aid Kits were distributed to all staff members who had not received one previously.
Subscribed to Kalahari Publishing for the Informer Newspaper (January – March 2004)	Annual subscription of the Informer, distributed to staff.
Stress Management Workshop (October & November 2003)	
Induction Training (March 2004)	

WHEN	WHAT
Substance Abuse Workshop October 2003)	Approximately 280 staff members attended.
Financial Management (November 2003 & February 2004)	Utilized *Free to Grow* for the training.
Distribute male and female condoms (March 2004)	32 femidoms distributed and a supply of male condoms to the HIV Peer Educators for demonstration purposes and to distribute among staff
World Aids Day 2003 (December 2003)	The speakers were Mr D Spohr, Miss Cele, Mr Brophy Arts and Craft exhibition and an Industrial Theatre by Arleys. Mrs Badul prepared a presentation on the rights to Privacy and Confidentiality in the Workplace.
Peer Educator Training with Mentorship Programme and Management training on Managing HIV/AIDS in the Workplace (March 2004)	
Stress Management Workshop (May 2004)	Conducted 3 Stress Management Sessions

Urban and Rural Development Programme

As part of its transformation agenda the Department has created a new programme in its 2004/2005 budget called Urban and Rural Development. Key areas of focus for this programme are:

a. Enhancing the institutional management of the Integrated Sustainable Rural Development Programme (ISRDP) and Urban Renewal Programme (URP) to optimise integrated and sustainable development.
b. Facilitation of a rural connectivity programme to improve rural communities' access to government services.
c. Managing rural development partnerships to promote development initiatives.

In its pledge to support institutions of local governance with efficient and effective institutionalised support in urban and rural development programmes a budget of R25 million for the 2004/2005 financial year was allocated. In effecting its commitment to the development of women within the Province of KwaZulu-Natal the Department is implementing various strategic initiatives to ensure that women are mainstreamed into accessing development opportunities to fulfil the provincial goal of creating work and fighting poverty.

With the Integrated Sustainable Rural Development Programme (ISRDP) and URP now at the implementation phase in the four rural nodes, viz. Umzinyathi, Umkhanyakude, Ugu, Zululand and the one urban node, viz Inanda, Ntuzuma and KwaMashu as declared by the President, the Department is currently reviewing and repositioning the provincial ISRDP/URP implementation strategies. Strong emphasis is being placed on establishing a functional interface framework between government and the private sector, including women-owned enterprises, State-owned enterprises and organizations for particularly rural women. This functional interface will be used as a catalyst to ensure direct involvement of women in participating in identified anchor projects that have been prioritized within the municipal Integrated Development Plan (IDP).

An information management system is being developed to monitor the target of contracting at least 30% of infrastructure-related anchor projects to women owned businesses. The Department is also developing resource mobilization strategies such as unblocking barriers to accessing finance in order to assist women in unlocking development opportunities within the nodes. The anchor projects will be used to create learning networks through opening up dialogue with women to share their project management skills and replicate best practices to access further development opportunities. A strategy is currently being developed to facilitate the involvement of National & Provincial champions to ensure the advocacy of women's involvement in nodal projects.

In accordance with the President's State of the Nation Address, a target was set to implement the Community Development Worker Programme (CDWP) in all nodes within the Province by December 2004. An assessment of the skills and expertise required for optimal functionality of this programme reveals that women, who in any event are the majority in this province, should be the principal beneficiaries of

this learnership programme. This has compelled the Department to set a target for municipalities as the implementers of this programme to ensure that at least 60% of deployed community development workers (CDWs) should be women.

A target of 30% of its R14.120 million capital formation budget has been ringfenced by the Department within its Rural Connectivity programme for women to access direct financial benefit from contracts. This process is being monitored closely to ensure that existing procurement procedures do not hinder the achievement of this target.

Women have historically been marginalized from the science and technology field, but now the ICT element of the Rural Connectivity Programme, comprising the integration of community development centres with the Gateway programmes, provides an opportunity for women to enter the mainstream of e-development. It offers professional business plans, online financial and business management advice and applying for grant funding etc at the click of a button.

The Department is developing a maintenance policy for Integrated Service Delivery Centres. In meeting the provincial goal of creating work and fighting poverty, the policy will have a strong bias towards labour-intensive methodologies and will set performance targets that will include ring-fencing maintenance contractual opportunities for female contractors. This premise is also being purported in supporting municipalities to implement the EPWP.

A focused rural development partnerships programme is being rolled out to facilitate integrated development initiatives. Particular emphasis is being placed on directing Corporate Social Investment programmes to complement existing grassroots partners (such as women's co-operatives) to access development opportunities as being implemented at municipal level within the IDP framework. Twenty-one such projects amounting to R11.353 million are currently being implemented in municipalities throughout KwaZulu-Natal.

Office on the Status of Women

Structure

The KwaZulu-Natal OSW is situated in the Office of the Premier, Chief Directorate: Human Rights – with a Manager, Assistant Manager and Administrative Assistant.

Policy and Gender Action Plan

The OSW has a draft gender policy and is currently working on an implementation strategy as well as a gender monitoring tool. The OSW undertook a statistical audit of women in senior management in the province as part of assessing the first 10 years of democracy.

TABLE 19 Province of KwaZulu-Natal – Gender related programmes per department

DEPARTMENT	PROGRAMME CONTENTS
Legislature	Women's Parliament and celebration of significant events.
Social Welfare and Population Development	Flagship programme: Poverty issues of women. Aims to assist poor unemployed women with young children to escape the Poverty trap through social and economic development. 15 programmes targeting 1 052 women. Other programmes include victim empowerment, a domestic violence programme and a domestic violence resource directory.
Safety and Security	A Women's Safety Audit is designed to assist communities and government in identifying women's safety issues e.g. identifying ways of addressing the issues though integrated development planning. Training on the use of the toolkit will be rolledout to all municipal areas over the next year.
South African Police Service	Established a Victim Support Unit in 2005 to capacitate Trauma Centres both in police stations and in communities to prevent secondary victimization after reporting crimes. It includes feedback on investigations being conducted.
Education	The Women Empowerment Programme capacitated women in senior management teams in three Presidential Nodal Areas (Nongoma, Inanda and KwaMashu) about HIV/AIDS management and policy formulation. In the same areas, high school girls attended workshops about teenage pregnancy, responsible sexuality and healthy relationships.
Water Affairs and Forestry	In partnership with the MIG programme – water and sanitation projects in all district municipalities managed by the Department of Traditional and Local Government Affairs.
Housing	Establishment of housing components and providing housing consumer education. Objective: to strengthen and support municipalities to establish the components and provide the education. A train-the-trainer course aims to develop a cadre of consumer education trainers – well-represented by women – to educate housing consumers on housing.
Health	28 fully operational Health Crisis Care Centres for abused women have been established in the districts to manage the victims of abuse and rape in a patient-friendly environment; to give appropriate treatments to patients when needed and to provide voluntary counseling and testing for HIV/AIDS. A Workplace Gender Forum has also been launched and the Department adopted a holistic approach to health. It responded to the challenges of poverty by opening up markets for the targeted groups e.g. cooperatives.
Transport	Zibambele Road Maintenance Contract, Women for Road Safety, employment for female traffic officers, Vukuzakhe and labour construction programmes as well as the celebration of significant days.

OSW achievements

a. GFPs have been permanently established in some departments and municipalities. The location of GFPs differs across departments but places them outside key decision-making structures and thus limits the impact in gender mainstreaming.
b. Undertook research on women in senior management. There has been an increase of women in the most critical decision-making positions e.g. Head of Departments (HODs) from 0 to 5 out of 13 in one year.
c. The Women and Indigenous Knowledge Project explores indigenous knowledge as a means to alleviate poverty and promote rural development.
d. KwaZulu-Natal Implementation Strategy for Gender Equality and Women Empowerment Workshop. The gender machinery will be workshopped on the legal imperatives related to gender mainstreaming.
e. The OSW, in partnership with the Department of Economic Development, initiated the Women Entrepreneur Empowerment Programme (lead by the department's BEE Unit) with the aim to provide productivity awareness for women entrepreneurs, audit of businesses and hold women entrepreneurs productivity conferences/seminars on showcasing of achievements, businesses owned and managed by women, providing information about access to finance and markets, providing government support and coaching.
f. The Enhancing Adult Basic Education Project, in partnership with the Department of Education and the Rural Women's Movement, uses statistics to provide information about ABET accessibility to rural women, their progression and the dispersion of ABET centres. A campaign to encourage women to register is also under way.
g. Through the Enhancing the Girl Guide Movement, the OSW facilitates the enhancement of both the provincial Girl Guide and Scout movements towards moral regeneration, focusing on the needs of the girl-child. The Premier has set aside a budget for the Girl Guide movement.
h. The Take a Girl-child to the Workplace initiative is gaining momentum in the Province. It exposes girl learners to various careers. Ohlange High School at Ethekwini Region and Sthabile at Umgungundlovu District participated in the 2005 event in Durban.
i. Information sessions in rural areas. To reach out to rural communities the OSW collaborated with the Rural Women's Movement (across the Province) consisting of 499 organisations of rural women ranging from dressmaking, HIV/AIDS intervention organisations to agriculture.
j. Campaign against women and child abuse. Through collaboration with civil society organisations the OSW reaches out to communities to show solidarity to women in need.
k. The OSW is able to reach out to disabled women in communities by working in collaboration with the Quality of Life and Status of Women, Children and People with Disability by joining the Committee's "Taking Parliament to the People" campaign.
l. The OSW works closely with the Commission on Gender Equality in investigating complaints. Complainants are visited at home to witness their social conditions and the CGE helps complainants with filing restraining orders.

3.2.1.5. Limpopo Province

Department of Local Government and Housing

Gender policy framework

A gender policy has been drafted and has been sent to municipalities and SBUs. It is intended to have strong tools for monitoring. The department ensures that all 26 local municipalities and 6 district municipalities have been visited for data collection. There are no GFPs in most municipalities, except for Mopani municipality which appointed a GFP, but not in line with the gender policy framework – e.g. the GFP is at an administrative clerk level. Most municipalities have no budget for GFPs. Those who have a budget have limited budgets e.g. R100 000. There is a need to increase the representation and participation of women in local government on both a political and administrative level. The strongest communication strategy for the 50/50 campaign has been done to politicians through the MEC for Local Government and Housing. Currently, the Department is addressing the issue of gender through a recruitment strategy aimed at women. Women's caucuses have been established and strengthened as a platform for women to support each other. The department mobilized political parties through the MEC to be gender sensitive.

Development and monitoring

Mechanisms have been developed to ensure and maximize sharing and transferring information, e.g. summits, hearing meetings and women in local government conferences which is held annually. There is a need to strengthen and co-ordinate the role of municipality as outlined in the Constitution. Municipalities established ward committees and their roles have been clarified. The department makes sure that women are represented. The ward committees have been profiled as a tool for government and public participation and communication strategy. The department encourages all women structures to monitor the budget process through the Integrated Development Plan (IDP) process to make sure that the issues of women are budgeted for, e.g. women projects. The department works hand in hand with the SALGA to monitor the strength of gender issues. Access to information and statutory provisions to help women in their development effort of communication has been improved. In addition, the department makes sure that IDPs inform the budgets to ensure that projects identified are prioritised for tendering purposes.

Women and tenders

Women are given tenders as priority, but most of them are "window dressing" and being used by male businesses because they have skills and money.

Table 20: Limpopo Province – Department of Local Government and Housing statistics

LEVEL	FEMALE	MALE	TOTAL
14	2	3	5
13	2	4	6
11 – 12	7	18	25
1 – 10	175	462	640
TOTAL	**186**	**487**	**676**

Office on the Status of Women

The OSW was first established as a Women's Commission in 1994 until it was fully established as an OSW with the strategic objective of improving the quality of life and status of women in the Limpopo Province in 1997. The strategic objectives of the OSW can be summarized as follows:

a. Create an enabling policy environment for translating government commitment to gender equality into reality.
b. Establish policies, programs, structures and mechanisms to empower women and to transform gender relations in all aspects of life.
c. Advocate for the promotion of new attitudes, values and behavior, and a culture of respect for all human beings.

Achievements in improving the quality of life and status of women in the past year (i.e. 2004) include:

a. The development of a management system for gender mainstreaming programme coordination and the monitoring and evaluation of the implementation of programmes in line function departments.
b. The coordination of public education and awareness raising through advocacy programmes for nation building.
c. The coordination of capacity building programmes in both civil society and the provincial government.
d. The effective coordination, facilitation and monitoring of HIV/AIDS in line function departments.

Local government

The statistics on gender in the economy painted a grim and an unequal picture between men and women. In October 1999, 26% of African women compared to 41% of African men were gainfully employed in the open labour market. This picture has since changed drastically within the Public Service. At present, within the senior management echelon, 32.2 % are women – a dramatic increase from the previous year's 29%. However, this cannot be said about the local government structures in the province. In early 2004 the OSW requested municipalities to submit their equity status reports and 11 municipalities out of 32 complied – 10 local municipalities and one district municipality. At present the total senior management component is 124. Of that, 33 (22.6%) managers are women. Five municipalities of those mentioned had reached the 30% equity target. All six district and 26 local municipalities have councillors dealing with gender issues. These are people who have to see that gender programmes are integrated in all the programmess of municipalities including the appointment of GFPs in municipalities, but currently only one district municipality has a GFP albeit at a very low level.

A gender audit conducted in one district municipality with four local municipalities under it revealed the following:

a. Policy: The four municipalities under this district municipality had gender policies.
b. Representation: They did not have records of the registration of women for local government elections in 2000 and the up-coming ones, which shows a gap in the capacity of gender forums to monitor this aspect for gender impact. It makes it difficult to assess whether there is an increase or decrease in figures so that even if they had to come up with strategies to encourage women to register to vote and as candidates, there is no baseline to use for increased targets.
c. There is only 10% of female representation in council.
d. No mentoring programmes to ensure continuity.
e. Line departments do not include gender equity considerations in their business plans.
f. Budget and procurement processes: Only the district municipality has about 0.01 % budget targeted at promotion of gender equality.
g. There is no information on procurement policies and processes to ensure that women get a fair share of municipal tenders.
h. Basic services: No statistics on the number of women who are benefiting from low-cost housing, electricity and water.
i. Violence against women and children: No information on statistics and relationship with the local police.

Table 21: Limpopo Province – OSW activity monitoring for 2004/2005

KEY OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE/ ACHIEVE-MENTS	GAPS AND INTERVENTIONS	RECOMMENDED ACTIONS
Management of Office on the Status of Women.	Development of management system for gender mainstreaming in line function departments.	<u>Economic Empowerment</u> Of 690 tenders awarded in the last quarter of the year in Public Works, 582 and 14 were awarded to women and disabled people respectively. 237 out of 506 houses were sold to women. <u>Gender based analyses (GBA) program</u> Evaluation workshop held with Canadian International Development Agency. Six departments submitted audit profiles. Identified special projects in line function departments for evaluation. Review of special projects on GBA reveals –	All departments to develop a comprehensive database for entrepreneurs. All women business owners will be consulted to submit profiles in order to trace fronting women.	Departments to submit sex-disaggregated data to facilitate. monitoring. Programs and projects to be identified on a quarterly basis. Audits to be done on a three-year basis.
	Sakhasonke	In this infrastructure development program, more than 200 people were trained of which 50, (25%) were women.	To determine the impact by indicating the number of direct and indirect job opportunities created by the program. Give the contribution and align it with our PDGS.	
	Indigent policy	Instituted a GBA pilot project at Thulamela municipality. Findings: of 52 000 inhabitants of municipality, 30 000 benefited from the policy.	The pilot fell short on unpacking the statistics in terms of gender-disaggregated methodology. A strategy to be developed with the municipality to introduce the GBA-tool.	
	Bicycle project	150 bicycles distributed in three districts.		Distribution in remaining districts with 50% going to women.

KEY OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE/ ACHIEVE-MENTS	GAPS AND INTERVENTIO NS	RECOMMENDED ACTIONS
	Food security	Vegetable project at Driekop since 2003 with 7 ha of land. 52 people are employed with 80% being women. Within a year R800 568 was generated.		
	Analyse equity status in departments.	Only two departments have not yet reached the 30% target.		Pressurise two departments to reach target.
	Analyse and monitor social security services.	Child support grant (CSG): 1 068 909 (March 2004) vs. 986 762 (July 2005). Foster care grant (FCG): 23 535 (March 2004) vs. 39 414 (July2005). Improvement on FCG and CSG. Monitoring based on success of anti-fraud campaign where there is a great decline – 82 147.	Abuse of CSG – intensify general awareness around the use of social grants.	Recommend strategy to deal with loss of schooling when young women collect children's grants.
	Monitoring of violence against women and children.	Provincial crime prevention strategy emphasized need to implement strategies dealing with violence against women and children. Provincial SAPS report showed 7% decrease in cases of violence, but with increased reporting of cases in two districts.		Establish working relationship with SAPS to monitor statistics. Implement Provincial Strategy.
Skill development program looking at women and education.	Development of capacity building strategies to empower women	Monitored skills training of SMS for 2004/2005: Transport – Training trends indicate more men trained at ratio of 3:1. Local Government & Housing – More men trained than women – can also be attributed to lower equity status for women.	Skill development not aligned to skills plan, particularly rare skills in province.	Pressurise departments to comply with 54% quota ofcSkills Development Act.
		Health & Social Development – 3:1 ratio. Sport, Arts &. Culture – Did not provide sex-disaggregated data. Infrastructure cluster – 511 adult learners (190 women) enrolled for program.		

KEY OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE/ ACHIEVE-MENTS	GAPS AND INTERVENTIO NS	RECOMMENDED ACTIONS
		Monitoring registration of girls in mathematics and science in grades 10 – 12: Numbers drop sharply from grades 11 and 12. Monitoring will be done in terms of strategies of departmental management drop out plan.		
	Girl-child.	Programs identified in this financial year for monitoring: ▪ Girl education Movement ▪ Dropout rates ▪ Learning materials ▪ Safety in schools ▪ Violence		
	Coordination of advocacy programs for nation building.	Launch of "Women's caravan" in Casteel. More than 5 000 people serviced during 2 days.		Have program of providing services at every provincial event.
	Caravan stops.	Services rendered during stops at Casteel, Makuya, Makhuvha, Eldorado and Kgautswane		
		– Birth certificates: 218, Identity documents: 256 new & 43 reissued, SAPS certification ID 350 & Affidavit 250, Welfare 53, Health 238 and 8 000 condoms distributed.		
	National women's Day celebration.	15 000 people attended. Departments of Home Affairs, Local Government & Housing, Office of the Premier and Health & Social Development rendered services and provided information. Four women's projects exhibited and sold products.		
	Candlelight ceremony.	7 000 people sensitized about HIV/AIDS. 19 birth and 42 ID registrations were also undertaken.		

KEY OUTPUT	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE/ ACHIEVE-MENTS	GAPS AND INTERVENTIO NS	RECOMMENDED ACTIONS
	16 Days of Activism.	6 district summits were held. The Office of the Premier (OSW) and departments of Justice & Constitutional Development, SAPS and Health & Social Development made presentations on strategies to deal with violence.	Attitudes of police, social and health workers and infrastructure identified as stumbling blocks for women to get help.	
	Women's Parley.	Coordinated together with Youth commission, the young women in dialogue process. Platform created discussion on achievements of ten years of freedom.	Engage youth sector on issues of democracy.	
	Coordinated a media strategy.	Coordinated media program on SABC electronic media. Discussed different media topics on gender issues on Thobela, MLFM and Phalaphala FM.		
Management of HIV/AIDS program.	Development of provincial HIV/AIDS strategy.	Plan developed and finalized. 53 projects funded from Premier's Trust Fund with quarterly monitoring. SAPS reached 400 community members and 2 790 learners on HIV/AIDS awareness and prevention while they also distributed 71 965 condoms in the last three months. Agriculture established one farm committee in Vhembe district and formed partnership with Department of Education to target farm schools. Facilitated partnership day at Ga-Madisha-Ditoro and made presentation on respecting women and protecting children.	Follow-up on PMTCT program is not satisfactory.	

Provincial government

TABLE 22 Limpopo Province – Provincial gender situation

ITEM	PUBLIC WORKS	HEALTH AND WELFARE	LOCAL GOVERN-MENT AND HOUSING	EDUCATION	SAFETY SECURITY AND LIAISON
Gender Policy	Yes	National policy	No	Yes	No
Gender committee	Headed by GM	None	Headed by manager	Headed by personnel officer	None
GFP Focus	Deals with gender only	Deals with gender only	Deals with gender only	Deals with gender only	Has other programmes
Programmes and projects	CBPWP with a R2 million budget, Sakhasonke with a R28 million budget, Gundu Lashu	None provided	None provided	Girl Education Movement and Life Skills education	Crime prevention
Budget	Rose from R200 000 in 2002 to R440 000 in 2004	Rose from R100 000 in 2002 to R300 000 in 2004	Rose from nil in 2002 to R2 568 000 in 2004	Rose from R78 000 to R104 000 in 2004	Nil budget to R50 000 in 2004
Procurement	Tenders for women rose from R291 in 2002 to R346 in 2004	No information	Decreased from R130 in 2002 to R26 in 2004	No information	No information

Five other departments did not submit their audit report, although there are structures dealing with gender in those departments.

3.2.1.6. Mpumalanga Province

Department of Local Government and Housing

Gender structure

In October 2004 a GFP, who reports to the HOD, was appointed at Assistant Director level. The GFP started with awareness raising to all officials about gender equality and mainstreaming through a series of training sessions for managers and all employees of the Department. The Head of Department supports the programme, but further awareness raising is still necessary to get wider support.

Gender policy

The Department has a draft gender policy and awaits input from senior managers in order to complete the policy process. As soon as the policy has been adopted, employees will be workshopped at provincial and regional level so that they may understand the policy contents and implications for implementation. A Committee on Transversal Services was formed comprising representatives of all directorates. The committee was trained to understand its function for gender mainstreaming. The amalgamation of the former Department of Local Government and the former Department of Housing meant that the GFP also had to consider bringing municipalities on board and extended the Committee on Transversal Issues to include local government. The GFP liaised with district municipal managers to get an understanding of progress with gender issues. The discussions resulted in the identification of the need for a workshop on gender mainstreaming which was not very well attended. Consequently, the GFP and the OSW requested to table the issue of GFPs in municipalities at the municipal managers' meeting.

Presentation at the municipal managers' meeting

The head of the OSW and the GFP for the Department attended the municipal managers' meeting on 2 August 2005 and tabled the matter of the appointment of GFPs at municipalities. The result was that a resolution was taken at the Premier's Coordinating Forum that a Youth Unit should be established in all municipalities and this these units will also address gender and disability concerns. The OSW indicated that the resolution did not indicate anything about gender and that it would be more acceptable if the name of the unit also reflected gender e.g. if it were called a "Special Programmes Unit". It was decided that the matter will be discussed at the next Premier's Coordinating Meeting scheduled for 11 August 2005. The Department's GFP submitted information in this regard to the HOD for tabling at said meeting. In the meanwhile, the GFP will follow up on the establishment of GFPs at municipal level and would continue with the idea of regional committees that would include municipalities.

Office on the Status of Women

Vision of the Office of the Premier

Towards a strategic centre for cooperative and good governance in Mpumalanga.

Mission of the Office of the Premier

To ensure equitable transformation and enhancement of the image of the Mpumalanga Provincial Government through the provision of advice and information, coordination, monitoring and support services.

OSW organogram

The organisational structure of the OSW, situated in the Office of the Premier, has changed due to reorganisation in the Office of the Premier. The OSW no longer has regional offices and staff work from head office since 1 April 2005. New roles and amended job descriptions have not yet been finalised. Currently the OSW has six officials:

a. 1 x Deputy Director
b. 1 x Assistant Director
c. 1 x Chief Community Liaison Officer
d. 2 x Community Liaison Officers
e. 1 x Administrative Clerk

The OSW forms part of the Targeted Group that reports to a Director and not directly to the Premier and Director General. The workshops held on the National Gender Policy Framework did not bear positive results since provinces and departments still did not want to comply by correcting the location and post levels of OSW officials.

Status of Provincial Departmental GFPs

GFP coordinators had been appointed in all 10 departments. Although they did not have proper structures, some departments approved structures and were in the process of advertising posts. The departments of Health, Education and Public Works appointed GFPs at Deputy Director level. The rest of the departments appointed their GFPs at Assistant Director level. Most departments called this unit the "Transversal Services Unit", but the Department of Education called it the "Transformation Unit" and the Department of Health called it the "Gender and Transformation Unit". The location of GFPs were still a problem since most departments still maintained that GFPs had to be located in the Human Resource Directorates. It was only in the departments of Economic Development and Planning, Health and Safety and Security that GFPs reported to the Head of Department (HOD).

Gender Focal Points (GFPs) in municipalities

It was highlighted by the Office on the Status of Women (OSW) and the HOD of the Department of Local Government and Housing that the by-laws that govern municipalities are silent on the matter of GFPs. In the past, only Emalahleni Municipality had an official responsible for gender matters, but since the person left the employ of the Municipality the post had been vacant. The point of departure for the OSW was that since there were people at SALGA and within the Council responsible for gender issues, all municipalities had to employ officials who would ensure that on all municipal programmes would take gender issues on board a day-to-day basis. As a follow-up, the OSW head made a presentation to the Municipal Managers Forum which resolved that a memorandum with recommendations would be submitted to the Premier's Coordinated Forum, so that this Forum could

influence the political obligation within municipalities to comply with the gender equality recommendations. Such a memorandum was submitted to the Forum and a response was awaited. Once the Provincial Gender Policy had been promulgated, it might influence compliance. The second draft of the Policy was ready for circulation and it was envisaged that it would come into effect by March 2006. Co-operation with municipalities in the past took place through women councillors who were responsible for gender matters.

Operations of gender equality and women's empowerment

The OSW, together with departments, were committed to advancing gender equality and women's empowerment in the Province. Programmes were planned to take into consideration the twelve critical areas outlined in the BPFA.

TABLE 23 Mpumalanga Province – Operations of gender equality and women's empowerment

DEPARTMENT	PROGRAMME
Agriculture	The Department had programmes empowering women to participate in commercial farming and through MADC small farmers were able to get financial assistance and training which enabled them to run their own businesses. The programme enhanced participation in economic growth and assisted in the provision of fresh vegetables. Women were also encouraged to grow vegetables as part of the food security programme.
Public Works	The Department embarked on the process of creating awareness about the Extended Public Works Programme and how it could benefit women. They developed a database of service providers and awarded work to the companies so that they all could benefit. They encouraged big companies to have joint ventures with small companies with the aim of developing their capacity. It assisted the smaller companies to build a good profile and gain experience that would enable them to handle bigger projects.
Economic Development and Planning	One of the directorates promotes SMME and assists small businesses by developing capacity on business and financial management and other related skills through the Department of Labour. Through parastatals such as Mpumalanga Investment Initiatives and Mpumalanga Economic Empowerment Corporation they assist companies with funds to run their businesses.
Local Government and Housing	The Department has a programme that awards 30% of housing construction work to women.
Education	The Department initiated an association of Women in and Into Management that enabled women in management to exchange ideas and share experiences. It also took a lead in programmes such as *taking the girl-child to work.*
Roads and Transport	The Departments conducts workshops for women in the transport and construction industry to encourage them to participate in road construction and to provide information on requirements.

3.2.1.7. Northern Cape Province

Local Government and Housing

Gender, HIV/AIDS and Target Groups Unit – Aim of unit

a. To mainstream gender, transversal issues and provide an effective HIV/AIDS response to the Department.
b. To mainstream gender into all the departments' and municipalities' plans, programmes and projects.
c. To improve/promote the rights of women, children, people with disabilities and youth.

Legislative mandate

a. The Constitution of South Africa, 1996
b. South Africa's National Policy Framework for Women's Empowerment and Gender Equality (2000)
c. Draft National Women's Empowerment Policy (1995)
d. Empowerment Equity Act (1998)
e. Housing Act (1997)
f. White Paper on Affirmative Action in the Public Service (1998)
g. White Paper on the Transformation of the Public Service (1995)
h. Beijing Platform for Action – adopted by South Africa in 1995
i. Municipal Structures Act (1998)
j. White Paper on an Integrated National Disability Strategy (1997)

Key focus areas

To ensure that departments and municipalities support gender equality and integrate service delivery to target groups.

Functions

a. Ensure consideration of gender issues in departmental strategic planning exercises.
b. Ensure implementation of National Gender Policy.
c. Ensure reflection of gender consideration in departmental business plans.
d. Review departmental policy and planning in line with National Gender Policy Framework as outlined in the Framework.
e. Review all policies, projects and programmes for their gender implications.
f. Ensure the department provides and uses gender disaggregated data in their work.
g. Establish mechanisms to link and liaise with civil society.
h. Coordinate gender training and education of all staff of departments to ensure that gender is integrated into all the aspects of work.
i. Monitor and evaluate departmental projects and programmes to assess whether they are consistent with the gender policy.

Gender mainstreaming activities

a. Department strategic plan/business plan activities –
   - Provide input on gender considerations to strategic plan.
b. Review of department plans and policies –
   - Employment Equity (EE) Plan – provide input to EE Forum.
   - Respond to gender queries in EE Forum.
   - Human Resources (HR) Plan – provide input.
   - Respond to gender queries.
c. Department policies – provide input to departmental policy review projects.
d. Municipal Infrastructure Grant, infrastructure, Local Economic Development (LED), housing –
   - Ensure 30% women as laborers on projects.
   - Identify and analyse roles of women in MIG projects.
   - Capture stories of women's experiences before and after (newsletter items).
e. Capacity-building and training workshops.
f. Ensure use of aggregated data.

TABLE 24 Northern Cape Province – Employment projects

PROGRAMME	TOTAL EMPLOYMENT	WOMEN EMPLOYED	PERCENTAGE WOMEN
EPWP	2 603	1 157	44%
Sanitation	744	209	28%
	TOTAL PERSON DAYS[2]		WOMAN PERSON DAYS
MIG	13 842		3 299

Training (departmental)

Skills development and bursaries biased to women –

Staff component: 258
Total trained: 136
Total women: 62
Percentage: 46%

Networking

a. Liaise with OSW and form part of the provincial gender machinery.
b. Support integrated departmental programmes.
c. Establish mechanisms to link with civil society and municipalities.

[2] Person days = Number of people x length of employment days.

Office on the Status of Women

In advancing a provincial gender programme the OSW's approach has been to mainstream gender equality goals into existing government priorities and in governance processes. A successful coordination framework is one that ensures that government programmes and priorities reflect a consideration of the impact of such programmes on the lives of both men and women. It must be noted that in the evaluation of the programmes, roles and functions of the Office, it is imperative to distinguish between the perceived roles (that is, community and other expectations) versus the actual roles of the Office as stipulated in the National Gender Policy Framework.

In terms of the perceived roles great demands have been placed on the Office to embark upon developmental programmes. Although the Office incorporated some of these issues into our strategic plan, limited allocation (both budgetary and human) was made to the office to enhance its ability to achieve the perceived roles. All developmental programmes incorporated in the strategic plan of the office thus arose from the initiative and creativity of the staff to mobilise, network and raise funds from other stakeholders. The mandate of the office is to ensure that gender is mainstreamed into the programmes of government departments, thereby ensuring that Social, Economic and Political programmes with necessary resources impact positively on the lives of women. Furthermore, the Office also ensured that the international agreements adopted and ratified by the Government pertaining to the advancement of women (such as the BPFA and the CEDAW) are adhered to and implemented.

Due to the Office consisting of a small human resource component with a limited budget, a partnership was established with government departments through GFPs and NGOs. This report reflects on the Government programmes on gender transformation and its impact on the lives of women, with special emphasis on empowerment of women.

Organogram

The OSW has an approved organogram of six staff members:

- 1 x Deputy Director (Vacant since October 2004)
- 3 x Assistant Directors
- 1 x Admin Officer (Vacant since 2004)
- 1 x Admin Clerk
- 1 x General Assistant

TABLE 25 Northern Cape Province – Activities

FUNCTIONS	ACTIVITIES	ACHIEVEMENTS
Policy formulation	▪ Consultations with all stakeholders throughout the Province. ▪ Consultation with gender activists for completion and printing.	Draft is available.
Provincial Gender Action Plan	▪ Consultation with stakeholders to formulate plan.	Plan of Action is available and is being implemented.
Gender audit	▪ Audit conducted in all government departments from levels 1 – 12.	▪ Audit levels 1 – 12 completed. Outstanding – completion and compilation of report. ▪ Progress noted in the number of women in decision-making positions, e.g. - 1 DDG - 3 Chief Directors - 16 Directors
Capacity building	▪ Community information dissemination sessions on: legislative Acts, accessibility of resources and ID campaigns. ▪ Staff /GFPs: gender sensitization, policy, budget, OSW/UNDP training and management training.	▪ Sessions held for women in all regions especially in rural and farm areas. ▪ Workshops conducted to capacitate GFPs to analyse policies.
Advocacy	▪ Awareness campaigns on issues affecting women and girls, linked to commemorative days: No Violence Against Women, 16 Days of Activism, HIV/AIDS, Women's Month Programme and Women In Dialogue.	▪ Mobilised communities to participate in all programmes at provincial and regional levels. ▪ Staff serves on various committees to give strategic direction and influence.
Monitoring and Evaluation	▪ Undertook research, audits and assessments of service delivery by government departments and the status of gender machinery.	<u>Research</u> Comprehensive status report available with summary of findings including percentage to education, poverty, violence against women, poverty etc. <u>Audit</u> Northern Cape government has 10 departments. Only one department has not appointed a GFP. Most departments in process of establishing Gender Forums.

3.2.1.8. North West Province

The Department of Developmental Local Government and Housing

The Department has completed its process of restructuring, and gender and women's empowerment played a central part in the transformation of the Department. The EE Plan was a central part of the strategic planning process. The process ensured prioritisation and the allocation of resources towards attaining gender balance in the Province and within the ambit of the Province's service delivery programmes.

Developmental Local Government as a programme focuses on supporting, monitoring and building the capacity of municipalities. The first implementation quarter of the new developmental system concentrated mainly on assistance to municipalities to allow them to be fully established and operational. The period from the end of 2002 was typified as the consolidation phase. During this period, municipalities were assisted with projects related to revenue enhancement and service delivery improvement. During this phase the focus shifted significantly, and gender issues and empowerment focus prominently on service delivery.

In the housing programme, the period from 2003/2004 has featured the Women in Housing Programme as a strategic objective, with a steady increase in the participation of women.

TABLE 26 North West Province – Progress made on gender equity and women's empowerment in the different programmes of the Department

PROGRAMME	DETAILS
Local government	Local government in the Province has made enormous strides over the past two years with the upliftment and empowerment of women in councils and wards. Local government cannot claim to be representative if women are underrepresented in council and in the administration and if their needs are not adequately met.

PROGRAMME	DETAILS
Local economic development (LED)	Women's involvement in LED strategies in municipalities are important so that their needs can be catered for in an efficient way and so that they can be part of municipalities' development. The participation of women in LED projects has shown a marked increase between 2000 – 2004 and a deliberate effort was made by the sub-directorate to maintain the status of women's participation in projects. The latest statistics show that women comprise 60% of all projects. Capacity building The qualitative role women can play in municipal councils needs to be enhanced. Councillors should be provided with opportunities for training and confidence building. There is an extensive capacity building strategy in place that has been implemented. Ward committees Ward committees provide an opportunity to build women's capacity and self confidence. They serve as a formal communication channel between the community and council, enabling municipalities to translate women's representation into active participation to ensure that gender-specific needs are met. MULTA and a consortium signed an agreement according to which more than 3 000 ward committee members will be trained – 50% of which will be women. Community participation The special needs of women should be taken into account when municipal councils have special meetings and the Department realised that this is a particular gap that needed to be filled. In terms of the Department's restructuring process, dedicated people will be allocated to specifically deal with this part of the capacitating process and the Special Programmes Unit/person will have to play a decisive role.
Housing	Women's participation over the years has been categorized in terms of their relationship with housing. To measure women's participation in housing delivery, the Department catalogues women as "professionals", "women entrepreneurs", "emerging contractors" and "housing subsidy beneficiaries". The Department is currently working on a strategy, to be finalized to enhance women's participation in housing that will enable the Department to measure women's involvement according to the abovementioned categories.
Administration	The Department has an EE Forum that meets on a regular basis. It reported that: ▪ the job evaluation process is almost complete, ▪ resignation of employees left the Department with gaps re composition, ▪ statistics on appointments do not balance – especially at top-management level, ▪ affirmative action is not reaching its intended purpose and ▪ a policy on sexual harassment has been drawn up and forwarded for comments.

Office on the Status of Women

Gender mainstreaming and institutional mechanisms

The Integrated Provincial Gender Strategy (IPGS) outlines the need for the departments to have appointed GFPs, at Deputy Director level. It also outlines the roles of all stakeholders. The role of the OSW is to coordinate and monitor compliance of the departments to the IPGS, while GFPs have the implementing role within their respective departments. The departments are expected to complete the matrix in the IPGS, and that is used as a yardstick to compliance.

Of all provincial departments, only two have appointed GFPs at Assistant Director level. This level is very low and does not add value to what the departments are supposed to achieve with regard to integrating gender. The remaining departments have seconded officers as GFPs, although they do not attend to gender requirements as stipulated in Government policies. The situation is that the GFPs maintain that they are not assessed on gender, and as result, they only want to give attention to what they are assessed on.

Mechanisms are supposed to be in place at different levels in order to mainstream gender in the formulation of policies, planning, programmes, policy advocacy and monitoring and evaluating of the implementation of international and national commitments. In this regard, GFPs are the link between the OSW and line departments. Line departments have to formulate their gender sector specific policies and implementation plans according to the matrix outlined in the IPGS. These plans have to inform the clusters and, at the end, the province has to have a Provincial Gender Action Plan.

Mechanisms for the integration of gender equality and women's empowerment remain disadvantaged at all levels within the North West Province. There is no capacity within the OSW and line departments. Gender concerns continue to be treated rhetorically and separate from the departmental projects and programmes, and yet both specific projects and programmes for women's empowerment and effective gender mainstreaming in all sectors are necessary.

Provincial policy

There is an Integrated Provincial Gender Strategy (IPGS). This strategy was adopted by Executive Committee on Governance and Administration (ECGA) during November 2003. Their mandate was very clear in terms of profiling the IPGS in Departmental Management Committees (DMCs). They also mandated the departments to appoint proper structures of GFPs, allowing them to attend the DMCs.

Governance, power and decision making

The province is expected to report to SADC (Southern African Development Co-operation) annually through the National OSW on the progression of women in decision-making positions. Because mechanisms are not in place within the departments, it is the third year that the province did not report on this issue. The issue of non-functional equity managers in most departments is also a problem.

The girl-child

The Department of Education has never communicated with the OSW in the past, but that is now being addressed. As a result, the issue of the girl-child within the province has never been reported on to the National OSW. Specific efforts are expected from the province against discrimination, stereotypes, violence, genital mutilation, early and forced marriages, exploitation through domestic work and trafficking. All attempts to work with the Department of Social Services are in line.

Partnership with men

The OSW has mandated Mr T Sehole to coordinate this programme. He has successfully engaged the South African Man Action Group, Man for Change, Khulumane Ndoda and the Commission on Gender Equality (CGE). The international commitments in terms of accelerating the implementation of the BPFA in the context of the Millennium Development Goals requires that gender equality is no longer seen as only women's agenda. Men's full commitment, accountability and partnership with women are crucial. The requirement is such that government decision-making, institutional and organizational culture must be transformed to embrace gender equality and women's rights in behaviors, attitudes and norms, through gender sensitive projects on capacity building and monitoring at all levels. Programmes that address families should be developed to integrate the culture of equality and human rights processes in all aspects of the social process, including sharing of domestic work and child care. In this regard the Department of Social Services is vital.

Gender and the media

The OSW has been assisted by Gender Links in terms of sensitizing the media in the North West Province. Gender Links trained people, at their own cost, before the start of 16 Days on No Violence Against Women and Children in order to sensitise stakeholders on how respond in terms of offensive articles or statements by the media during the programme of 16 Days, and for the rest of the year.

Capacity building

[illegible] There is a need [illegible] Government should provide adequate human and financial resources to manage matters dealing with gender issues and provide training on practical and theoretical gender mainstreaming. This should be done so that a core gender specific training will be available to ensure national policies are implemented. Gender needs to be capacitated in order to perform well. Currently, there is still the nature of work and understanding in terms of the needs of the OSW [illegible] and ensure training. There is also a need to build the capacity of civil society in the interest of public-private partnership.

Conclusion

During February 2006 the Portfolio Gender Indaba was established mainly of the Provincial MECs, the CEO of OSW, CFO and civil society. This is always considered positive with the Next Two Years. The meeting does not have specific agenda. As a result it has not met as agreed. There is need to develop clear gender mainstreaming policies with clear lines of accountability, role responsibilities, accountability and lines of authority. Consistency towards such clear specific tools for collaboration and possibly review to promote such development process and to provide clear guidance of gender mainstreaming at all levels.

OSW priority areas for 2006

a. Capacity building
b. Poverty alleviation
c. Economic empowerment of women
d. Gender based violence
e. Integration of mainstreaming on gender issues within the Office

3.2.19. Western Cape Province

The Department of Local Government and Housing

The Department of the Premier (Directorate Human Rights Programme) has in terms of its strategic mandate the responsibility to mainstream the issues of gender, youth and disability into the core business of all the Provincial departments. This is always based on a core integrated and coordinated policy methodology which is developmental. Gender, youth and disability are cross-cutting issues and responsibilities as it relates to the promotion and protection of equality. This in order to address inequalities of the times as identified by the Bill of Rights of the Republic of South Africa. The Department adopts a mainstreaming approach. Mainstreaming aim to place issues at the centre of policy planning and service delivery processes. The practical implications of mainstreaming therefore require that gender issues are integrated into the planning, development, implementation and evaluation of policies, practices and programmes in such a way that women and men benefit equally and inequality is not perpetuated.

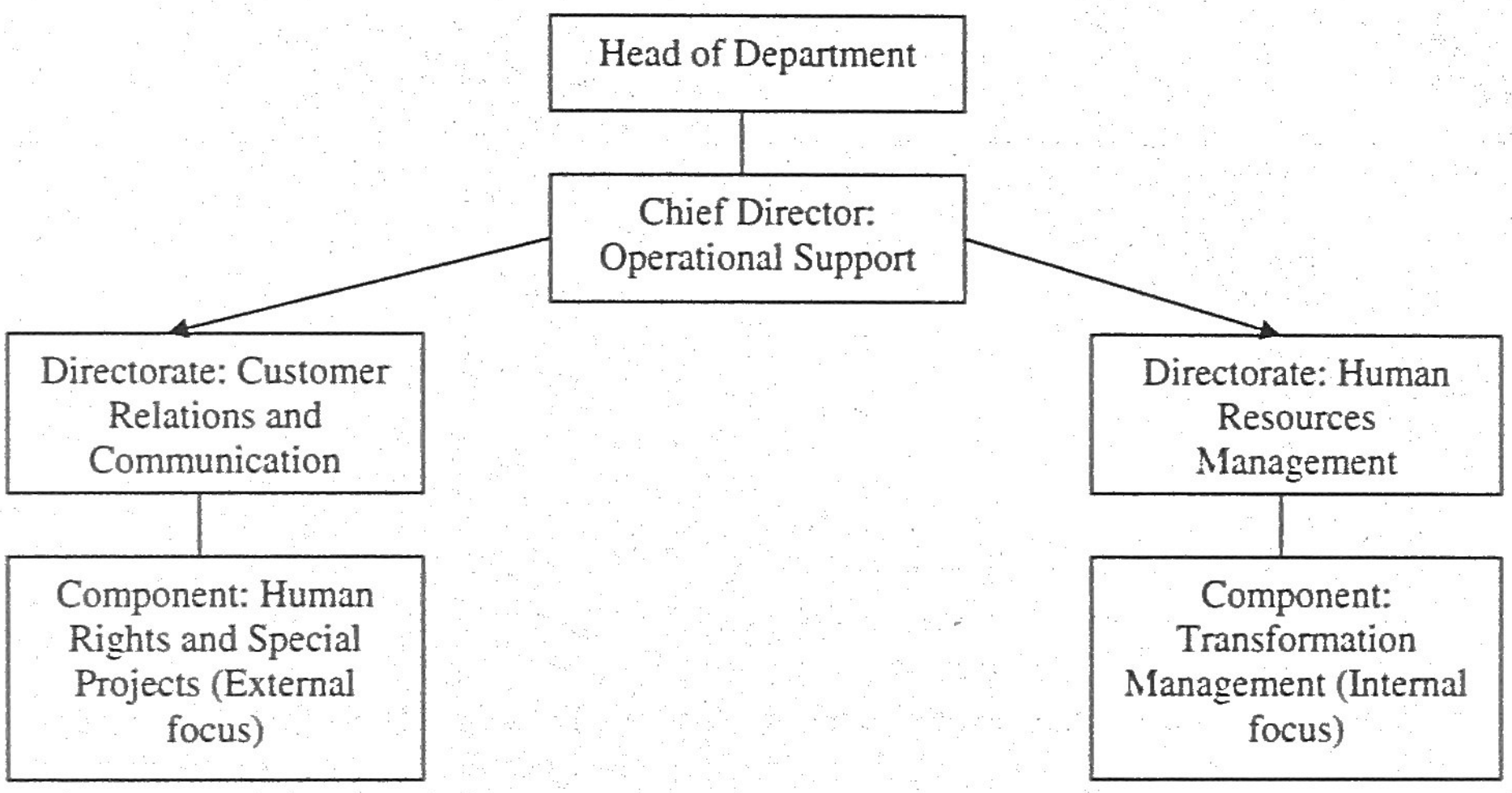
TABLE 27 Western Cape Province – Overview of gender

RANK OF GFP & SUPERVISOR	CORE FUNCTION OF GFP	GENDER BUDGET	GENDER POLICY / STRATEGY	REMARKS
GFP : Assistant Director (External Focus) b) Supervisor: Director GFP: Officer (Internal Focus) Supervisor: Assistant Director	External Focus (Service Delivery): Gender: 40% Youth: 40% Disability: 20% Internal Focus (Creating a conducive internal environment for gender mainstreaming): Gender: 15% Youth: 5% Disability: 5%	One amount is allocated for all the core areas as mentioned in the previous column – both internal and external. The Gender Programme is not separately budgeted for.	Draft Gender Equality and Women's Empowerment Implementation Strategy is available.	A major concern is that the internal and external focus of the Gender Programme have been separated and are now located at two different Directorates, namely the Directorate: Human Resource Management and the Directorate: Customer Relations and Communication.
	HIV & EAP Manage: 30% Employment Equity: 15% OHS: 30%			The % time spent on the internal and external focus also varies.

Structures and mechanisms

Focal Units have been established in both national and provincial departments. Certain provincial departments of the Western Cape, as well as the Department of the Premier have initiated the formation of Departmental Focal Units (DFUs) to form a link between the Western Cape OSW, the Office for the Status of Disabled People (OSDP), the Office for the Status of Youth (OSY) and various departments of the Province. The Department of Local Government and Housing incorporated the functions of the Gender Focal Unit (GFU) into the following structure:

Diagram 2: Western Cape Province – Department of Local Government and Housing gender structure



The Directorate: Customer Relations and Communications is responsible for mainstreaming all gender functions with an emphasis on departmental service delivery (external focus). The Directorate: Human Resource Management is responsible for mainstreaming all gender functions within the organisation (internal focus).

The following mechanism and structures are in place to mainstream gender:

a. The Human Rights Focal Persons (HRFPs) for the department.
b. The department is in the process of establishing a Human Rights and HIV Forum that will deal with the following with regard to gender issues:
   - Information sharing/communication
   - Training/capacity building
   - Audit/analysis/recommendations
   - Consultation

The broad aims of the Human Rights Focal Persons (HRFPs) are to:

a. See to it that gender issues are taken into account when dealing with routine strategic planning or any other form of planning that may take place within the department.
b. See to it that gender issues are reflected in business plans, service delivery plans and the MTEF budget.
c. Take responsibility for the revision of all departmental policy planning, projects and programmes of action, in line with national and provincial policy and guidelines regarding gender.
d. See to it that the department produces data that is broken down in terms of gender, race and disability (e.g. the employment equity plan).

e. Ensure the sensitising of staff regarding gender.
f. See to it that specific international, national and provincial gender conventions, policies, programmes and actions are carried out within the department.
g. Take responsibility for future gender audits.
h. Take responsibility for the development of a specific departmental action plan regarding gender that is in line with national and provincial policy and guidelines.

The Human Rights Committee (HRC) has both an external and internal approach. The Committee's key objectives are:

a. Mainstreaming of human rights (i.e. gender, youth and disability) into the core business of the department.
b. Institutional analysis/audits (all departmental policies/procedures) / recommendations.
c. Training/capacity building/raising awareness.
d. Networking/partnerships/coordination of resources.
e. Implementation of Departmental Human Rights Action Plan.
f. Monitoring/evaluation/reporting.
g. Development and implementation of effective gender monitoring and evaluation tools during 2005.

Review of progress made in 2004

a. Training

i. The HRFPs attended various training sessions organised by the OSW, OSDP and various related NGOs. The aim of these training sessions was to build the capacity of the officials and in so doing, equip them with the necessary skills and knowledge to fulfill the aims of gender, youth and disability mainstreaming. The HRFPs are currently participating in the training programme on Mainstreaming Gender, Youth and Disability, conducted by the Directorate: Human Rights Programmes in conjunction with a service provider – Dynamic Developments CC. The training programme aims to capacitate participants in mainstreaming gender, youth and disability into the core business of the Department and it is envisaged that through workplace based projects and line function projects/programmes, participants will be in a position to draft a mainstreaming implementation plan upon completion of the programme.
ii. The consultative forum identified the need for managers to be sensitized and capacitated in terms of human rights issues and as a result the Human Resource Development component is in the process of organising a workshop aimed at sensitising and capacitating managers on human rights issues.
iii. The Department nominated four male staff members who participated in the 'Men and masculinities' training offered by the Department of the Premier: Directorate Human Rights.
iv. The Department initiated training programmes in its line functions with a focus on women in local government.

b. Women in Local Government (2004/09)

The Directorate: Local Government Development organised and facilitated a workshop for women in Local Government with the theme: "Ensuring equality through empowerment". Selected female municipal officials and relevant stakeholders were invited. Participants brainstormed the issues which hampers female empowerment in local government and discussed resolutions/strategies to address them. The workshop enjoyed high-level commitment as it was opened by the MEC for Local Government and attended by the HOD. The primary purpose was to build on an existing base of knowledge and expertise and to stimulate the desire and will for future personal development amongst participants on the programme. The group represented 10 district and local municipalities in the Western Cape and was diverse in nature in terms of race, experience, functional specialisation and previous exposure to formal and informal training and development.

c. Participation in related committees

The HRFPs represented the department on the following committees:
i. Provincial Inter-Departmental Gender Committee (internal)
ii. Provincial Integrated Disability Forum (external/internal)
iii. Provincial Moral Regeneration Movement
Women in Construction Forum (external)
Provincial HIV/AIDS Committees
Network on Violence against Women

Departmental Gender Equality Strategy (DGES)

The department was one of the first departments in the Western Cape Province to have compiled a DGES. This strategy was consulted with management, clients and union representatives of the department. The strategy is already at implementation phase.

Distribution of gender awareness raising material/information sessions/presentations

The Component Labour Relations and Special Projects distributed pamphlets, posters and e-mail pertaining to gender issues. The purpose of this material was both to inform personnel and to raise awareness around issues of gender, youth and disability. Examples include:
Pamphlets, fliers, e-mail messages on human rights issues are distributed regularly.
Hosted discussion forums/information sessions/presentations on human rights issues.
On the departmental website relevant information is available on human rights issues.
Arranged HIV/AIDS education and voluntary counseling and testing (VCT) sessions.
A minimum of two human rights training interventions are offered to all staff per year.
Presented a calendar of events in response to the "16 Days of Activism against Gender Violence".
Participated and assisted with the national closing event on 16 Days of Activism against Gender Violence.

Human rights budget

The department has a budget of R180 000 for internal gender, youth or disability issues. There was no dedicated gender budget for the external focus. This will be addressed in the 2005/2006 financial year.

Evaluation/monitoring of departmental projects and statistics

The Consultative Forum (CF) regularly monitors and evaluates statistics regarding the gender and race distribution of the department. The department has been successful with the appointment of women in decision-making/management positions. A total of 32% women fill top management positions and the acting HOD is a woman. The department makes the necessary efforts to attract individuals from specific target groups by advertising in the appropriate media. The advertisements specify that it is the intention to achieve equity in the workplace with the filling of posts through the promotion of equal opportunities and fair employment in accordance with the EE Plan of the department. The fact that targeted candidates (gender and disability) do not necessarily apply for all advertised positions, is a barrier for which the CF must still design a strategy. Women do, however, receive equal opportunities for training and development and are well represented on various departmental committees. Departmental projects such as the Consolidated Municipal Infrastructure Programme (CMIP) are also monitored on a quarterly basis regarding the appointment and training of women and youth on these community development projects. In general, more women than men receive housing subsidies for low-cost housing. The reason is that more women than men qualify for subsidies in terms of the salary income criteria. More women than men earn an income of less than R3 500 per month. In addition, quarterly monitoring of representative statistics of the department by the Employment Equity (EE) forum and of departmental projects is done. The future use of Community Development Workers (CDWs) for monitoring/evaluation is also receiving attention..

Partnerships/networking

The following gender partnerships were formed/maintained during 2004:
Gender Advocacy Program.
Provincial Departments of Community Safety and Social Services.
Gender Equality Committee of the City of Cape Town.
Western Cape CGE, the Western Cape Network on Violence against Women, City of Cape Town, Provincial Department of Social Services and the Western Cape OSW. Through this partnership a Western Cape Gender Violence Strategy – a first for South Africa – will be developed.
OSW and Men as Partners.
Western Cape CGE, the Western Cape Network on Violence against Women, City of Cape Town, Provincial Department of Social Services and the Western Cape OSW on the establishment of Provincial Gender Machinery.

Conferences/workshops

Gender-related conferences and workshops attended/organised/facilitated by the focal persons during 2004 include:
A provincial strategic gender workshop was attended (12 and 13 March 2004). Strategic goals were prioritized for the year 2004/2005.
A Women in Local Government Conference was hosted by the department (17 September 2004), resulting in the compilation of a Gender Equality Policy Framework to be developed for local government. The purpose of the conference was to build on the existing knowledge base and expertise and to stimulate future development amongst participants. The workshop brainstormed barriers to female empowerment in local government and discussed strategies/resolutions.
No excuse for abuse presentation (19 November 2004).
A Women in Construction Conference was hosted by the department (7 December 2004), resulting in the establishment of a Western Cape Women in Construction Forum. The purpose of the conference was capacity building/networking/empowerment. The outcome of the conference was the establishment of the Western Cape Women in Construction Forum.
Three staff members, including the focal person, attended the ACCESS conference on disability.

Human rights road show (consultative workshops)

During September 2004 the Directorate: Human Rights Programmes (Department of the Premier) in collaboration with the department undertook follow-up consultative workshops with the five district municipalities in Caledon, Worcester, George, Oudtshoorn, Beaufort West, Vredenburg, and Moorreesburg. The aim of the above was to consult and engage local government, communities, civil society and the NGO sector on the following issues:
To facilitate the establishment of integrated structures or to strengthen existing structures on district level to advance the issues of gender equality, disability and youth development.
To raise awareness and determine priorities.
To assist with and determine funding needs.

The feedback of the consultative sessions had been processed and was compiled in report format.

Special events

The department was specifically involved with special women events such as:
9 August 2004: Women's Day – Awareness raising and various presentations to staff.
25 November – 10 December: 16 Days of Activism Against Gender Violence – Exhibitions at national event.

Special projects

A haven for Beaufort West street children.

Input regarding the objectives of the HRFU for 2005

Structures

Ensuring effective internal communication and external liaison by making use of the necessary departmental structures: The integration and coordination of mainstreaming human rights issues will be done in consultation with members of a Human Rights and HIV steering committee.

Capacity building/training

The department is in the process of ensuring that the necessary capacity building and sensitising of personnel by offering presentations at departmental personnel meetings and informing staff about human rights issues at presentations/information sessions/workshops. The department will also ensure the capacity building of local authorities and their officials on human rights issues.

Budget

An amount of R180 000 was budgeted for human rights activities (gender, youth and disability) and R200 000 for HIV/AIDS activities.

Departmental Human Rights Policy and Implementation Action Plan

The focal persons will develop an Integrated Departmental Human Rights (gender, disability and youth) Policy and Action Plan and this will be tabled for consultation during June 2005.

Evaluation/monitoring

The HRFU will continue with effective ongoing evaluation/monitoring of line function projects in order to promote equality. This will also include statistics on the employment and empowerment of women in decision-making positions. The implementation of effective gender monitoring and evaluation tools will commence from May 2005.

Special events

The department will this year be once again involved with special events such as Women's Day, World AIDS Day and the 16 Days of Activism on Gender Violence.

Special projects

The department will be involved with the following special projects:
A Haven for Beaufort West Street Children
Possible shelters in Worcester, Wredenburg and Bredasdorp in partnership with the Department of Social Services and Poverty Alleviation and ABSA bank.

Human Rights Mainstreaming Business Plan (2005 – 2006)

Vision: A society in which women and men are able to participate as equal partners in realising their full potential through mainstreaming human rights into the core business of the Department.
Mission: To create an enabling environment through development of policies, procedures and practices that promote and enhance equal enjoyment of rights and opportunities for women and men.

TABLE 28 Western Cape Province, Department of Local Government and Housing – Human Rights Mainstreaming Business Plan (2005 – 2006)

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATOR	RESPONSIBILITY	TIME FRAME	RE-SOURCES
Governance of mainstreaming Human Rights	Establishment of a Departmental Human Rights and HIV/AIDS committee Ensure integrated and co-ordinated approach to Human Rights activities within the Department Implementation of Departmental Human Rights policy/strategies and implementation plan	Directorate: Human Resources, Sub Component Transformation Management Component Human Rights & Special Projects	Operational by the end of September 2005	Organisational Human Rights structures/ role-players
Awareness & Education To ensure effective Internal Communication and External Liaison regarding all Human Rights issues (gender, youth, disability, HIV & AIDS, and Moral Regeneration	<u>Internal</u> Director: HRM to give advice and information at Executive Management Meetings; Attend Personnel Meetings within the various Directorates in order to give advice and information on request; Gather and distribute information e.g. electronically and on the website for special events e.g. National Youth Day, National Women's Day, Disability day, HIV/AIDS Day.	Directorate: Human Resources, Sub Component Transformation Management Component Human Rights & Special Projects Component Communication Directorate: Human Resources, Sub Component Transformation	Ongoing	Policies/Strategies/Programmes Human Rights & HIV & AIDS Committee Equipment (Lap Top, Digital Camera, projector, TV, Video, DVD machine, Scanner, colour printer, Photostat machine, Laminator)
	Newsletters, workshops and events for awareness-raising to the staff of the Department on issues of gender, youth, disability and HIV/AIDS <u>External</u> Ensure integrated and co-ordinated approach to Human Rights activities within the Department Director: Customer Relations &	Management Component Human Rights & Special Projects Component Communication	Ongoing process	Facilitators & Human Rights Specialists

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATOR	RESPONSIBILITY	TIME FRAME	RE-SOURCES
	Communications to give advice and information at Executive Management Meetings Establish links with other Departments' Human Rights Focal Units; Maintain links with the Directorate Human Rights Programme. Exhibitions and events for awareness-raising to the clients of the Department of Local Government & Housing on issues of gender, youth, disability and HIV/AIDS			
Capacity Building & Training To ensure the necessary capacity building of the unit and Local Authorities, and sensitising personnel by way of training and workshops.	<u>Internal</u> Determine training needs (KAP survey, etc.) and facilitate training for relevant role-players, Provide training for CDWs in conjunction with other line departments Advice and assistance to Line function managers / EE Forum on mainstreaming Human Rights policies/strategies <u>External</u> Determine training needs and assist with the provision of training to Local Authorities Provide training for councillors and officials at municipal level	Directorate: Human Resources, Sub Component Transformation Management Component Human Rights & Special Projects Component Communication Directorate Service Delivery & Community Empowerment Directorate: Planning & Research	Training to be provided as need arises.	Ditto
Research and Policy development	Conduct research in order to determine the impact and gaps of line function programmes and projects for its gender, youth, disability and HIV & AIDS implications.	Directorate Planning & Research Directorate: Human Resources, Sub Component Transformation Management	When need arises	Ditto

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATOR	RESPONSIBILITY	TIME FRAME	RE-SOURCES
Reporting / Auditing	Report to the: Gender Equality Commissioner (Western Cape)	Directorate: Human Resources, Sub Component Transformation Management (Internal)	Quarterly and /or when need arises.	Ditto
	Office for Disabled People (Western Cape) Office for Youth Affairs (Western Cape) Office for the Status of Woman (Western Cape) Human Rights Commission Public Service Commissioner Departmental Human Rights and HIV & AIDS Committee	Component Human Rights & Special Projects (External)		
Coordination and Partnership formation.	Participate in international, national and provincial dialogues with social partners on human rights issues Networking with NGOs, CBOs and Local Authorities on Human Rights Issues (Gender, youth & disability) Networking with National Departments and International organisations Maintain links with specialists on gender, youth and disability issues	Directorate: Human Resources, Sub Component Transformation Management (Internal) Component Human Rights & Special Projects (External)	As need arises	Ditto

Office on the Status of Women and Gender Equality (Western Cape Province)

The Western Cape had an OSW up to 1 April 2006. After that the office was restructured. The new Director: Social Dialogue and Human Rights in the Department of the Premier is Mr Sifiso Mbuyisa. In terms of structure the OSW is still situated in the Department of the Premier, but now under the Branch: Operations. The Office reports to the Deputy Director General (the Chief Executive Officer) who in return reports to the Premier. The Western Cape Premier had made the office a "priority-issue office". The Directorate: Social Dialogue and Human Rights is divided into four sub directorates with an overall budget of R8 million. At least R3.8 million had been put aside for the women's programme.

The rationale for the restructuring of the office was better integration. In the past the work was divided along OSW/OSDP lines, but henceforth the Directorate: Social Dialogue and Human Rights would be divided into four sub directorates focusing on all vulnerable groups. In practice, a team approach would be followed, with a team of people working on an issue, not just one person working on all issues.

Specific initiatives of the OSW to replicate gender desks or integrated desks for gender, youth and disability on district and local government levels

a. The Directorate: Human Rights Programmes (Department of the Premier) where the OSW was located, undertook a Road Show to five District Municipalities during November 2004. The aim of the Road Show was to engage district and local councils on establishing or replicating integrated offices or enhancing existing portfolios for gender, youth and disability at local level.
b. Four of the five district councils have indicated a possible structure to accommodate and integrate gender, youth and disability in their IDPs.
c. Based on business proposals received from Eden, Central Karoo and Overberg district councils, the Directorate: Human Rights Programmes transferred an amount of R70 000 in the 2004/2005 financial years to each district council. The district council must ensure that the funds are spent in line with the proposal submitted, namely the establishment of integrated offices for youth, gender and disability or to re-train existing individuals who are currently involved in the above portfolios. Based on progress, a further amount of R70 000 would be transferred to the district councils for the 2005/2006 and 2006/2007 periods.
d. The OSW is assisting the West Coast Municipality and Winelands Municipality to refine their business proposals whereafter funds would also be transferred to said municipalities for the purpose as set out above.
e. A follow-up road show was planned for September 2005 to the district councils to further assist them with the process.
f. Attempts had been made to liaise with SALGA (national) on the project as the need to synergise processes was acknowledged, however, all attempts were fruitless. The OSW would continue to pursue this matter.

Department of the Premier (Western Cape Province)

Siyabulela Deliverable Campaign with an emphasis on women

The Department of the Premier identified five transversal themes according to which specific activity programmes were developed with a specific emphasis on women and youth. These include:

a. Safety
b. Promotion of social cohesion
c. Job creation and growth (2nd economy intervention)
d. Comprehensive health care
e. Access to education

TABLE 29 Western Cape Province, Department of the Premier – Department-specific actions of the Siyabulela Deliverable Campaign with an emphasis on women

THEME	DEPARTMENT	PROGRESS	CHALLENGES	COMMUNICATION PLAN
Promotion of social cohesion	Community Safety	• 3 x Victim Support Rooms set up in the first quarter at Lwandle, Melkbos and Kwanonquaba (February 2006). • 100 volunteers were trained as women councillors, including monthly one-day workshops with volunteers and coordinators to highlight issues of victim counseling and support. • The Department in partnership with SAPS publicised the importance of Victim Support Rooms through mini-workshops.	• Limited budget and poor commitment from some role-players in the establishment of the rooms. • Recruitment of volunteers must be stricter and based on full commitment.	Pamphlets, posters, banners, radio talks and quarterly reports.
Women Leadership Programme: Part of the general councillor training programme; strengthen the 50% entry of women into local government with special leadership development training programmes and recruitment of women in senior management councils.	Local Government and Housing	• GETNET to develop and roll out a development programme for all 252 women councillors in the Province. • Implementation, per district, planned for July – October 2006.	• The identification of suitable municipal venues by district municipalities. • Monitoring and evaluation.	No communication plan was identified.

THEME	DEPARTMENT	PROGRESS	CHALLENGES	COMMUNICATION PLAN
Promotion of social cohesion Coordinated the celebrations and commemorations of the 50th anniversary of the Women's March	Cultural Affairs, Sport and Recreation	• March successfully completed and the National Communication Plan implemented. • Four arts and culture projects targeting women will be rolled out in August 2006. • Netball tournament (in Khayelitsha), club tournament and self defense for women rolled out from August 2006. • Games to take place on Provincial Sports Day on 11 & 12 June 2006.	• Coordination and co-operation of all stakeholders in arts and culture projects.	• Communication via media for arts and culture projects. • Communication plan for Sports Day and tournaments via regional offices, sports councils and federations.
Ensure that proportion of women procuring from government will increase significantly across departments.	Provincial Treasury	• The Department would facilitate and promote the BEE policy and strategy developed by the Department of Economic Development and Tourism, and a project plan was developed. • The project plan identified the following initiatives to adopts and implement BEE: (a) a Procurement Programme relating to provincial procurement, (b) a Supplier Development Programme and (c) a match maker programme.	• Issues of fronting, corruption and interference. • Consideration must be given to the limited resources of the Department as well as some problems with the implementation of the BEE policy. • Mobilising third party capital, skills and other resources are critical components of the programme.	• Communicate requisite information to provincial departments via circular, in the form of policy documents, workshops, the development of forums as well as placing information on the Provincial Treasury Intranet Website. • As a long term goal to combine all provincial departments' databases to have one comprehensive and integrated database for the Province.

Job creation and economic growth (2nd economy interventions) Recruit 500 women from Langa, Nyanga, Athlone, Gugulethu and Mitchell's Plain into the Afro-chic garment industry.	Social Services and Poverty Alleviation	• A programme manager was been appointed. • Initial trainees: 200 women. • In co-operation with Department of Economic Development and Tourism.	• Costing, refurbishment and positioning of venue (in partnership with the City of Cape Town). • Workers' Unions to provide database of retrenched members. • Acquiring financial assistance from the Unions' trust fund to assist in development of their members.	Launch of the programme on Women's Day 2006.
Hosting the Women in Agriculture Dialogue.	Agriculture	• Host the dialogue with a focus on the promotion of agriculture as a career option possibly in August 2006. • 200 women to be invited to discuss problems, opportunities, possibilities and actions. •	• A significant contribution to the development of the Human Capital Development Strategy as an outcome of the event.	Radio interviews, attendees to include media representatives, after-event press release and publication of article in AgriPROBE etc.
To set aside R4 million for women's enterprises.	Economic Development and Tourism	• Assist 120 suitable women-owned businesses. • Average spending per enterprise = R30 000. • Emerging finance via banks, organised women business.	• Difficulty in determining criteria for selecting sustainable women enterprises. • Short time-frames.	Advertising though local newspapers and information provided via Red Door Offices.

Job creation and economic growth (2nd economy interventions) By August 2006, ensure coordination of Apex, Mafiso, Umsobomvu and Khula in the Province to support youth and women entrepreneurs better.	Economic Development and Tourism	▪ Ongoing relationships with Umsobovu and Khula. ▪ Working closely with Apex to plan roll-out in the Province. ▪ Establishing contact with Mafiso.	▪ Lack of information and delivery in the Province. ▪ Delivery of some programmes still in conceptual stages nationally and not ready for roll-out in the provinces. ▪ Meetings scheduled with relevant role-players to fast-track implementation. ▪ Budget from operation expenses.	Plan to be finalised after consultation with relevant role-players by mid-June 2006.
Reserve 60% of road maintenance EPWP jobs for women.	Transport and Public Works	▪ Road maintenance EPWP projects all identified/in implementation by August 2006. ▪ Projects to be highlighted as part of the Women in Construction Summit in August 2006.		
Comprehensive health care Cervical cancer screening: 24 508 women aged 30 – 59 to undergo PAP smears by August 2006. Upgrade Mowbray Maternity Hospital to the value of R20 million.	Health	▪ From January – June 2006, 12 254 screening tests were done. ▪ By September 2006, another 12 254 tests to be completed.		
	Transport and Public Works	▪ The Department to hand over the completed project to the Department of Health by September 2006.		
Access to education Training of 900 ECD practitioners, mostly women, to drive campaign to get children learning from an early age.	Education	▪ Substantial discussions with Department of Social Services and Poverty Alleviation as partner who will provide the people to be trained. ▪ The Department presented the approach to the respective cluster partners.		

3.2.2. Identification of areas of concern, weaknesses and challenges

3.2.2.1. Province of the Eastern Cape

Department of Housing, Local Government and Traditional Affairs

a. Lack of women in strategic positions at the local level to influence processes and programmes.
b. Influence of women councillors is minimal as they lack support-focused empowerment in terms of gender to tackle issues.
c. Absence of Special Programmes Units to facilitate mainstreaming and monitor accordingly resulting in no gender lens applied to programmes.
d. Lack of management support at the local level to cause programmes and projects to be inclusive in their approach.
e. Special Programmes Units in all municipalities (summit planned for 8 and 9 September 2005).
f. Slow pace of transformation.
g. Weak monitoring at the provincial level due to capacity challenges.
h. Bridging of gaps in relation to gender disparities in Traditional Leadership as an institution.

3.2.2.2 Gauteng Province

Department of Social Development

a.) Challenges in respect of women's rights:
- Ongoing challenge to –
  i. Sensitise SAPS on domestic violence
  ii. Strengthen Community Police Relations

b.) Need to consider how to introduce programmes to support and empower women with disability.

c.) Challenges in respect of economic empowerment of women –
- In the next period, the GPG will:
  i. Launch our growth and development strategy
  ii. Implement steps to build Gauteng as a globally competitive city region
  iii. Finalise a comprehensive broad-based black economic empowerment strategy
- We need to make sure that measures to support and empower WOMEN are central to the implementation of these strategies.

d.) Challenges in respect of social development of women –
- While government provides a lot of services, our challenge is to make sure that they are ACCESSIBLE and AVAILABLE to ALL women, especially those who are most disadvantaged and vulnerable

- We need to make sure that all government officials are 'gender sensitive' and that our programmes are 'women friendly'...talking to the circumstances that women find themselves in.

3.2.2.3. Province of KwaZulu-Natal

Department of Local Government and Traditional Affairs

a. There is no gender unit in place and gender is still regarded as a special project under the Directorate: Human Resource Management.
b. The GFPs were appointed, though their level is far below the director level as recommended by the National Framework and they are located in the Directorate: Human Resource Management and not in the office of the CFO/Director General.
c. The inclusion of all strategic areas of intervention and the engagement of all Chief Directorates in devising strategies and encouraging full participation in addressing those areas of concern, as well as the engagement of local government and its structures.

Office on the Status of Women

a. Establishment of permanent GFPs and resourcing them.
b. Establishing an integrated approach to gender issues and political buy-in. There is a need for an integrated approach to deal with gender issues.

3.2.2.4. Limpopo Province

Department of Local Government and Housing

a. Post levels do not have decision making power.
b. The name "gender" has been changed to Programme of Diversity.
c. No budget for gender issues.
d. Municipal managers' understanding of the gender programme.
e. Lack of resources.
f. The report of gender issues does not reach the highest office.

3.2.2.5. Mpumalanga Province

Office on the Status of Women

a. The rank and location of GFPs still remain a challenge that hinders the effectiveness of their operations.
b. Departments are still failing to provide disaggregated data on progress made on gender equality and women's empowerment.

c. Departments still do not mainstream their budgets or provide adequate budgets for GFPs.
d. Capacity both in terms of human and physical resources and the fact that GFPs need to be developed so that they operate in a uniform way.

3.2.2.6. Northern Cape Province

Department of Local Government and Housing

a. Lack of capacity (manpower and skills).
b. Noncompliance to EE Plan.
c. Difficulty in accessing information.
d. Vastness of Province.

Office on the Status of Women

a. Due to the fact that gender programmes were put in place since 1994 the Office had to initiate all programmes and structures to advance gender equality. The focus of the Office was to ensure that the mechanisms to advance gender programmes within departments was established. This proved to be an extremely challenging process as it involved dealing with attitudinal change, organisational power and structural changes to the organogram. These changes impacted on departmental budgets forcing political decision by Cabinet to pass a resolution to compel departments to appoint GFPs. However, only the Department of Education appointed the GFP at a Deputy Director level. The GFPs of the other 9 Departments are at Assistant Director level.
b. The OSW head is still at Deputy Director level, excluded from decision making structures.
c. No regional structures.
d. Lack of skills.
e. GFPs are not responsible for gender issues only, but all special programmes – Disability, Youth, Aged and Children.
f. Lack of liaison with gender desks within local government.
g. The critical challenges in gender mainstreaming includes the need for more advocacy and concerned work at provincial and local level participating in the area of raising awareness on citizen rights, including existing information, available resources, grants and who qualifies for those.

3.2.2.7. Western Cape Province

Department of Local Government and Housing

a. Sustained equitable service delivery by the Department.
b. Assisting and guiding municipalities to ensure gender mainstreaming.
c. Finalisation and implementation of gender monitoring and evaluation tools.
d. Improving service delivery to ensure that women benefit from services rendered by the department.
e. Sustain the partnerships to ensure that service provision and service delivery take human rights issues into account (e.g. local authorities, NGOs).
f. A comprehensive human rights budget for the department for the financial year 2006/2007.

Office on the Status of Women and Gender Equality

a. The gender programme in the Western Cape Department of Local Government and Housing has been separated into two, namely an external environment, which speaks to service delivery to our clients and an internal environment, which speaks to creating a conducive environment within the Department for gender mainstreaming. If one separated the gender programme into two, if the two individuals dealing with the gender programme were not speaking to one another. If they worked in silence, one would definitely have a problem, because the one would not know what the other one was doing. According to the organogram, the two individuals are also housed in two different directorates, namely Human Resources and Communications, which makes it even more problematic, because they report to different senior managers.
b. The percentage of time that the GFPs spend on the gender programme is problematic. The one individual spends 15% and the other one spends 40%. This is a major concern, because the rest of the time is allocated to youth, disability, HIV/AIDS and some of the other programmes. So once again gender almost becomes an add-on, because the individual only spends a percentage of his/her time on the gender programme.
c. The Department's budget allocation for gender is problematic. There is one budget for gender, youth, disability, HIV/AIDS, EAP etc.
d. The National Gender Policy Framework is silent on local government and how to engage with them. Having said that, it does not mean that the office cannot engage with Local Government on their level.
e. The SALGA Gender Policy is not speaking to the policy of the Western Cape Department of Local Government and Housing. The two policies are not addressing one another.

3.2.2.8. Specific concerns noted by the JMCIQLSW during the hearings held on 12 August 2005

Concerns specific to GFPs:

a. Since the Gender Policy Framework was put in place something happened that was not intended: GFPs are becoming catch-alls. Officers are made responsible for work on HIV, disability, children and the elderly. This is not in keeping with the National Gender Policy. GFPs are also expected to do different things in different departments. There is no uniformity in terms of job description. This undermines the progress that the OSW makes.
b. There is a need to create a process or mechanism through which the National OSW, nine provincial OSWs, the JMCIQLSW, the DPLG and the SALGA can communicate.
c. Provincial OSWs must be given clarity on what is expected of them.

Concerns specific to local government:

a. Reporting by local government is haphazard.
b. Gender-disaggregated data (about the people benefiting from programmes) must be included in reporting by municipalities.
c. Local government structures that do not submit gender equity reports must be held accountable and inquiries must be done about what is holding up the process of reporting.
d. Certain partnerships in local government have undermined women's empowerment when women are seen as suitable to organize and mobilize communities, but not to be leaders.
e. The committee requests disaggregated data from national government departments, because local government follows what national Government does.
f. Bylaws must be audited to identify those bylaws not in line with national government laws.
g. Local government election registration records must be kept accurately for gender auditing purposes.
h. There should be a mentoring programme for counsellors in local government to ensure that there will be continuity in work, even if counsellors do not return after elections.
i. Departments and local government must allocate adequate funds for the programmes that GFPs are expected to manage. These must not be funded from mayors' discretional funds.
j. SALGA must distribute the Benoni Declaration to all municipalities.
k. Premiers must send a strong message to municipalities that the National Gender Policy must be adhered to.

3.2.3. Recommendations for improvements

3.2.3.1. Province of the Eastern Cape

Department of Housing, Local Government and Traditional Affairs

a. Implementation of Employment Equity Plans to target preferred candidates in strategic positions.
b. Support programmes for women (both councillors and top managers) to empower them to make a difference.
c. Accelerating and strengthening the initiative to establish SPU's in all municipalities (a summit was planned for the 8th and 9th September 2005 to address this issue).
d. Serious efforts to reach the 50% target for women representatives in municipal elections would make a considerable difference.
e. IDP reviews to be used to correct imbalances and bridge gaps in representativeness.
f. Support from institutions involved in economic development i.e. Integrated Development Trust , Eastern Cape Development Corporation, Department of Trade and Industry etc should be mobilised to assist women projects in their institutional entities.
g. Integrated planning for Special Programme Units at the local level.
h. Consolidation of Human Resource Plans at the provincial and local levels to be a joint effort between the two spheres.
i. Provincial monitoring mechanisms to be strengthened and consolidated.
j. Increased political support.
k. Structural changes currently underway in the department will assist the department to be more focused.
l. Close monitoring of the implementation of the new Traditional Leadership Framework Act.

3.2.3.2. Free State Province

Office on the Status of Women

a. OSW take a visible role in the EPWP to ascertain employment of women.
b. OSW, through the municipal GFPs, actively participate in the recruitment processes.
c. GFPs located in the district and local mayors' offices.
d. Hold quarterly gender mainstreaming training for municipal GFPs.
e. Inputs and representation in the Executive Council clusters.
f. Lobby for adequate budget.

3.2.3.3. Northern Cape Province

Department of Local Government and Housing

a. Appointment of skilled staff.
b. Adhere to EE targets.
c. Establish dedicated gender desks at municipalities.
d. Monitoring and evaluation.

3.2.3.4. North West Province

Department of Developmental Local Government and Housing

a. The gender and women's empowerment problems are structural and need a strategic approach for purposes of medium to long-term effectiveness and sustainability.
b. A mandatory quota system is necessary to achieve the equal distribution of women and men in the Department.
c. Women's participation can be further enhanced by dedicated people championing the process and making sure that regular feedback mechanisms are in place.

Office on the Status of Women

a. The issue of the departmental non-compliance to gender mainstreaming is very serious. There is a need to comply with the requirements of Acts in order to address gender equality in a befitting manner. It is proposed that the contracts of Heads of Departments include gender, so that they can be held accountable on behalf of departments.
b. The policies on gender mainstreaming are very clear on the location of GFPs within departments as well as the nature of the work. This should receive serious attention.

3.2.3.5. Western Cape Province

Department of Local Government and Housing

a. Development of minimum standards for reporting on representative statistics for all projects/services.
b. Implement gender machinery for municipalities to ensure gender mainstreaming at local level.
c. Implementation of gender monitoring and evaluation tools.
d. Strategic placement of gender structures within Department to ensure effective mainstreaming.

Office on the Status of Women and Gender Equality

a. An opportunity be created between all Provincial OSWs, the National OSW, the JMCIQLSW and SALGA to engage on SALGA's Gender Policy for Local Government. Whilst the National Gender Policy Framework is silent on how to engage local government we need to address the gap and we need to create a process or a mechanism where Provincial OSWs, the National OSW, the JMCIQLSW and the SALGA actually start to engage in the process.
b. In the absence of direction via the National Policy Framework for Women's Empowerment and Gender Equality on the role of local government in the gender machinery, and to assist Provincial OSWs to engage in a structured way with local government, it is recommended that a working session be held with local government. Said working session to be spearheaded by SALGA. The aim of the working session should be to clarify the role and responsibility of SALGA and OSWs (national and provincial) to set up gender structures on local government level, as well as the monitoring role of the JMCIQLSW over SALGA, if any.
c. The need to re-visit the National Policy Framework for Women's Empowerment and Gender Equality is further explored. It is crucial that the above working session takes place if synergy between processes and policies are to be achieved.
d. The creation of a space where the various stakeholders engage in addressing how to take the process forward. When it is said that it is necessary to replicate gender desks at district and local level, what is expected of Provincial OSWs, what is expected of the DPLG and what is expected of SALGA?

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MONDAY, 20 NOVEMBER 2006

COMMITTEE REPORTS

National Assembly and National Council of Provinces

1. Report of the Joint Budget Committee on Second Quarter National Expenditure 2006/07 Financial Year

This report provides a brief analysis of National Departments' expenditure for the first half of the 2006/07 financial year. The report is divided into four main sections. The first section provides an analysis of National Departments' total expenditure[1]. The second section focuses on current expenditure by National Departments. The third section of the report provides an analysis of transfer expenditure. The final section provides an analysis of capital expenditure. Each section includes the five highest and lowest spenders.

1. Total Expenditure

By the end of the second quarter of the 2006/07 financial year, Departments spent an average of 46.24% of their total budgets. During the first quarter Departments spent 21.44% of its total budget and during the second quarter they spent 24.80%. This translates into a R8.8 billion increase in expenditure during the second quarter in comparison to the first quarter. Departments' spent on average 10.06% of their budget during July, 7.31% during August and 7.43% during September. To date Departments spent R120.2 billion.

The cash flow projections provided by the National Treasury indicate that departments had planned to spend R127.4 billion by the end of the second quarter of the financial year but were R7.2 billion below that target, which is indicative of a slow expenditure pattern resulting in significant under expenditure by certain departments.

Table 1 Highest expenditure Departments at the end of the second quarter.

Table 1: Highest Total Expenditure to date

R'000	Total Budget	Total Expenditure to date	% Total Expenditure to date	Cash Flow Projections to date	Variance	Expenditure as % of Projected Expenditure
Public Enterprises	683457	623995	91.30%	518723	105272	120.29%
Education	14129233	10313965	73.00%	10667779	-353814	96.68%
Public Service and Administration	325610	201633	61.92%	144082	57551	139.94%
Environmental Affairs and Tourism	2018053	1242988	61.59%	1085652	157336	114.49%
Government Communications and Information Services	288037	162729	56.50%	151761	10968	107.23%

The Department of Public Enterprises was by far the highest spending Department. It spent 91.30% of its total budget by the end of the second quarter. The Department spent 42.02% of its current budget, 99.82% of its transfer budget and 243.35% of its capital budget during the first half of the

[1] Total Expenditure includes current expenditure, transfer expenditure and capital expenditure.

financial year. It's important to note that the department had spent 91.3% of its total budget of R683 million as at the second quarter. The main increase in the Departments' budget is in the Corporate Strategy and Structure programme, is linked to the once off payment to the Pebble Bed Modular Reactor. The R580 million spent by the Department thus far was transfer payments to public corporations and private enterprises.

The Department of Education at 73% spent the second highest portion of its budget. Even though the Department spent almost two thirds of its budget during the first half of the financial year it does not appear that they will overspend their budget based on the cash flow projections provided to National Treasury. Expenditure in the first six months of 2006/07 increased by 10.6% compared to the same period of the previous financial year. According to National Treasury the main reasons are because transfers to provinces grew by 63,3% due to inflation related increases to conditional grants, and due to the introduction of a new conditional grant, as well as FET college recapitalisation.

Transfers to foreign governments decreased by 99,2% because the major transfers to the UN Educational Scientific and Cultural Organisation and to the Commonwealth of Learning (accounting for 98 per cent of transfers to foreign governments), will only be made in January 2007. Payments for capital assets decreased by 58,1% compared to the first half of the previous financial year. This is due to delays on the new building and the resulting moratorium on purchasing machinery and equipment, the roll-over for machinery and equipment, and the packing and distribution machine which was delivered in 2005/06. Of the R10.3 billion spent by the Department of Education R8.5 billion was transfer expenditure going to universities and technikons.

The Department of Public Service and Administrations expenditure during the first half of the financial year was R202 million ie 61,92% of the main appropriation of R326 million. The Management of Compensation programme of the Department increased by R70 million. Expenditure in the Administration Programme, in the first six months of 2006/07, increased by 59,9% compared to the same period in the previous financial year. The main increases relate to additional capacity and relocating the Department to new premises.

The Department of Environmental Affairs and Tourisms expenditure during the first half of the financial year was R1.243 billion which is 61.59% of the main appropriation. Of the R1.243 billion spent by the Department R763 million was transfer payments to departmental agencies and households.

Government Communications and Information Services expenditure during the first half of the financial year was R163 million which is 56.50% of the main appropriation compared to 54.6% during the first six months of the 2005/06 financial year. The full transfer to the Media Development and Diversity Agency was made in April 2006, while the International Marketing Council's allocation is done quarterly.

Of the top five spending Departments, four spent more than the cash flow projections 2006/07 provided by National Treasury.

Table 2 illustrates Departments with the lowest expenditure at the end of the second quarter.

Table 2: Lowest Total Expenditure to date

R'000	Total Budget	Total Expenditure to date	% Total Expenditure to date	Cash Flow Projections to date	Variance	Expenditure as % of Projected Expenditure
Land Affairs	4852196	1191927	24.56%	2418354	-1226427	49.29%
Transport	12870458	4229519	32.86%	6528310	-2298791	64.79%
Communications	1280194	434126	33.91%	614988	-180862	70.59%
Provincial and Local Government	24903440	8496062	34.12%	9462594	-966532	89.79%
Water Affairs and Forestry	4476545	1706900	38.13%	2142721	-435821	79.66%

The Department of Land Affairs at the end of the second quarter, spent only 24.56% of its budget, making it the lowest in the expenditure pattern. The department spent only half of what they had planned to spend by the end of the second quarter. At the end of the second quarter of the 2005/06 financial year the Department actually spent more of its total budget, i.e. 27.71%. The current pattern of expenditure if not addressed may lead to the same problem of under expenditure reflected in the previous financial year when the department spent only 73.15% of its total budget. The slow spending in both years has been attributed mainly to the Restitution and Land Reform programmes.

Given that this is one of the core priorities of Government and linked to a timeframe the Committee believes that this gives rise to significant concern. The Department spent less than 40% on six of its seven programmes. The Department should develop urgent measures to arrest these problems.

The Committee will be engaging the Department on its third quarter expenditure report to evaluate the degree of impact this under expenditure will have on the achievements of stated targets.

The Department of Transport spent R4.2 billion or 32.86% during the first half of the financial year of its budget. The allocation for Gautrain is scheduled for expenditure in October 2006. According to the ENE the tender for the scrapping allowances related to the taxi recapitalisation project was scheduled to be finalised in the last month of the previous financial year. However, this has been delayed. Further under expenditure is due to the large number of vacant posts which remain unfilled. Therefore it is imperative that the department addresses this issue of vacant posts expeditiously so as to avoid its negative impact on the achievement of its stated targets.

The Department of Communication spent R434 million or 33.91% during the first half of the financial year. Expenditure is lagging behind the allocated budget due to the low level of expenditure related to transfers. Only R300 million of the R1 billion transfer budget has been spent. According to the National Treasury this is due to fewer transfers to entities, following improved monitoring and control.

The Department of Provincial and Local Government spent R8.496 billion or 34.12% of its budget of R24.9 billion during the first half of the financial year.

This slow down of expenditure is due to transfer schedule of the equitable share which is now paid every four months instead of every three months, and because of delayed expenditure following the completion of a contractual commitment for municipal profiling. Of the R8.436 billion spent thus far by the Department R8.341 billion was transfer expenditure going to provinces and municipalities.

The Department of Water Affairs and Forestry spent R1.707 billion or 32.13% of its budget during the first half of the financial year. There has been a shift of functions of the Water Services Programme, and appropriate water services institutions to Local Government. The Committee intends in the next quarter to clarify with the department whether the funds have followed the programme shift. Progress on the De Hoop Dam will also be pursued in relation to expenditure.

All five departments referred to above spent less than they had planned to spend by the end of the second quarter. The second quarter expenditure report alerts departments to the need to develop and to take measures to avoid significant under expenditure.

Table 3 represents Departments total expenditure at the end of the second quarter.

Table 3: Departmental Expenditure to date

R'000	Total Budget	Total Expenditure to date	% Total Expenditure to date	Cash Flow Projections to date	Variance	Expenditure as % of Projected Expenditure
Voted Amounts	250025664	120220859	46.24%	127368242	-7137343	94.40%
Central Government Administration	3436423	1291043	37.93%	1454737	-163714	88.75%
The Presidency	256823	99434	38.37%	131621	-32187	75.53%
Parliament	732133	300995	38.48%	313460	-12465	94.22%
Foreign Affairs	3042143	1220613	40.44%	1508906	-278587	81.54%
Home Affairs	2900405	1058500	36.12%	1308343	-249813	80.89%
Provincial and Local Government	2490344	849662	34.12%	916259	-66633	89.73%
Public Works	3080131	1688037	54.80%	1770643	-82606	95.33%
Financial and Administrative Services	1807477	812409	44.95%	902275	-89866	90.04%
Government Communications and Information Services	298037	162729	56.50%	151761	10968	107.23%
National Treasury	1554734	665349	42.79%	784041	-98691	87.08%
Public Enterprises	683457	322955	31.30%	513723	105272	120.29%
Public Service and Administration	325610	201633	61.92%	144062	57571	139.94%
Public Service Commission	96329	44424	46.12%	47905	-3481	92.73%
S A Management Development Institute	52913	25041	47.59%	25684	-643	97.75%
Statistics South Africa	1074433	409774	38.14%	491105	-81331	83.45%
Social Services	30583067	13205582	56.52%	13544379	2556204	105.47%
Arts and Culture	1313475	648041	49.15%	681300	-33259	95.12%
Education	14129293	10313965	73.00%	10667779	-353814	96.68%
Health	11259966	5491368	48.78%	5653768	-161302	97.14%
Labour	1512749	637457	42.14%	781214	-143757	81.60%
Social Development	62005460	33961939	54.77%	30564513	3397427	111.12%

R'000	Total Budget	Total Expenditure to date	% Total Expenditure to date	Cash Flow Projections to date	Variance	Expenditure as % of Projected Expenditure
Sport and Recreation South Africa	352153	147274	41.82%	195799	-48525	75.22%
Justice and Protection Services	**73354334**	**31059169**	**42.34%**	**33024490**	**-1965321**	**94.05%**
Correctional Services	10630712	4116451	38.72%	4883854	-767403	84.29%
Defence	23830105	9504239	39.88%	9797599	-293360	97.01%
Independent Complaints Directorate	65905	30111	45.69%	33011	-2900	91.22%
Justice and Constitutional Development	6269880	2581599	41.17%	3001049	-419450	86.02%
Safety and Security	32557731	14826769	45.54%	15308977	-482208	96.85%
Economic Services and Infrastructure Development	**43144254**	**16936525**	**39.25%**	**22229097**	**-5292472**	**76.19%**
Agriculture	1957648	948210	48.44%	1043072	-94862	90.91%
Communications	1280194	434126	33.91%	614988	-180862	70.59%
Environmental Affairs and Tourism	2018053	1242988	61.59%	1085652	157336	114.49%
Housing	6860883	3494759	50.94%	3430841	63918	101.86%
Land Affairs	4852196	1191927	24.56%	2418354	-1226427	49.29%
Minerals and Energy	2548272	1066116	41.84%	1323416	-257300	80.55%
Science and Technology	2614093	1181462	45.20%	1460018	-278556	80.92%
Trade and Industry	3665912	1440618	39.30%	2181725	-741107	66.03%
Transport	12870458	4229519	32.86%	6528310	-2298791	64.79%
Water Affairs and Forestry	4476545	1706900	38.13%	2142721	-435821	79.66%

Table 3 illustrates that 28 Departments spent less than they had projected and 6[2] spent more than what they had planned to spend by the end of the second quarter of the 2006/07 financial year. Three Departments spent less than 70% of their total budgets based on the cash flow projections provided by National Treasury as at the end of the second quarter. These are the Departments of Land Affairs, Transport and Trade and Industry. Trade Industry spent R1.4 billion but planned to spend R2.2 billion, which is 40% of its budget. Clearly this slow expenditure gives cause for concern.

The Joint Budget Committee will be engaging with these departments again at the end of the third quarter to ascertain what measures have been adopted to arrest this pattern.

2. Current Expenditure

Table 4 represents departments' overall Current Expenditure for the second quarter of the 2006/07 financial year. Departments spent on average 43.61% of their Current budgets by the end of the second quarter. They spent on average 7.78% of their Current budgets during July, 7.61% during August and 8.53% during September. At the end of the second quarter of the 2005/06 financial year departments spent on average 43.81% of their current budgets. This shows that there's been a slight decrease in the average percentage expenditure by departments.

[2] The 6 departments that spent more that what they planned to spend are Government Communications and Information Services; Public Enterprises; Public Service and Administration, Social Development, Environmental Affairs and Tourism; and Housing

In the Committee's opinion averages by their nature can be misleading and obscure issues of significant under and over expenditure.

Table 4: Current Expenditure to date

R'000	Total Current Budget	First Quarter Current Exp	% Current Exp for 1st Quarter	Second Quarter Current Exp	% Current Exp for 2nd Quarter	Current Exp to date	% Current Exp to date
Voted Amounts	**81424542**	**16036692**	**19.70%**	**19473113**	**23.91%**	**35509805**	**43.61%**
Central Government Admin	**6401952**	**1271229**	**19.86%**	**1689221**	**26.38%**	**2960450**	**46.24%**
The Presidency	223239	38247	17.13%	47008	21.06%	85255	38.19%
Parliament	601352	107989	17.96%	189368	31.49%	297357	49.45%
Foreign Affairs	2158818	426813	19.77%	565208	26.18%	992021	45.95%
Home Affairs	1844348	366758	19.89%	471596	25.57%	838354	45.46%
Provincial and Local Government	322600	60475	18.75%	70042	21.71%	130517	40.46%
Public Works	1251595	270947	21.65%	345999	27.64%	616946	49.29%
Financial and Admin Services	**4205417**	**731172**	**17.39%**	**862220**	**20.50%**	**1593392**	**37.89%**
Government Communications and Information Services	192937	41084	21.29%	46546	24.13%	87630	45.42%
National Treasury	2427774	413499	17.03%	467523	19.26%	881022	36.29%
Public Enterprises	101905	19873	19.50%	22951	22.52%	42824	42.02%
Public Service and Administration	323027	62213	19.26%	61326	18.98%	123539	38.24%
Public Service Commission	94654	20235	21.38%	23830	25.17%	44065	46.55%
S A Management Development Institute	33466	6913	20.66%	8283	24.75%	15196	45.41%
Statistics South Africa	1031654	167355	16.22%	231761	22.47%	399116	38.69%
Social Services	**3189475**	**555031**	**17.40%**	**701628**	**22.00%**	**1256659**	**39.40%**
Arts and Culture	232999	105578	45.31%	72331	31.05%	177909	76.36%
Education	575864	70024	12.16%	113651	19.74%	183675	31.90%
Health	808864	107793	13.33%	155739	19.25%	263532	32.58%
Labour	1117202	202077	18.09%	259613	23.24%	461690	41.33%
Social Development	277304	52856	19.06%	78139	28.18%	130995	47.24%
Sport and Recreation South Africa	177242	16703	9.42%	22155	12.50%	38858	21.92%
Justice and Protection Services	**59801679**	**12143545**	**20.31%**	**14421959**	**24.11%**	**26565504**	**44.42%**
Correctional Services	9234476	1776857	19.24%	2044134	22.14%	3820991	41.38%
Defence	14896326	2845356	19.10%	3705361	24.88%	6550717	43.98%
Independent Complaints Directorate	64034	13838	21.61%	15436	24.11%	29274	45.72%
Justice and Constitutional Dev	5007839	833783	16.65%	1099312	21.95%	1933095	38.60%
Safety and Security	30599004	6673711	21.81%	7557716	24.70%	14231427	46.51%
Economic Services & Infrastructure Dev	**7826019**	**1335715**	**17.07%**	**1798085**	**22.97%**	**3133800**	**40.04%**
Agriculture	882202	127615	14.47%	175630	19.90%	303245	34.37%

R'000	Total Current Budget	First Quarter Current Exp	% Current Exp for 1st Quarter	Second Quarter Current Exp	% Current Exp for 2nd Quarter	Current Exp to date	% Current Exp to date
Communications	304320	62031	20.38%	69831	22.95%	131862	43.33%
Environmental Affairs and Tourism	615129	117131	19.04%	142948	23.24%	260079	42.28%
Housing	373512	33535	8.98%	45482	12.18%	79017	21.16%
Land Affairs	990648	149290	15.07%	223584	22.57%	372874	37.64%
Minerals and Energy	534923	88601	16.56%	110433	20.65%	199034	37.21%
Science and Technology	180770	46010	25.45%	44886	24.83%	90896	50.28%
Trade and Industry	769869	113610	14.76%	147309	19.13%	260919	33.89%
Transport	538852	105194	19.52%	184614	34.26%	289808	53.78%
Water Affairs and Forestry	2635794	492698	18.69%	653368	24.79%	1146066	43.48%

Table 5 illustrates Departments with the highest current expenditure at the end of the second quarter.

Table 5: Highest Current Expenditure to date

R'000	Total Current Budget	First Quarter Current Exp	% Current Exp for 1st Quarter	Second Quarter Current Exp	% Current Exp for 2nd Quarter	Current Exp to date	% Current Exp to date
Arts and Culture	232999	105578	45.31%	72331	31.05%	177909	76.36%
Transport	538852	105194	19.52%	184614	34.26%	289808	53.78%
Science and Technology	180770	46010	25.45%	44886	24.83%	90896	50.28%
Parliament	601352	107989	17.96%	189368	31.49%	297357	49.45%
Public Works	1251595	270947	21.65%	345999	27.64%	616946	49.29%

The Department of Arts and Culture spent 76.36% of its Current budget which in comparison is by far the highest spending department. Current expenditure during the first half of the financial year was R178 million. As at the end of the second quarter the department spent R62 million of its R95 million budget for compensation of employees (65.2%). This is 52.6% higher than expenditure at the end of the second quarter of the 2005/06 financial year. At the end of the previous financial year the Current budget expenditure stood at 109.24% .

There is a risk of over expenditure by the Department on its current budget given this expenditure pattern in this financial year. The Committee noted that this is a repetition of the previous financial years pattern and believes measures should, if they have not already, be taken to address this pattern of over expenditure.

The second highest spending department is Transport (53.78%). Current expenditure during the first half of the financial year was R290 million. The Department spent R52 million of its R144 million budget on compensation of employees and R236 million of its R581 million budget on goods and services. Given the current expenditure pattern there is a significant risk of under expenditure by the Department on its current budget which could lead to a similar pattern as noted in the previous financial year when only 70.4% of the budget was spent.

The Department of Science and Technology's current expenditure during the first half of the financial year was R91 million which is 50.28% of its current budget. This indicates that expenditure is on track with planned line budgeting.

Parliament's current expenditure during the first half of the financial year was R297 million or 49.45%. A risk of under expenditure is statistically insignificant at this point of the expenditure cycle. However, given the previous financial years expenditure of only 94%, this second quarterly pattern should alert Parliament to track its expenditure pattern more closely.

The Department of Public Works current expenditure during the first half of the financial year was R617 million or 49.29% of their budget. This expenditure pattern would appear to give no cause for concern however given the previous financial years expenditure of 103% the Department should track all line expenditure more closely.

Table 6 illustrates Departments with the lowest current expenditure at the end of the second quarter.

Table 6: Lowest Current Expenditure to date

R 000	Total Current Budget	First Quarter Current Exp	% Current Exp for 1st Quarter	Second Quarter Current Exp	% Current Exp for 2nd Quarter	Current Exp to date	% Current Exp to date
Housing	373512	33535	8.98%	45482	12.18%	79017	21.16%
Sport and Recreation South Africa	177242	16703	9.42%	22155	12.50%	38858	21.92%
Education	575864	70024	12.16%	113651	19.74%	183675	31.90%
Health	808364	107793	13.33%	155739	19.25%	263532	32.58%
Trade and Industry	769869	113610	14.76%	147309	19.13%	260919	33.89%

The Department of Housing is the lowest spending department with expenditure at 21.16% of the Current budget. Current expenditure during the first half of the financial year was R79 million. Of the R176 million allocated to the line item on goods and services the Department spent only R42 million. This expenditure pattern is similar to the previous financial year at the end of the second quarter. This under expenditure in the previous financial year resulted in only 89.9% of expenditure.

It is this recurring pattern that gives cause for concern in the current financial year. The Committee is of the opinion that stronger measures should be implemented by the Department to arrest this pattern.

The Department of Sport and Recreation current expenditure during the first half of the financial year was R29 million or 21.92% of its current budget. The reason for the slow expenditure is because the Department spent only R24 million of its R136 million budget available for goods and services. In addition the Department spent only 37.5% of its budget for compensation of employees. There is a risk of under expenditure by the Department on compensation of employees as well as goods and services. During the 2005/06 financial year the Department spent only 79.5% of its current budget.

In the Committee's opinion the current pattern of expenditure reflects the under expenditure pattern of the previous financial year and therefore gives cause for concern. Measures should be developed and implemented to arrest this under expenditure pattern.

The Department of Education's current expenditure during the first half of the financial year was R184 million, or 31.9% of the current budget. The reason for the slow expenditure is because the Department spent only R85 million of its R365 million budget available for goods and services. Reasons given by the Department for its slow expenditure includes outstanding tender processes as well as the national departments involvement in the national examinations. During the 2005/06 financial year the Department spent 91.5% of its current budget. The line item on goods and services includes consultants, contractors, maintenance repairs and running costs, operating leases, travel and subsistence, and printing and publications. However the major portion of the line allocation goes to consultants and contractors.

The current financial year's expenditure pattern in Education is similar to that of the previous financial year. Therefore the Committee is of the opinion that the department should examine the cause for this pattern and take appropriate measures.

The Department of Health's current expenditure during the first half of the financial year was R264 million or 32.58%. The reason for the slow expenditure is because the Department spent only R149 million of its R539 million budget available for goods and services. This is 24.9% lower than the previous financial year's expenditure at the end of the second quarter. During the 2005/06 financial year the Department spent only 81.8% of its goods and services budget. According to Chief Financial Officer of Health the major portion of this slow expenditure is the delay in the delivery of back orders of condoms.

The recurring under expenditure pattern in the line allocation to goods and services is significant therefore the Department should study the pattern and develop measures to arrest this under expenditure.

The Department of Trade and Industry's current expenditure during the first half of the financial year was R261 million, or 33% of the budget. During the 2005/06 financial year the Department spent only 77.5% of its goods and services line allocation. During the first six months of the 2006/07 financial year the Department spent only R133 million or 27.3% of its R487 million goods and services budget.

In the Committee's opinion there is a risk of recurring under expenditure given the previous financial year's pattern. Measures should be taken by Department to arrest this expenditure pattern in the current budget.

3. Transfer Payments

Table 7 represents Departments' Transfer expenditure for the half of the 2006/07 financial year. Departments spent on average 48.26% of its Transfer budgets during the first six months. Monthly expenditure patterns show an average expenditure of: July 11.40%; August 7.26%; and September 6.95%.

Table 7: Transfer Payments to date

R'000	Total Transfer Budget	First Quarter Trans Exp	% Trans Exp for 1st Quarter	Second Quarter Trans Exp	% Trans Exp for 2nd Quarter	Trans Exp to date	% Trans Exp to date
Voted Amounts	172625097	39111755	22.66%	44194094	25.60%	83305849	48.26%
Central Government Administration	**26832308**	**1668539**	**6.22%**	**8127379**	**30.29%**	**9795918**	**36.51%**
The Presidency	26407	7371	27.91%	4897	18.55%	12268	46.46%
Parliament	158061	0	0.00%	0	0.00%	0	0.00%
Foreign Affairs	485579	170064	35.02%	20609	4.25%	190673	39.27%
Home Affairs	361169	129109	35.75%	76575	21.20%	205684	56.95%
Provincial and Local Government	24574782	886638	3.61%	7477791	30.43%	8364429	34.04%
Public Works	1226310	475357	38.76%	547507	44.65%	1022864	83.41%
Financial and Administrative Services	**13806165**	**2997448**	**21.71%**	**3513538**	**25.45%**	**6510986**	**47.16%**
Government Communications and Information Services	93083	34278	36.83%	39150	42.05%	73428	78.88%
National Treasury	13107620	2833028	21.61%	2936831	22.41%	5769859	44.02%
Public Enterprises	581086	120041	20.66%	459996	79.16%	580037	99.82%
Public Service and Administration	409	3918	957.95%	71783	17550.85%	75701	18508.80%
Public Service Commission	92	41	44.57%	23	25.00%	64	69.57%
S A Management Development Institute	23063	5850	25.37%	5750	24.93%	11600	50.30%
Statistics South Africa	812	292	35.96%	5	0.62%	297	36.58%
Social Services	**87328400**	**28035327**	**32.10%**	**21885096**	**25.06%**	**49920423**	**57.16%**
Arts and Culture	1080681	218649	20.23%	251483	23.27%	470132	43.50%
Education	13546832	6629915	48.94%	3497409	25.82%	10127324	74.76%
Health	10433090	2525565	24.21%	2693736	25.82%	5219301	50.03%
Labour	372945	125585	33.67%	41277	11.07%	166862	44.74%
Social Development	61722516	18475028	29.93%	15353557	24.88%	33828585	54.81%
Sport and Recreation South Africa	172336	60585	35.16%	47634	27.64%	108219	62.80%
Justice and Protection Services	**9846694**	**861374**	**8.75%**	**2602396**	**26.43%**	**3463770**	**35.18%**
Correctional Services	32348	11311	34.97%	6403	19.79%	17714	54.76%
Defence	8635529	545663	6.32%	2320840	26.87%	2866503	33.19%
Independent Complaints Directorate	72	24	33.33%	13	18.06%	37	51.39%
Justice and Constitutional Development	803017	221208	27.55%	199752	24.87%	420960	52.42%
Safety and Security	375728	83168	22.14%	75388	20.06%	158556	42.20%
Economic Services and Infrastructure Development	**34811530**	**5549067**	**15.94%**	**8065685**	**23.17%**	**13614752**	**39.11%**
Agriculture	1042387	209338	20.08%	400263	38.40%	609601	58.48%

Vote	Total Transfer Budget	First Quarter Trans Exp	% Trans Exp for 1st Quarter	Second Quarter Trans Exp	% Trans Exp for 2nd Quarter	Trans Exp to date	% Trans Exp to date
Communications	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Environmental Affairs and Tourism	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Housing	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Affairs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Minerals and Energy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Science and Technology	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trade and Industry	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Transport	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Water Affairs and Forestry	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Table 3 illustrates Departments' with the highest Transfer expenditure at the end of the second quarter.

Table 3: Highest Transfer Expenditure to date

Vote	Total Transfer Budget	First Quarter Trans Exp	% Trans Exp for 1st Quarter	Second Quarter Trans Exp	% Trans Exp for 2nd Quarter	Trans Exp to date	% Trans Exp to date
Public Service and Administration	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Public Enterprises	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Public Works	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Government Communications and Information Services	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Education	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

The Department reflecting the highest percentage of transfer payments is Public Service and Administration. The Department transferred R70 million to the Government Employees Medical Scheme to enable GEMS to meet their financial obligations. A further transfer of R5 million was made to Public Corporations and private enterprises. National Treasury informed the Department of a further allocation of R75 million to be made in the adjusted budget.

The Department of Public Enterprises transfer budget is R521 million. In the budget speech the Minister of Finance announced that State owned Enterprises are eligible for capitalisation funds which would be deducted from the Contingency Reserve which was established in the new financial year 2006/2007. The Department would receive an additional R1,35 billion which had not yet been allocated. Transfer expenditure during the first half of the financial year was R180 million or 1,00% of the transfer budget. At the end of the second quarter of the 2006/07 financial year the Department spent only 0,5% of its transfer budget. However at the end of the previous financial year the Department's transfer expenditure had escalated to 99,9% of its transfer budget.

The Department of Public Works transfer budget is R1,225 billion. The transfer expenditure during the first half of the financial year was R1,02 billion or 83,4%. This is a significant improvement on the previous financial year's

performance in transfers when the Department spent 45.7% of its transfer budget.

Government Communications and Information Services transfer budget is R93 million. Transfer expenditure during the first half of the financial year was R73.4 million, or 78.88%. This is a significant improvement on the previous financial year's performance when the Department spent 54.6% of its transfer budget.

The Department of Education's transfer budget is R13.5 billion. Transfer expenditure during the first half of the financial year was R10.1 billion, or 74.76%. This compares favourably with the pattern in the first six months of the previous financial year's performance when the Department spent 75.6% of its transfer budget. At the end of the previous financial year the Department had transferred 99% of its budget.

Given this pattern, significant over or under expenditure of the transfer budget by the Department is statistically insignificant.

Table 9 illustrates Departments' with the lowest Transfer expenditure at the end of the second quarter.

Table 9: Lowest Transfer Expenditure to date

R'000	Total Transfer Budget	First Quarter Trans Exp	% Trans Exp for 1st Quarter	Second Quarter Trans Exp	% Trans Exp for 2nd Quarter	Trans Exp to date	% Trans Exp to date
Parliament	158061	0	0.00%	0	0.00%	0	0.00%
Land Affairs	3806189	317423	8.34%	486845	12.79%	804268	21.13%
Water Affairs and Forestry	1632808	189450	11.60%	275628	16.88%	465078	28.48%
Communications	968884	68788	7.10%	231332	23.88%	300120	30.98%
Transport	12293670	1745837	14.20%	2190766	17.82%	3936603	32.02%

Parliament's transfer budget is R158 million. The amount for transfer to provinces and municipalities of R172 thousand had not yet been transferred. In addition an amount of approximately R157 million had not yet been transferred to non-profit institutions. This falls under Programme Three which allocates funds to deepen participatory democracy. Effectively then at the end of the second quarter no transfers had been made by Parliament.

The Department of Land Affairs transfer budget is R3.8 billion. Transfer expenditure during the first half of the financial year was R804 million or 21.13%. The reasons given by the Department for low levels of expenditure include: protracted negotiations with landowners, which delay the settlement of claims and land purchases; community and traditional leadership disputes which contribute to delays in deciding the restitution option and in processing claims; high staff turnover resulting in capacity constraints; and development planning taking longer than the settlement process. During the first six months of the 2005/06 financial year the Department spent 24.8% of its transfer budget and at the end of the financial year it spent 69.5%.

In the Committee's opinion there is a significant risk of under expenditure and the Department should take urgent measures to arrest this pattern in transfer budget.

The Department of Water Affairs and Forestry's transfer budget is R1.6 billion. Transfer expenditure during the first half of the financial year was R465 million, or 28% of the transfer budget. The functions in the Water Services programme have been shifted to Local Government and appropriate water service institutions. However the Committee has not yet been able to ascertain whether the funds have followed this shift. A further engagement with this department will be conducted during the next quarter. Clarity on the construction time frames for De Hoop Dam will also be sought during this engagement.

The Department of Communication's transfer budget is R969 million or 30.98% of the budget which is R300.1 million. The low rate of transfer expenditure is linked to fewer transfer payments to entities, as a result of improved monitoring and control.

The Department of Transport's transfer budget is R12.294 billion. Transfer expenditure during the first half of the financial year was R3.937 billion, or 32.02% of the budget. In the first half of the previous financial year the transfer expenditure was R3.1 billion or 30% of the budget. The current transfer budget reflects a slight increase compared to the first half of the 2005/06 financial year. At the end of the 2005/06 financial year the Department spent 98.3% of its Transfer budget. The possibility of significant over or under expenditure is therefore statistically insignificant.

4. Capital Expenditure (capex)

Table 10 represents departments' overall Capital expenditure at the end of the second quarter of the 2006/07 financial year. Departments' spent on average 23.68% of their Capital budgets at the end of the second quarter. They spent on average 2.52% of their Capital budgets during July, 7.26% during August and 6.95% during September. Average departmental expenditure on Capital budgets is much lower than Current 43.81% and Transfer expenditure which is 48.26%.

In the Committee's opinion this gives rise for concern as the budget committed itself to using capex to promote economic growth, employment and so contribute to poverty reduction.

Table 10: Capital Expenditure to date

Vote	Total Capital Budget	First Quarter Capital Exp	% Capital Exp for 1st Quarter	Second Quarter Capital Exp	% Capital Exp for 2nd Quarter	Capital Exp to date	% Capital Exp to date
Vote1 Amounts	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Central Government Administration	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
The Presidency	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Parliament	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Foreign Affairs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Home Affairs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Provincial and Local Government	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Public Works	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Financial and Administrative Services	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Government Communications and Information Services	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
National Treasury	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Public Enterprises	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Public Service and Administration	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Public Service Commission	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
S A Management Development Institute	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Statistics South Africa	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Social Services	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Arts and Culture	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Education	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Health	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Labour	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Social Development	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sport and Recreation South Africa	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Justice and Protection Services	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Correctional Services	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Defence	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Independent Complaints Directorate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Justice and Constitutional Development	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Safety and Security	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Economic Services and Infrastructure Development	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Agriculture	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Communications	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Environmental Affairs and Tourism	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Housing	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Affairs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Minerals and Energy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Science and Technology	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trade and Industry	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Transport	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Water Affairs and Forestry	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Table 11 illustrates Departments' with the highest Capital expenditure at the end of the second quarter.

Table 11: Highest Capital Expenditure to date

R'000	Total Capital Budget	First Quarter Capital Exp	% Capital Exp for 1st Quarter	Second Quarter Capital Exp	% Capital Exp for 2nd Quarter	Capital Exp to date	% Capital Exp to date
Public Enterprises	466	234	50.21%	900	193.14%	1134	243.35%
Public Service and Administration	2174	1163	53.50%	1230	56.57%	2393	110.07%
Trade and Industry	8853	1429	16.14%	8160	92.17%	9589	108.31%
Agriculture	33059	16403	49.62%	18961	57.35%	35364	106.97%
Environmental Affairs and Tourism	14062	6540	46.51%	7001	49.78%	13541	96.29%

The Department of Public Enterprises spent the highest percentage of its Capital budget by the end of the second quarter. Capital expenditure during the first half of the financial year was R1.134 million, or 243.35% of the capex. In the budget the Minister indicated a further allocation for capex. The bulk of this money was spent on the upgrading of the security systems and audiovisual systems. At the end of the 2005/06 financial year Public Enterprises spent 88.3% of its Capital budget.

The Committee intends engaging the department in the next quarter to clarify the expenditure patterns.

The Department of Public Service and Administration's capital budget is R2.174 million. Part of the increase will be used for finalising the Departments relocation. Capital expenditure during the first half of the financial year was R2.393 million, or 110.07% of the capex budget. During the 2005/06 financial year the Department overspent its capital budget by 87.8% or R3.7 million.

The Department of Trade and Industry's capital budget is R8.853 million. Capital expenditure during the first half of the financial year was R9.589 million, or 108.31% of the capex budget. The Department spent 32.9% of its capital budget at the end of the 2005/06 financial year.

It would seem as if the under expenditure has been arrested through strategic planning however the Committee will request a full explanation from the Department in the next quarter.

The Department of Agriculture's capital budget is R33 million. Capital expenditure during the first half of the financial year was R35 million, or 106.09%. The Department spent 222.1% of its capital budget at the end of the 2005/06 financial year. It overspent its R44 .6 million budget by R56 million.

In the Committee's opinion the department's pattern of capital expenditure will echo the previous year's over expenditure. In the next quarter the Committee intends engaging the Department to clarify the reasons for this pattern.

The Department of Environmental Affairs and Tourism's capital budget is R14.062 million. Capital expenditure during the first half of the financial year was R13.5 million, or 96.29% of the budget. The Department spent 100.1% of its capital budget by the end of the 2005/06 financial year.

The current expenditure pattern at the end of the second quarter gives rise for concern as there is a risk of over expenditure. The Committee intends engaging with the Department in the next quarter to clarify this pattern.

Table 12 illustrates Departments with the lowest Capital expenditure at the end of the second quarter.

Table 12: Lowest Capital Expenditure to date

R'000	Total Capital Budget	First Quarter Capital Exp	% Capital Exp for 1st Quarter	Second Quarter Capital Exp	% Capital Exp for 2nd Quarter	Capital Exp to date	% Capital Exp to date
Arts and Culture	4796	0	0.00%	0	0.00%	0	0.00%
Sport and Recreation South Africa	2575	73	2.83%	124	4.82%	197	7.65%
Public Works	602276	41945	6.96%	6282	1.05%	48227	8.01%
Science and Technology	133854	9880	7.38%	1005	0.75%	10885	8.13%
Transport	37936	767	2.02%	2341	6.17%	3108	8.19%

The capital budget of the Department of Arts and Culture is R4.8 million which remained unspent at the end of the second quarter. The Departments entire capital budget is intended for machinery and equipment. The Department spent 100.3% of its capital budget at the end of the 2005/06 financial year. In the Committee's opinion there does not appear to be any significant risk of under expenditure however an explanation will be sought in the next quarter.

The Department of Sport and Recreation South Africa capital budget is R2.575 million. Capital expenditure during the first half of the financial year was R197 thousand, or 7.65% of the budget. The Departments' entire capital budget is intended for machinery and equipment. The Minister, in his budget speech indicated that the budget included the government's investment commitments for the 2010 Soccer World cup. He added that "details of project allocations (had) not yet been finalised."

The Committee intends engaging with the department in the next quarter in view of the envisaged increase in capital expenditure.

The Department of Public Works capital budget is R602 million. Capital expenditure during the first half of the financial year was R48 million, or 8.01% of the budget. The Department has spent only R34 million of R493 million allocated to buildings and other fixed structures. During the first six months of the 2005/06 financial year the Department had not utilised its capital budget. However, at the end of the previous financial year the Department reflected an over expenditure of R96 million or 36.7%.

In the Committee's opinion this expenditure pattern gives rise for concern because in the first half of the previous financial year significant expenditure was overtaken by 36.7% over spending at the end of the financial year. The

Committee intends to engage with this department on this issue in the next quarter.

The Department of Science and Technology's capital budget is R134 million. Capital expenditure during the first half of the financial year was R10.9 million, or 8.13% of the budget. The R133 million under the line item of buildings and other fixed structures has been allocated to the Department for the construction of a new head office.

The Department of Transport's capital expenditure during the first half of the financial year was R3.108 million, or 8.19% of the budget. The Department has spent R2.8 million or 8% of R34.8 million allocated to buildings and other fixed structures. During the first six months of the 2005/06 financial year the Department spent R1.7 million or 11.7% of its R14.5 million capital budget. At the end of the previous financial year the Department spent R25.4 million, over spending by R10.9 million or 75%.

In the Committee's opinion this expenditure pattern gives rise for concern because in the first half of the previous financial year significant expenditure was overtaken by over expenditure of 75% at the end of the financial year. The Committee intends engaging with the department on this issue in the next quarter.

5. Conclusion

Departments spent on average 43.61% of their current budgets, 48.26% of their transfer budgets and 23.68% of their capital budgets by the end of the second quarter of the 2006/07 financial year. This translates to a total expenditure of R120.2 billion or 46.24%. Based on the cash flow projections provided by National Treasury 28 Departments spent less than their projections and six over spent on their planned projections for the spend during the second quarter. As pointed out earlier in this report averages can be misleading. Having studied the expenditure patterns the analysis conducted by the Committee has identified several areas of concern.

The Committee is of the opinion that the slow expenditure on capex by Departments, while there my be valid reasons, is an unacceptable pattern given its priority in promoting economic growth, employment and so contribute to poverty reduction. The Committee feels that there is a need for Departments to develop far more robust measures to track its expenditure. The Committee notes that transfers while technically reflected as expenditure out, it is important to conduct oversight to ascertain whether money transferred was actually spent. In the third quarter the Committee will be doing far more detailed analysis in this area and engaging the respective departments on this issue.

The second quarterly expenditure patterns provide an early warning alert to those departments that are running the risk of either under or over expenditure. This enables departments to take corrective action. It also enables Parliament to conduct more effective oversight which is intended to increase accountability and transparency in the budget process.

Sources

- Budget Speech of Minister Trevor Manuel 2006/2007
- Statements of National and Provincial Revenue, Expenditure and Borrowing, July 2006, National Treasury.
- Statements of National and Provincial Revenue, Expenditure and Borrowing, August 2006, National Treasury.
- Statements of National and Provincial Revenue, Expenditure and Borrowing, September 2006, National Treasury.
- Cash Flow projections 2006/07 financial year.
- Estimates of National Expenditure 2006

National Assembly

Report of the Portfolio Committee on Public Enterprises on the Annual Reports of the Department of Public Enterprises and State-Owned Enterprises, dated 15 November 2006:

The Portfolio Committee on Public Enterprises, having considered the 2005-2006 Annual Reports of the Department of Public Enterprises and State-Owned Enterprises (Alexkor, Denel, Eskom, South African Airways, South African Forestry Company Ltd and Transnet), reports as follows:

1. Introduction

1.1. The Committee considered the 2005-2006 Annual Reports of South African Forestry Company Ltd (SAFCOL) on 20 September, Transnet on 10 October, Department of Public Enterprises (DPE) on 11 October, South African Airways (SAA) on 18 October, Eskom on 24 October, Alexkor on 25 October and Denel on 1 November 2006.

1.2. The DPE briefing occurred at a meeting of the Portfolio Committee on Public Enterprises and the Select Committee on Labour and Public Enterprises. The Eskom briefing occurred at a joint meeting of the two Committees and the Portfolio Committee on Minerals and Energy. Such joint sittings, we have consistently held, need to take place more often.

1.3. The Committee's 2004 and 2005 "Report on the Annual Reports of DPE and the State-Owned Enterprises" were detailed, as have been our two previous reports on DPE's budget. We have tried to avoid repeating ground already covered in our previous reports. Our observations and views in this report make fuller sense if the previous reports are taken into account.

1.4. The approach in this report is to first present an overview of the presentation made to our Committee on each Annual Report, and then offer our responses to the report. Where there are responses that are more general to the SOEs, they are carried in section 10 of the report. Of course, this report provides no more than a summary of the presentations made to our Committee. To get a fuller and better understanding of the presentations, copies of the documents presented to the Committee can be obtained from the Committee Secretary, Mr Chris Thisani.

1.5. The Committee's major concerns in considering Annual Reports are set out in section A5 in our 2004 "Report on Annual Reports" and in sections B4 to B10 in our 2005 Report, and will not be repeated in unnecessary detail here. Essentially, as explained, for the financial year under review, we are seeking to establish:

- What were key elements of the shareholder compact signed with the government?
- What were key elements of the strategic/ business/ corporate plan for the year under review and how do they relate to the shareholder compact?
- What were the key targets (or measurable objectives) in the plan and how do they relate to the shareholder compact?
- How was the budget allocated to achieving targets and how was the budget used? Where an SOE was allocated money from the national fiscus, how precisely was that money used?
- What was the progress on achieving the targets set by SOEs?
- Where targets were not achieved, what were the reasons for this?
- What lessons have been drawn from the failure to achieve targets and how has this impacted on the programmes for the current and future financial years?
- What are the financial results?
- What is the response to the issues raised in the Portfolio Committee's report to Parliament, the "Report on Annual Reports"?

1.6. Obviously, the Committee does not seek mechanical responses to the above and related questions. The questions are meant to provide a framework for presentations on Annual Reports. To give us a perspective on progress achieved it is also necessary to at least, in some measure, respond to the Portfolio Committee's "Report on Annual Reports" of the previous year.

1.7. While the main focus of the briefing to the Committee has to be on the past financial year, some issues relating to the current financial year and the future plans of the SOEs will inevitably have to be dealt with as well.

1.8. The Annual Reports of DPE and most of the SOEs were tabled in Parliament by the end of August, a month ahead of the deadline set in the Public Finance Management Act (PFMA). This was requested by the Committee in our 2005 Report, and we express our appreciation to the Minister, the DPE Director-General (DG) and the leadership of the SOEs for their co-operation. We have consistently requested the SOEs to submit their overviews of their Annual Reports at least seven days before they brief the Committee, and would appreciate greater co-operation in this regard, especially as they are informed of the dates of their briefings about two months ahead of time. Given the way the parliamentary system for approval of Committee programmes works, it is very difficult to secure dates for the briefings earlier than two months ahead. The final dates are, however, negotiated with the SOEs.

1.9. Overall, to differing degrees, the reports presented to the Committee were much better than last year. They were more focused and directed and responded more directly to the concerns of the Committee, including those raised in our 2005 report. The Committee welcomes the progress.

2. Absence of Board Chairpersons from Annual Report Briefings

2.1. Unlike last year, when all the Board Chairpersons turned up for the briefings on their respective SOE's briefings, this year only two did. This was mainly due to an oversight by DPE's Parliamentary Liaison Office through whom the Committee negotiates with the SOEs on the dates for their respective briefings. However, the Committee Chairperson also wrote directly to the Board Chairpersons, and the Board Chairpersons are, in any case, aware that they have to attend their Annual Report briefings held in September or October each year, and the CEOs know too that the Board Chairpersons have to attend, so we are not altogether clear why the Chairpersons, except for one who apologised, failed to turn up.

2.2. In terms of section 49 of the PFMA, it is the Board of an SOE that is ultimately accountable for an SOE. The Committee conferred with a senior Treasury official and Parliament's legal section who confirmed that the Board chairpersons should attend the briefings together with the CEOs. It is the Board of an SOE, after all, that is appointed by the Minister, and it is with the Board that the Minister negotiates and concludes a shareholder compact. It is the Board that is ultimately responsible to ensure that the SOE's mandate is effectively fulfilled. One of the tasks of the Portfolio Committee is to assess how effectively a Board is functioning in terms of its oversight of the SOE's executive, and there are certain questions that can only be responded to by a non-executive Board member; for this among many other reasons the Board has to be represented by a non-executive member, preferably the Chairperson.

2.3. The attendance of the Board Chairpersons was discussed with the Minister last year. It was agreed they would attend the Annual Report briefings. To facilitate this, the Committee agreed to finalise the dates of the briefings in early August each year with the co-operation of DPE's Parliamentary Liaison Office. This was done. The Committee is clear that if a Board Chairperson is completely unable to attend, the Board should be represented by another senior non-executive member. We cannot understand why it was not possible for a single non-executive Board member to attend the briefings of most of the SOEs.

2.4. Essentially, the Board Chairperson has to take the Committee briefly through his/her report in the Annual Report and provide an overview of the SOE's performance during the financial year under review. The CEO deals with the details of the performance of the SOE.

2.5. The Committee feels that consideration needs to be given to whether there is a need for the pending Shareholder Management Bill to provide clarity on the presentation by SOEs of Annual Reports to Parliament.

2.6. Of course, the Committee appreciates that Board Chairpersons and other Board members have many major responsibilities, but we cannot accept that appearing

once a year before the Committee is too onerous. The Committee has unanimously decided that in future we will not consider the Annual Report of an SOE if the Board Chairperson or another non-executive Board member is not present with the CEO.

3. Department of Public Enterprises

3.1. The Department of Public Enterprises (DPE) was represented by Director-General (DG), Ms Portia Molefe; Deputy Directors-General, Ms Sandra Coetzee, Mr Litha Mewabeni and Ms Katherine Venier; Chief Financial Officer, Ms Sandy Hutchings; Chief Operations Officer, Ms Rashida Issel; Chief Director: Financial Analysis, Mr Slingsby Mda; Parliamentary Liaison Officers, Ms Dudu Mhlongo and Ms Reneva Fourie; and Ministerial spokesperson, Ms Gaynor Kast.

3.2. To some extent, inevitably, the financial year under review was discussed during the 2006 Budget Review of DPE on 10 and 11 May this year and is covered in the Portfolio Committee's report on the Budget published in the ATC of 31 May 2006; this report will seek to avoid repeating issues already covered in that report, unless absolutely necessary.

3.3. The changes to the programmes, structure and staff of DPE were covered in our report on DPE's budget.

3.4. Ms Molefe said that DPE had sought to be more direct and focused in its overview of the Annual Report in response to the Committee's request in our report last year.

3.5. Ms Molefe reported that shareholder compacts had been signed with Transnet and Eskom. The compact between Denel and the department will be signed after the review by the Minister. Compacts with SAA and SAFCOL will be finalised as soon as their respective new Boards have been appointed. The compact with Alexkor will follow the resolution of the land claims case. Once all these compacts are signed, DPE will present them to the Committee.

3.6. DPE, again, received an unqualified audit. DPE has instituted a system of monthly reporting on issues that may lead to qualified audits. These would relate mainly to "infringements on the procurement policies".

3.7. The budget for 2005/6 was R2,093 billion. R2 billion constituted the transfer to Denel. The Department spent 99,8% of its budget. The expenditure per standard item reflected as a percentage of the total expenditure for the year was: Transfers and subsidies (96,41%), Compensation of Employees (2,04%), Goods and Services (1,51%) and Payments for Capital Assets (0,05%). DPE has decided on a three-year plan of capitalisation for SOEs. This includes all SOEs, except Transnet and Eskom. This gives more certainty to all parties involved, including Treasury.

3.8. DPE's staff at the end of the financial year comprised 157. This was made up of 76.7% African, 13,7% White, 6,4% Coloured and 3,2% Indian. The senior management level comprised 44% females. There were no people with disabilities employed by the end of the financial year. A person with disabilities has since been employed. The staff turnover rate is 15,2%. A major training programme of the staff, including the secretaries, is being undertaken to increase efficiencies at every level. "You can't have PAs typing slower than managers, and they also need basic writing skills", said Ms Molefe.

3.9. DPE set out the targets in its Strategic Plan for 2005/6 for each of its programmes and what it was able to achieve. A copy of the slide presentation on this is available from the Committee Secretary, Mr Chris Thisani.

3.10. Achievements in the Administration Programme include:

- Tightening of reporting procedures and submission of all monthly, quarterly and Annual Reports to the relevant structures.
- Refining of strategic recruitment skills to target scarce skills and talents.
- Procurement procedure and policy finalised. Staff training on procurement and petty cash processes have been completed.
- Departmental compliance with National Treasury Regulations and Institute of Internal Auditors' (IIA) Practice Standards reviewed and recommendations implemented.
- Adoption of a Registry with a full set of records, including an electronic filing system that has been approved by National Archives and will be implemented in the Department.

3.11. Achievements in the Analysis and Risk Management Programme include:

- Developed a 5–year analysis report on the historical performance of SOEs.
- Identified Strategic Key Performance Indicators for Eskom and Transnet.
- Publication of a booklet on the status of risk management in SOEs.
- Finalised a draft position paper on the risk management framework that also include risk guidelines.
- Established the SOEs risk forum.

3.12. Achievements in the Legal, Governance and Secretariat Programme include:

- The settlement of litigation matters with Ramafolo and Conference Call.
- The review of the Procurement Policy.
- Internal Stakeholder Workshops on the Shareholder Management Model.
- Remuneration Guidelines.
- Corporate Plan and Quarterly Reporting Compliance.
- Board appointments at SAFCOLl, Eskom and Denel.
- Skills profiling of SOE Boards.
- Legislative Compliance Register

- Policy Compliance Monitoring (for example BBBEE) through Corporate Plan, Quarterly Reporting and Section 54(2) reporting.

3.13. Achievements in the Corporate Finance and Transactions Programme include:

- Financing Strategy supported by research and benchmarked data.
- Implemented generic guidelines and service level agreements between departments and SOEs.
- Transaction support and execution, including the Memorandum of Incorporation to the South African Railways Commuter Corporation (SARCC) and the SAA purchase of shareholding from Transnet.

3.14. DPE also set out the targets for each of the SOEs and what was achieved, but much of this is covered in the sections below. With SAA clearly answerable to DPE, Ms Molefe said that the department has to expand its knowledge of aviation issues and has just appointed an aviation expert. Among the issues DPE is engaging Eskom on, is what the appropriate margin for surplus electricity should be. The restructuring of the electricity distribution industry remains challenging. Ms Molefe stressed that Denel is doing well in implementing its turnaround strategy, despite showing negative financial results. It is a 5-year turnaround strategy and "one should only expect Denel to start showing positive figures after year 3". DPE and Denel were also awaiting the finalisation of the Defence Review by the Department of Defence to decide on which areas of Denel should be maintained for strategic reasons". The DG said that Alexkor is in "deep trouble" and if the core services it provides are not transferred to provincial and local government soon, they will have to be stopped, which will include the closure of the hospital. In respect of the Pebble Bed Modular Reactor (PBMR), the DG referred to the "retard problem" of nuclear power and the questions that remained unanswered about its role in the economy. A clear strategy for SAFCOL will be finalised by the beginning of the new financial year.

3.15. The Joint Project Facility (JPF) was established in the previous financial year. The main challenges faced by the JPF in the year under review were around getting clear terms of reference for projects and to "identify project managers who could actually start implementing the projects." The main achievements include:

- All the project teams were established by the close of the financial year, and all the terms of reference were signed off by the CEO Forum.
- A Combined Investments Task Team, comprising key SOE managers involved in Africa, was established.
- Broadband Infraco update: The team advised the Ministry on the Second National Operator and the SOE side of the Full Services Network (FSN).
- SOE non-core property portfolios were identified.
- Key pieces of SOE land have been identified for integrated development.

3.16. It was reported that in terms of the Continental Investments Project the role of the SOEs in Africa is far from satisfactory. A fuller report on the SOEs contribution to Joint Initiative on Priority Skills Acquisition (JIPSA) will be provided at next year's briefing.

3.17. The DG expressed disappointment at the failure to secure a client for the Call Centre pilot project.

3.18. Ms Molefe reported two new SOEs were to be created - PBMR and Infraco.

3.19. The Committee welcomes the much more direct and focused report given by DPE; it is a significant advance on last year's report. Particularly helpful was DPE's response to the request in our 2005 "Report on Annual Reports" for the Department to set out its targets for the financial year under review, how the budgets allocated to programmes with those targets were used, and what progress was achieved in meeting those targets. Overall, it seems to us that DPE made effective progress in achieving its targets for 2005/6. Of course, some of the targets and achievements were too general, so that it was difficult for us to evaluate progress effectively. It was not also always clear why certain targets were not achieved, what lessons were drawn from this and how they impacted on programmes and targets for the current financial year. The targets could, in certain cases, be more precise and the reporting more specific. There is room for improvement in our exchange – from both sides – and we need to work on this. But it is clear that DPE did much better in the year under review than previously, and capacity challenges notwithstanding, is in a good position to do better in the current and future years.

3.20. We note references in DPE's Annual Report to "the role of the state as a shareholder of a special type"; "an activist department"; "ambitious and sophisticated plans are all just words, unless they are given life by the people"; and the like, and would like to pursue issues related to this further. The Committee awaits the finalisation of the Ministry's position paper on the role of SOEs in a developmental economy, and will arrange a briefing on this at an appropriate time. The position paper will hopefully provide greater clarity on the role of SOEs and contribute to our refining our oversight role.

3.21. The Committee congratulates DPE on its unqualified audit for the third time in a row. Of course, the R2 billion transfer to Denel skewed the budget, but from what we can tell, the money for DPE's standard programmes was used very productively.

3.22. As observed before, the Committee is struck by how representative DPE's staff is.

3.23. As trivial as this may seem, we think it is important, and note with genuine approval the DG's comment in section 3.8 above: "You can't have PAs typing slower than managers, and they also need basic writing skills".

3.24. The Committee notes the DG's observations about nuclear energy. MPs are being engaged regularly on this. We will pursue this matter further.

3.25. The Committee is not exactly clear why there are difficulties in securing a client for the Call Centre and what role, if any, the SOEs can play in this regard. We will pursue this matter further.

3.26. The Committee will arrange a briefing on the Remuneration Guidelines for SOEs.

3.27. It was not just the Overview Slide Presentation of the Annual Report that was much better than last year, but the Annual Report, in the view of the Committee, was much more user-friendly, accessible and informative. The Committee welcomes this.

4. Alexkor

4.1. Alexkor was represented by Chairperson of the Board, Mr Nchakha Moloi; CEO, Mr Mzamani Mdaka; CFO, Mr Mario van der Walt; Human Resources Manager, Ms Wilna Gilbert-Cloete; and Company Secretary, Ms Cheryl Singh.

4.2. Alexkor's vision, mission and structures remain basically the same as covered in last year's report. The challenges also largely remain the same. However, the land claim has been settled and the agreement is to be formally signed shortly.

4.3. In the financial year under review, the Alexkor management had been strengthened and become stable, said Mr Moloi. "This and the settlement of the land claim soon make it possible for us to have long-term planning".

4.4. Alexkor's strategic objectives included:

- Establishing a mineral reserve base followed by a LOM (Life of Mine) plan and a reliable business plan.
- Increasing production through full utilisation of existing plants, equipment and labour.
- Reducing unit costs and cut-off grade to R26/ton and 1.5/100 cubics respectively.
- Assisting in capacity building and amalgamation of marine contractors.
- Developing a proper succession plan and filling in key management positions (mine, metallurgical and environmental managers).
- Improving the level of diamond marketing to realise more value from the product.
- Establishing reliable IT and Financial Control Systems.
- Ring-fencing and transferring of non-core assets to eliminate subsidies.
- Introduce remote mining techniques to reduce over-reliance on diving operations.

4.5. Mr Mdaka reported that "good progress" had been achieved on the 2nd, 3rd, 4th, 6th and 9th objectives set out in section 4.4 above.

4.6. Mr Mdaka reported that the number of "sea days" for marine mining was reduced to 34, the lowest from 79 in 2002/3. In the six months of the current financial year, there have been only eight sea-days. Diamond production decreased from 49 577 carats in the previous financial year to 43 207 carats in the last financial year. This decrease is even more significant given that the previous financial year covered nine months. Diamond production income decreased from R143,9 million during 2004/5 to R129,1 million during 2005/6. The net operating loss increased from R1,5 million in the previous financial year to R38,1 million. In terms of International Financial Reporting Standards two major non-cash adjustments were made: Restating of the Rehabilitation Liability from R0.6 million to R160 million, and increase in post-retirement medical liability to R11,4 million. The net loss after tax is R205,5 million. Alexander Bay Trading operated at a loss of R4,1 million and non-core activities cost Alexkor R6,9 million. Alexkor's net operating costs increased from R151,8 million in the previous financial year (lasting nine months) to R197,6 million in the 12-month 2005/6 financial year.

4.7. Among the operational challenges identified are the following:

- Mining is an inferred resource
- Inadequate exploration.
- Ageing mining equipment.
- Continuous decline in sea-days.
- Continued subsidisation of non-core business activities.
- Fixed cost structure of salary, town maintenance and hospital-related expenditure.
- Recruitment and retention of qualified and skilled human resource.

4.8. The company employed 1 851 people in 2005/6. There were 246 in mining, 110 in farming, 25 in health services, 31 in municipal services, 39 on temporary contract, 1 164 marine contractors and 236 other contractors. Currently Alexkor employs 1 282. The marine contractors have been reduced from 1 164 to 485 currently because of the adverse sea and weather conditions. Most of the divers have left Alexkor to look for work elsewhere.

4.9. Alexkor has implemented three shifts to fully utilise the current plant capacity and reduce unit costs. It has moved human resources from non-production to production units. The company has also begun to sell its diamonds through the Diamond Bourse. Alexkor has the support of the Minister, DPE and the Department of Minerals and Energy to acquire mineral rights in other parts of the country and is exploring this.

4.10. Negotiations to transfer Alexkor's state functions to the provincial and local government continue. The transfer of health services is targeted for 1 April.

Alexander Bay will be established as a township and handed over to the Richtersveld municipality.

4.11. Alexkor is to be split into two autonomous corporatised units: Alexander Bay Mining and Alexander Bay Trading.

4.12. Alexkor requested R230,1 million from government for its recapitalisation programme for capital infrastructure, exploration and marine mining as follows:

- Exploration programme R109,6 million
- Working capital R41,6 million
- Maintain operations R40,4 million
- Improve marine mining R38,5 million.

4.13. Subsequent to the briefing, it was established that National Treasury has allocated R80 million to Alexkor in the Adjustment Estimates of National Expenditure. R50 million is for establishing Alexander Bay township and R30 million for working capital to sustain operations.

4.14. Alexkor's strategic outlook includes:

- Short-term focus is on improving financial performance through productivity improvements and reduction of both operating costs and break-even grade cut-off.
- Implementation of additional remote mining techniques.
- Exit from non-core activities.
- Restructuring of Alexkor's balance sheet.
- Acquisition of mineral rights in other parts of the country.
- Recapitalisation of land and marine operations.

4.15. Much of what the Committee said in our report last year still holds, and we will not repeat it here. While the Committee appreciates the unique difficulties Alexkor faces, we are concerned about the state of Alexkor. In our 2005 report we said that Alexkor could do better despite the uncertainties created by the land claims dispute. This is also our view now. But we also feel that, despite the poor 2005/6 results, Alexkor is much clearer now, compared to last year, on the possible directions the company could take. The report to us displayed greater strategic planning than was the case last year.

4.16. The Committee welcomes the imminent settlement of the land claims dispute, and will be in a better position to assess Alexkor's performance with the finalisation of the dispute.

4.17. The Committee would like a more concrete report than the "good progress" referred to in section 4.5 on the strategic objectives set out in section 4.4 above.

4.18. At next year's Annual Report briefing, the Committee would like a report on how the R80 million allocated from the national fiscus is being spent.

4.19. The Committee has consistently acknowledged the valuable role Alexkor plays in fulfilling functions that should be carried out by provincial and local government, and has stressed the need to ensure that the transfer of these functions is done in a way that at least maintains the standard of services provided. While holding to this, and also recognising the difficulties, the Committee feels that there needs to be greater progress in transferring the functions to government, and is particularly concerned about the DG's suggestion that the services would be terminated if the transfer does not take place by the beginning of the new financial year, as reported in section 3.14 above. The Committee will pursue this matter further with the Minister and DPE.

4.20. Of course there are financial restraints, but the Committee welcomes Alexkor's focus on remote mining methods that would reduce dependence on weather and sea conditions. We will be keen to hear what progress has been achieved at next year's briefing on Alexkor's Annual Report.

4.21. The Committee has raised its concerns about this in previous reports and notes the beginning of operations by the women-owned company in Witvoorkop working with a contracting company.

4.22. The Committee is clear that it is not for us to interfere in the internal operations of the SOEs. But the Committee has been approached by a group representing small marine miners who have raised concerns about the way the small marine miners system in Alexkor is functioning. The issues they raise are around broader policy and impinge on whether Alexkor is acting in way that is consistent with government policy. Following exchanges with Mr Moloi and Mr Mdaka, DPE and representatives of the group raising the issues, it has been decided to pursue the matter. A subcommittee comprising Mr Peter Hendrickse and Mr Martin Stephens will work with DPE to address this matter and report back to the Committee within six months. Mr Moloi and Mr Mdaka welcomed this.

4.23. Alexkor's diamond production results are analysed in terms of carats produced. While this is correct, it does not give the Committee a full enough sense of the activity undertaken. The carats produced by land mining are directly related to the tonnes of diamondiferous ore moved, which also relates directly to costs incurred. The total tonnage moved is therefore an essential figure and must include a statement of the carats produced per tonne. The costs should also be related to tonnes moved so that the cost per tonne of ore can be compared to the revenue produced per tonne. When comparative figures for a number of years are viewed, an overall cost reduction over the period will immediately become apparent as well as whether or not productivity and efficiency are improving. The same holds for marine mining – of course, the measurement here would be the area of seabed dredged per carat recovered and the costs incurred per area of seabed dredged.

Alexkor agreed to make the necessary information available at future briefings on its Annual Report.

4.24. In our report last year, we stressed the need for DPE to engage more actively with Alexkor. Deputy Director James Theledi's report suggested that this has been happening. We will pursue this further with DPE.

4.25. With the uncertainties around the land claims addressed, Alexkor will be expected to present a much clearer and longer term strategic plan when it presents its Annual Report to the Committee next year. We also expect to see steady improvements in its performance from now.

5. Denel

5.1. Denel was represented by Chairperson of the Board, Dr Sibusiso Sibisi; Chief Executive Officer, Mr Shaun Liebenberg; Chief Financial Officer, Mr Talib Sadek; Group Executive: Strategy Implementation, Ms Lana Kinley; Group Executive: Corporate Affairs, Ms Poppie Baloyi; and Group Executive: Human Resources, Mr Hugo Ivy.

5.2. Dr Sibisi said that the Board believes that Denel is very much on the right path and has "a profound sense of comfort" with Mr Liebenberg and his management team and feels that the team is "eminently suited" to turn around Denel's fortunes.

5.3. Mr Liebenberg said that the "momentum of the company is in the right direction, and 12 months after the introduction of the turnaround strategy, we are 100% comfortable that the process we are following, the direction we are taking, is giving us the right indicators. We see a number of indicators in terms of staff behaviour, revenue lines, cost reductions, etc, giving us the sense that the process is absolutely correct." He said that "for the first time in the past two to three months, we can actually see it in people's eyes that they believe the direction we are taking is correct". "We also get this sense", he said "from the Department of Defence (DOD), Treasury, Armscor, the armed forces and others - the entire stakeholder community – that they are picking up on this momentum" and "the signs of recovery are definitely in the air".

5.4. "The number of deals and tenders we are involved in is picking up, compared to this time last year.... But this is a long sale cycle environment. We are not in the commodity industry, where you put an advert in the newspapers and the next day your revenues are up.... Turning the revenues around is a 3 to 7 year process.... Whereas last year (2004/5) we began with orders to the tune of 30%, this year (2005/6) we started with 45% and next year we hope to reach 50%. We hope to increase our order coverage 10 to 15% each year."

5.5. The first deal concluded is with SAAB which purchased 20% of Denel's Aerostructures. Within the past two weeks a deal was signed with Carl Zeiss to

buy 70% of Optronics. If this had not happened, Optronics would probably have had to close down in a year. Denel bid for a $2 billion contract in Turkey with the Rooivalk and was one of two companies short-listed. The final decision was to be made on 17 October but was postponed because the Turkish Prime Minister fell ill and was hospitalised on the day. Mr Liebenberg said that representatives of the Turkish Defence Department have since visited the US and it may turn out that the Turks might be interested in the US offer – but there is no clarity yet. Denel is talking to a company with UAV capabilities similar to it about the possibilities of merging.

5.6. Mr Liebenberg said that they are negotiating for the local defence industry, not Denel alone, to secure at least 70% of the government's acquisition budget. In the US the local industry share is 95% and in NATO countries it is between 70 and 85%. Only 30% of Denel's revenue comes from the local market. "We will never survive under these conditions", said Mr Liebenberg. "We are trying to marry capacity that the industry has got with expenditure. We have received a lot of co-operation in this regard and we are very excited. We can say that there are two very large deals we hope to announce with DOD and Armscor within a month that will be coming the industry's way.... It has taken three to four years to finalise these deals in our own country where we were basically the only bidder. But this is the way things are in the defence industry, and a quick turnaround is just not possible...."

5.7. Denel's strategy is based on six pillars:

- Transformation and People:
  - Transform Denel's people into a motivated, innovative, empowered workforce with a commercial and performance-based mindset within a truly representative and diverse environment.
- Engage State Agencies:
  - Participate in forums to ensure stakeholder alignment (DPE, Department of Defence, Armscor, industry) in areas of industry structure, acquisition policy, industrial participation.
  - Participate in the formulation of a Defence Industrial Sector Strategy.
  - Communicate strategic principles and plans to ensure buy-in of all stakeholders.
- Secure Privileged Access:
  - Secure 70% local spend of the defence acquisition budget as a policy decision (via a defence council).
  - Visibility of the defence budget to enable long-term planning.
- Evaluate Commercial Viability (Fix or Exit):
  - Evaluate business viability: capacity utilisation, sales, margins, overheads, markets, strategy.
  - Exit unviable businesses and product lines.
  - Restructure viable business: consolidate and right-size (focus on efficiencies, costs, overheads, productivity).

- Define acceptable hurdles: gross profit, EBIT (productivity, capacity utilisation).
- Business plan: "low risk" budgets and plans.
- Creation of new companies to ensure risk mitigation, governance and business focus.

• Create Equity Partnerships / Alliances:
- Identify potential partners and engage to find synergies;
- Conclude equity transaction.
- Identify strategic alliances to increase market share.

• Raise Capabilities and Productivity to World Standards:
- Identify, initiate and co-ordinate management interventions to ensure capability & productivity gains.

5.8. The first pillar, "Transformation and People" is the foundation pillar on which the other five rest. Denel undertook a major survey of its staff. Some 4 300 people, about 45% of the workforce, took part. "The results were shocking. People are very negative in respect of how they see leadership, senior management, career opportunities, remuneration, transformation, racial acceptance and so on." Denel is determined to change this, and more recently, as suggested in 5.3 above, there have been some positive developments.

5.9. Among the broad achievements of the past year were the following:

- Mapped global defence environment.
- Positioned Denel / South Africa in context.
- Five-pillar macro strategy (on foundation stone of "Transformation and People").
- Buy-in for strategy from all stakeholders.

5.10. The year also saw the re-engineering of Denel:

- Cost reductions, including staff reductions.
- Business processes improved.
- Business viability and product offering investigated.
- Potential for partnering / alliances.
- Roadmap with integrated stakeholder community.

5.11. Denel disposed of non-core assets Ariviacom, Irenco Plastics, Dendustri, Voltco, Irenco Electronics (Observer Technologies).

5.12. Denel is to dispose of the of Bonaero Park, SPP, Cosource Group, Oliver Tambo Airport vacant land and other unutilised land by the end of this financial year.

5.13. The aim is for Denel to be an investment holding company with between eight and twelve independent businesses with their own balance sheets and their own Boards. The businesses would be established in terms of technology niches; and

equity or strategic partners will be found for each. Denel previously existed as one company and it was difficult to establish which businesses were doing well and which not. Now it is possible to evaluate capacity utilisation, sales margins, overheads and other aspects of each of the businesses. Some of the product lines are unviable. Businesses which are marginal are to be restructured. "We're looking at how we can turn around the businesses in terms of efficency, productivity and cost reductions. We're looking at a low-risk budget, de-risking ourselves in the turnover budget. We're putting activities in place now, the financial results will follow later".

5.14. A number of high-level CEOs and CAs were appointed to the new companies. There is now an audit committee in each of the businesses in addition to the main audit committee.

5.15. A performance management system is to be implemented. A radical change to the remuneration policy is underway which will take into account the performance of an individual's contributions to the development of a business.

5.16. Denel suffered a net loss of R1,3 billion as against R1,5 billion during the 2004/5 financial year. Revenue came down from R3,6 billion to R2,7 billion. Turnover was reduced by R869 million due to lost markets and rescheduled orders. Denel received R2 billion from the national fiscus for its recapitalisation. Operating costs moved from R1,57 billion to R1,15 billion. R515 million was provided for contract risks. The restructuring provisions cost R59 million. There was low production in certain plants and an under-recovery of labour by R150 million. Capital and reserves improved from a negative R16 million to a positive R607 million, making Denel solvent.

5.17. Of the R2 billion received from the Treasury, Denel used R1,5 billion to repay a bank loan and the balance is being used for operational expenses, product development and capital expenditure during the current financial year. The Treasury allocated a further R847 million to Denel for its recapitalisation in the Adjustment Estimates of National Expenditure in October. Denel's total recapitalisation will cost R5,17 billion. R3,68 billion is needed for the "sins of the past". Treasury has allocated R2,85 billion to Denel to date. According to Mr Liebenberg is not likely that Treasury will provide all of the remaining R2,3 billion to Denel. Denel will have to find ways of raising this money itself. Denel's borrowings consist mainly of a corporate bond of R825 million which matures on 16 August 2007.

5.18. Mr Liebenberg explained that it is difficult to turn around the gross margin in the company quickly also because "we are sitting with contracts that are up to seven years old that were contracted at extremely poor margins".

5.19. In view of its many financial challenges, Denel found it "daunting" to convert from generally acceptable accounting practice (GAAP) to International Financial Reporting Standards (IFRS). "We had to train people to be IFRS-competent". This

mainly explained the delay in finalising the financial statements and the Annual Report.

5.20. At the end of the financial year Denel had a staff of 8 200. This was made up of 29% Africans, 53% Whites, 17% Coloureds and 1% Indians. Women made up 23% of the staff. At senior management levels there were 79% Whites, an increase from the previous year's 73%. The increase resulted from the re-designation of jobs that came about with the rebranding of businesses. During the 2005/6 financial year, the staff was reduced by 1 249. There were 490 resignations and 759 retrenchments. Denel has a comprehensive Social Plan which was negotiated with the trade unions. Of the 759 retrenchees, 165 were provided with start-up capital of R10 000 each after the submission of an approved business plan and they ventured into own businesses. 717 retrenchees received funds to continue with further studies for themselves or for their dependents. 322 received financial counselling. Mr Liebenberg said that "we will probably see a further reduction of workers in Denel, but not in the defence industry as the companies outsourced to will need those workers". The unions are being "actively engaged" on these issues.

5.21. The decline from 22% BEE procurement to 18,6% was an outcome of the new verification process which revealed that several companies defined as BEE were actually "fronts" for White businesses and the drop in IT procurement which dem in several BEE companies.

5.22. Mr Liebenberg said that as the "interrogation of the financial viability of the businesses deepened, we must accept that skeletons will come out of the closet. Issues that have been hidden for 20 to 30 years and more will be exposed. It might sound like bad news, but in fact it's good news, because we are cleaning up the business. There are some transgressions of the Companies Act and the PFMA that might emerge...".

5.23. Although Denel made substantial progress towards compliance with the PFMA and the Companies Act, it did not fully comply. In terms of section 45 of the Auditing Profession Act, the joint external auditors were required to report statutory non-compliance to the Independent Regulatory Board for Auditors (IRBA) even though Denel did not experience any material loss. Denel has responded to the auditors on all the issues raised and the auditors submitted an updated response to the IRBA, stating that Denel has put and/or is putting processes in place to address the non-compliance issues. In some instances, the auditors confirmed that the matters have been resolved to their satisfaction while in others Denel has given an undertaking to address the non-compliance issues during the current financial year. The non-compliance issues and Denel's responses are detailed in the Director's report in Denel's Annual Report. Denel is committed to fully complying with the PFMA and the Companies Act.

5.24. In response to issues raised from the Committee's 2005 Report regarding Denel's relations with India, Mr Liebenberg explained that the Indian Central Bureau of

Investigation had not come up with evidence of Denel's alleged corruption, and Denel has begun a process of legal arbitration against the Indian government.

5.25. The Committee continues to find Denel the most technically challenging of the SOEs to come to terms with; our views are therefore somewhat tentative. Of course, Denel operates in a very challenging and unpredictable environment, and has formidable financial and other difficulties that will take several years to effectively overcome, but the Committee feels that Denel's broad direction and strategy generally are sound. There is certainly greater clarity on the strategy compared to last year and reasonable progress in its implementation. The Committee appreciates the very comprehensive and detailed report provided by Denel. The leaders of Denel are obviously very determined to see Denel succeed and their commitment augurs well.

5.26. The Committee welcomes the greater co-ordination that is taking place among the different state agencies in the defence sector. We also welcome the greater co-operation between these roleplayers and private sector stakeholders in the defence industry.

5.27. The Committee recognises that strategic and equity partners for Denel businesses will be mainly foreign-owned companies but stresses the need to ensure that partnerships are effected in a way that does not lead to foreign control of the defence industry. In the case of Carl Zeiss' 70% ownership of Optronics, the Committee is concerned that the outcome of Research and Development should be retained by Denel. The Committee needs to understand how intellectual property rights are being protected. It seems to us that all new intellectual property should be automatically licensed to Denel for non-commercial purposes. The Committee mandates Mr Martin Stephens to pursue these issues further with Denel and report back to the Committee early in the new year.

5.28. While appreciating the shortages of skills, particularly among Blacks, especially Africans, in the highly technical areas in which Denel operates, the Committee feels that more needs to be done to improve responsibility, including in terms of gender.

5.29. The Committee will pursue further the following issues:

- Progress on the transactions referred to in sections 5.4 to 5.6 above.
- Denel's compliance with the PFMA and the Companies Act, especially relating to issues raised in 5.23.
- BBBEE procurement.
- Denel's relationship with India on issues raised in 5.24.
- The role of the Defence Evaluation and Research Institute.

5.30. Of course, Denel is in a particular phase of its re-engineering and the challenges are complex, and there are many broader indicators, but to better evaluate Denel's

progress, the Committee would like Denel to, over time, provide more precise measures of its productivity and efficiency improvements.

6. Eskom

6.1. Eskom was represented by Chief Executive, Mr Thulani Gcabashe; Finance Director, Mr Bongani Nqwababa; Generation MD, Mr Enoch Mango; General Manager: Distribution, Mr Louis du Plessis; General Manager: Human Resources, Mr Jim Wiese; Executive Manager in the Office of the Chairman, Mr Fani Zulu; and Public Affairs Advisor, Ms Prudence Pitsie.

6.2. The theme of the Annual Report is "A Strong Platform for Growth" which, Mr Gcabashe said, refers to Eskom's belief that it is in a strong position to enhance the economic growth of the country. He said Eskom is well positioned to meet the rising demand for electricity, given its financial strength, technical skills, planning capacity and operating performance.

6.3. Eskom's "sustainability reporting" covers four areas: financial; socio-economic; technical; and occupational hygiene, safety and environment.

6.4. Eskom still remains the world's lowest cost producer of electricity despite sharp increases in primary energy costs and the implications of managing aging plant. Eskom attributes this to tight cost control and good working capital management.

6.5. Mr Gcabashe explained that the disruption of power supplies in the Western Cape was Eskom's biggest challenge for the period under review. He said that while much of the criticism unleashed by the outages was understandable, Eskom was also reassured by the "speed of the organisation's response, the ingenuity of its engineers and the willingness of Eskom teams at many levels to minimise the impact of the outages". Since 24 July 2006, both units at Koeberg are "up and running" and most of the transmission repairs have been completed.

6.6. Mr Gcabashe stressed that the reserve margin is very tight, with the surplus capacity largely exhausted. "It is probably going to be a while before we gain access to surplus capacity again".

6.7. Key challenges during the 2006/6 year were:

- Managing the tight reserve margin.
- Planned major refurbishment of existing infrastructure.
- Capacity expansion programme.
- Safety.
- Availability of certain skill categories.
- Slow progress on BEE partnering.

6.8. However, the opportunities identified include:

- Developing a platform for economic growth.
- Developing skills base in South Africa.
- Supply chain value improvement.
- Begin to diversify our energy mix.
- Keep price of electricity competitive.

6.9. Eskom electrified 106 968 houses. The previous year it was 222 314. The CEO said that this was mainly due to the decrease in funds allocated by the government for the electrification programme. Eskom estimates that there are about 12 million houses. About 8,7 million have been electrified. About 3,3 million houses need to be electrified. About 2,5 million of these fall within Eskom's supply areas. About 10 000 schools still need to be electrified.

6.10. The demand-side management programme led to savings of 171MW, exceeding the target of 152MW. The success of the supply management campaign in the Western Cape meant that the anticipated load shedding was limited. Eskom's aim is to save 4 255MW of generation capacity over 20 years.

6.11. Mr Gcabashe said that Eskom's financial performance for the year should be measured against a sales volume growth of 0, 8% and the start of its very ambitious capital expansion programme. Eskom's profit for the period was R4, 6 billion, compared to last year's profit of R 5,4 billion over a 15- month period. The return on assets was 9,19%. Mr Gcabashe said that Eskom has a gearing ration of 0,18% (0,17% in 2004/5), which, with its ever improving credit rating, puts it in a very sound position to fund the capital expansion programme. Eskom spent R10,8 billion on capital expansion, compared to the previous year's R8,9 billion.

6.12. To fund its capital expansion programme, Eskom registered a R65 billion multi-term note programme and launched the first bond (ES33), the longest term bond in South Africa of R2,5 billion. Eskom also issued a seven–year maturity bond of €500 million. R1,6 billion was securitised in May 2006. Debt management strategies in poor communities such as in Soweto received specific attention. Conventional strategies have had limited effect and will be supplemented by technological solutions such as split metering and prepaid online vending.

6.13. Of the R11,1 billion that Eskom spent through BEE entities, R1,3 billion was spent through Black women-owned enterprises. 24% of the total spend was spent through SMMEs.

6.14. Mr Gcabashe responded at length to recent press reports that he had failed to act on a major case of corruption involving senior managers at Eskom. He emphatically rejected the allegations. He explained Eskom's fraud prevention strategy in detail. He also said that he was aware of the matter since late 2003, but significant evidence only emerged in a report he received in June this year. The matter was acted on immediately. A disciplinary inquiry was held and the managers concerned

suspended. The matter was reported in September to the police who are finalising their investigation. Eskom's preliminary estimate is that fraud of about R20 million is involved. At present there is no evidence that the figure is R129 million, as has been suggested in the media. Eskom is also pursuing the possibility of civil litigation to recover the money.

6.15. At the end of the financial year, Eskom employed about 31 000 people. Blacks made up 70% and women 24,7%. People with disabilities made up 2,5%. At managerial level, Blacks made up 60,1% and women 31,8%.

6.16. Of Eskom's 2 163 bursars, 89% are black and 55% are women. Eskom aims to train 4 000 learners in various technical fields by the end of 2007. The development and training spending of R543 million amounted to about 6% of Eskom's Human Resources spending.

6.17. As covered in our previous reports, Eskom intends to spend about R97 billion over the next five years on capital expansion. This includes a new coal-fired base load station, new pumped storage, transmission line and open cycle gas turbines in Mossel Bay and Atlantis. 67% of the money will be spent on generation, 12% on distribution, 15% on transmission, 4% on new business and 2% on corporate matters.

6.18. Over 20 years, Eskom intends to add 47 000MW. Over the next five years, the megawatts to be added are:

- 2006 796.
- 2007 1,864.
- 2008 2,250.
- 2009 1,550.
- 2010 1,152.

6.19. The challenges Eskom have to address include:

- Sourcing human capital / talent.
- Contractor and supplier development.
- Enhancing procurement processes.
- Environmental Impact Assessments (EIAs).
- Land and servitude acquisition.
- Mid-life maintenance programme in parallel with capacity expansion programme.

6.20. Mr Gcabashe explained that Eskom is discussing with Transnet the need to expand railway lines to some of its power stations to ensure easy access to coal. Eskom would fund the new lines and Transnet would operate them.

6.21. Mr Gcabashe will not be seeking a renewal of his contract when it expires in December 2007. The Board has adopted a succession plan that will see a new

Chief Executive appointed six months before the current Chief Executive leaves office.

6.22. The Committee was informed that the revised succession strategy would be approved by the Board at the end of October 2006.

6.23. Obviously, the financial year under review has been very challenging for Eskom especially with the power outages, particularly in the Western Cape. As the Committee has noted in previous reports, including "Eskom: Powercuts in the Western Cape, its National Implications and Challenges in Electricity Capacity", published in the ATC of 26 April 2006 and the Committee's report on DPE's budget, we feel that Eskom could have dealt better in some respects with the outages, but, overall, it has managed the challenges in a fairly effective and responsible manner. Eskom was particularly successful in ensuring the co-operation of key stakeholders and the public in conserving energy. We would be very keen to follow up on how sustainable this has been. In a curious and complex way, the outages highlighted both Eskom's weaknesses and strengths.

6.24. Eskom's financial performance is impressive, especially in view of its very challenging year and the magnitude of its capital investment programme. That Eskom's credit rating has improved, is also very impressive.

6.25. Subsequent to Eskom's briefing, the Cabinet finally decided on six Regional Electricity Distributors (REDs). A seventh national RED will not be established. The Minister and DPE had previously informed the Committee that the national RED would be established. Eskom was meant to play a major role in this. The Committee will seek clarity on the implications of Cabinet's decision for Eskom.

6.26. The Committee is concerned about the decline in annual figures of newly electrified houses referred to in section 6, 9 above. At this rate, as Mr Gcabashe also concedes, we will not be able to reach universal access by 2012. The Committee will discuss this issue further with the Portfolio Committee on Minerals and Energy to arrive at a better understanding of the fiscal and other challenges, and the role our two committees can play in addressing the issue.

6.27. Eskom's employment equity figures have improved marginally on last year's figures. In respect of internal promotions, women declined from 44,4% in 2004/5 to 39,7% in 2005/6.

6.28. Where possible, the Committee, in co-operation with the Portfolio Committee on Minerals and Energy will arrange for a briefing on the following issues:

- Eskom's climate change strategy and its programme on renewable energy.
- Progress on Environmental Impact Assessments.
- Eskom's strategy on safety.

6.29. Of course, the Committee is aware that in an organisation of the size and complexity of Eskom, it will inevitably be challenging to deal with fraud and other corruption. The Committee will, however, monitor developments in regard to the matters relating to fraud referred to in section 6.14 above, and is interested in what remedial action Eskom will take to avoid a recurrence of similar transgressions.

6.30. Overall, the Committee feels that despite its many challenges, Eskom performed well in the financial year under review.

7. South African Airways (SAA)

7.1. SAA was represented by Chief Executive Officer, Dr Khaya Ngqula; General Manager: Business Development, Ms Nomfanelo Magwentshu; Acting Chief Financial Officer, Mr Gareth Griffiths; Chief Risk Officer, Mr Vishnu Naicker; and the Head: Corporate Communications, Ms Jacqui O' Sullivan.

7.2. SAA was separated from Transnet on 1 April subject to the fulfillment of certain suspensive conditions. It was sold to DPE for R2,05 billion.

7.3. Dr Ngqula referred to the continuing volatility of the airline industry and raised issues similar to those covered in our previous reports. During 2005, international passenger traffic growth slowed to 7,6%, half the growth of the previous year, and freight traffic grew by just 3,2%.

7.4. In the CEO's Report in SAA's Annual Report, Dr Ngqula said that the "2005/6 financial year was one of consolidation and intense preparation for SAA's historic admission to the Star Alliance of major international carriers.... As part of our 'People, Patronage and Profit' strategy, enhancing customer service, re-aligning the skills of our staff to the needs of the business and cutting costs also remained firmly on the agenda".

7.5. Dr Ngqula provided an overview of the airline industry during the 2005/6 financial year:

- A turbulent year for the airline industry;
- Global airline industry losses approximated $6 billion in 2005;
- Oil price was a wild card, cutting into airlines' efficiency gains and profits;
- Oil prices were volatile and remain uncertain;
- Airlines need to:
  - Reduce cost and improve efficiency.
  - Consolidate and join global alliances.
  - Take into account the threat of low-cost carriers.

7.6. The major issues that emerged in the industry in Africa included:

- Increased competitive threat from other airlines.
- Increased partnering and code-share.
- BASA (Bilateral Air Service Agreement) constraints (e.g. Nigeria, Angola, Yamoussoukro Declaration).
- Strong market growth.
- Franchise opportunities.
- Aircraft maintenance opportunities.
- Increasing Cargo opportunities.

7.7. The key issues for SAA domestically:

- Strong pax growth (only 5% of South Africans fly).
- Low-cost carriers position strengthening.
- Competition intensity driving yields down.
- Fuel costs bite.
- Strong voice of Labour.
- Growing online bookings.

7.8. Among SAA's strategic achievements during the 2005/6 financial year were the following:

- Historic admission to the Star Alliance.
- Bambanani II embedded across the organisation.
- IT system implementation complete – Amadeus, Pegasys, Rapid.
- Strong leadership and management team in place.
- Marketing achievements – ATP (Mens World Tennis Professional Tour), SAA Tennis Open, SAA Open.

7.9. SAA increased its carriage of cargo by 5,1% to 185 000 tons. A new strategy has been developed to double freight revenue to R4,5 billion in five years.

7.10. SAA opened new routes to Zanzibar, Tanzania and Livingstone in Zambia. 16% of revenue is drawn from routes on the continent. SAA bought 49% of the shares, worth about $20 million, in Air Tanzania in November 2001 to set up an East African hub as part of its growth strategy. However, SAA has now decided to sell its stake in Air Tanzania because its investment has not yielded sufficient benefits.

7.11. SAA has retrained a significant section of the workforce in improved customer service and developed a new 3-year customer service plan.

7.12. "SAA's on-board product", reported Dr Ngqula, "is rated among the world's best regarding comfort, quality and choice. For the second year running, Skytrax voted SAA's business class lie-flat seat the world's best". SAA won the "Best Airline to

Africa'" award at the Travel Weekly Global Awards ceremony in London in January.

7.13. SAA has about 11 000 employees. 44% of senior managers are Black. Other reliable figures were not made available to the Committee.

7.14. SAA made a net profit of R65 million as against R648 million in the previous financial year. Although passenger numbers went up by 4,5% to 7,2 million, revenue increased by only 0,8% and yields fell by 3,5%. Competition from low-cost carriers led to a drop in domestic fares by 11% and, together with fuel cost increases, contributed to a decline in operating profit from R927 million to R425 million. Once-off costs included R700 million for fuel costs not covered by levies, R300 million related to the strike and R100 million to the Competition Commission. Excluding fuel, costs increased by 5,5%. Fuel costs, however, increased by 51,5%. The operating margin decreased from 5,4% to 2,2%. There was a net decrease in working capital of over R1 billion. Turnover increased marginally from R15,3 billion in the previous financial year to R15,6 billion in 2005/6. Total airline income increased from R17,1 billion to R19,4 billion. The new system of accounting for air traffic liability releases led to profit being favourably impacted by R400 million. Capacity (measured by available seats per kilometer) increased by 5,6% and the load factor remained constant at 70%. The Bambanani initiatives led to cost savings of R500 million – falling short of the R750 million target.

7.15. Transnet was paid back R1,6 billion of the R4 billion Compulsory Convertible Subordinated Loan. Transnet will convert the balance of R2,4 billion to ordinary equity. SAA repaid R1,4 billion aircraft-related debt. SAA's non-current assets decreased from R5,9 billion to R4,5 billion due to the sale and leaseback of two A340-600s. This was to eliminate residual value and currency risk associated with the ownership of aircrafts. The two airbuses were then leased back.

7.16. SAA has bought back the 5% shares owned by the pilots and is now completely owned by the state.

7.17. SAA hedges between 50 and 75% of its foreign currency exposure on a 12-month rolling basis. SAA hedges between 40% and 60% of its jet fuel price exposure on a 12-month rolling basis.

7.18. SAA will be raising R3,2 to R4 billion equity to restructure its balance sheet. SAA's recapitalisation strategy will focus on future growth expansion, lowering the costs of capital, improve gearing and cover ratios as well as mitigating currency risks.

7.19. Of supplier contracts of R66 million, R33 million was committed to BEE. SAA's BEE strategy will be finalised this year.

7.20. SAA launched its strategic plan for corporate social investment, "The Wings of the Nation". Over R14,5 million was spent on projects. A major focus is on enhancing

mathematics and science skills. The Vulindlela Aviation Awareness Programme takes a mock-up of the inside of an aircraft to rural areas to raise understanding of the industry.

7.21. SAA will focus on the following strategic initiatives:

- Realising Star Alliance benefits.
- Continued focus on Bambanani II.
- Improving customer service.
- Implementation of network strategy - Low-cost carrier, Legacy business, international business.
- Gearing Cargo and SAA Technical for growth.
- Restructure, retain or sell subsidiaries and non-core functions.
- Recapitalising SAA and finalising unbundling from Transnet.

7.22. SAA was about to launch its low-cost carrier, "Mango". Currently, low-cost carriers account for 30% of the market. "With the entry of low-cost carriers, the airline industry will never be the same again", said Dr Ngqula. He dismissed suggestions that "the government or taxpayer is going to be subsidising our low-cost carrier. The opposite is true. This will probably be shown in the next few months. The low-cost carrier will probably subsidise SAA.". He explained that the low-cost carrier would be run as a separate business with its own Board and management, and will lease aircraft from SAA.

7.23. The Committee notes the difficult financial position of SAA. The Committee is also aware of the volatility of the airline industry globally and the parlous situation of established airlines the world over. But it is difficult for us to tell how much of SAA's difficulties flow respectively from factors beyond its control, "legacy issues" and weaknesses in the present management. Understanding this is not helped either by the generally unfavourable media coverage SAA receives. To arrive at a reasonably sound view, the Committee would have to draw in the services of a suitably experienced aviation expert. In the absence of such technical support, the Committee can only tentatively conclude that in the context of the volatility of the airline industry globally and the nature of the challenges confronted by airlines the world over, SAA seems, with all its difficulties, to be performing satisfactorily. There is certainly room for improvement, as the CEO also acknowledges – and the Committee would like to see more concrete evidence of this in next year's report.

7.24. The Committee notes that a new customer service plan has been adopted. The members of the Committee who fly often are skeptical of claims of improvements in customer service, and are interested to know how SAA measures these improvements. MPs within and outside the Portfolio Committee have been regularly raising problems about SAA, customer service-related and other, that they or their constituents have experienced – and these issues have been raised with greater frequency over the past six months or more. For the briefing on its Annual Report next year, the Committee requests SAA to spell out clearly what

it's customer service plan is, how it is being implemented, what its specific goals are, and how it is being monitored and evaluated. Should there be any independent assessments of the plan and its progress that can be made public, the Committee would be interested to be given a copy and be briefed on it. The Committee will focus a significant part of next year's briefing on SAA's customer service plan and should it be necessary, will call a special briefing on this before then.

7.25. The Committee had raised the need for SAA to consider launching a low-cost carrier two years ago – but our suggestion was not well received. When this was pointed out to Dr Ngqula, he replied: "Well, things change very fast in this industry. Three months is a long time....". In effect, he suggested having a low-cost carrier was not right two years ago, but it is fine now. We are not convinced that it should not have been launched earlier. But no matter. It is important to make a success of "Mango". There are many questions the Committee has about "Mango", and we will pursue this further. At next year's briefing on SAA's Annual Report the Committee would like a full briefing on the progress of "Mango".

7.26. SAA reported that its hedging activity now delivers a positive cash flow. But a positive cash flow is not necessarily a barometer of the success of a hedging policy. Given the huge hedging losses SAA suffered in the past and the need to avoid this happening again, the Committee would like a more detailed briefing on SAA's hedging policy.

7.27. Time and other constraints prevented the Committee from pursuing certain issues further. These will be raised through DPE's Quarterly Reports to the Committee and will, if necessary, be taken further at next year's briefing. These issues include:

- Increases in transport of cargo.
- Challenges in expanding routes in Africa.
- The implications of the decision of the Competition Commission.
- The new system of accounting for the release of the air traffic liability releases.
- The functioning of South African Airways Technical (SAAT).

7.28. The Committee feels that for us to get a better sense of SAA's progress we need a fuller and more concrete report next year on gains in respect of cost reductions and efficiency improvements. The Committee notes that while SAA's costs (excluding fuel) increased by 5.5% its major competitors internationally have been regularly experiencing negative cost growths. Dr Ngqula said that ideally SAA should be showing -10% increase in costs. The aim is to save R753 million in this financial year. SAA's cost reductions and efficiency improvements will have to be a major part of next year's briefing.

7.29. While recognising that the Airports Company of South Africa (ACSA) and other third parties are responsible, the Committee would like SAA to report on progress in respect of lost luggage and theft. The Committee welcomes the baggage

wrapping and other attempts to reduce losses of luggage and theft. More, however, needs to be done – and the Committee is keen to see this happen, challenging though the problems are.

7.30. The Committee congratulates SAA on winning the awards referred to in section 7.12 above. SAA obviously has considerable potential. It can do better. The Committee is keen to see this happen.

8. South African Forestry Company Ltd (SAFCOL)

8.1. SAFCOL was represented by Chief Executive Officer, Mr Kobus Breed; CFO, Mr Joe Coetzer; Group Executive: Human Resources, Mr Azwindini Mutshinya; Group Manager: Corporate Services, Ms Linda Mossop-Rousseau and Komatiland Forests General Manager: Corporate Services, Mr Leslie Mudimeli.

8.2. While the Committee has received briefings from SAFCOL on its Annual Reports before, we have not included SAFCOL in our "Report on Annual Reports" previously because its financial year used to be from 1 July to 30 June and and therefore its Annual Report could not be considered together with the other Annual Reports. SAFCOL's Annual Report now coincides with the financial year cycle as required by the PFMA. As SAFCOL's report covers the "transition year", it refers to a 9-month period. Our report on SAFCOL takes the form it does because this is the first time we are reporting on it.

8.3. SAFCOL's vision is that it will be managed in a way that ensures it will be recognised as a world-class company in the timber industry. Doing this it will:

- Earn acceptable returns for its shareholder;
- Be recognised a top employer;
- Promote innovation and technical excellence.

8.4. SAFCOL's mission is to grow its business in the forestry and forest products industry through technical and business excellence and sensitive customer service, and achieving recognition as a leader in the forestry industry. The company embraces a policy of equal opportunities, providing rewarding and challenging careers for all its employees and proactively ensuring employment equity. In its activities, SAFCOL will ensure compatibility with the protection of the environment in which it operates and hence a green heritage for South Africa and a better future for all South Africans.

8.5. SAFCOL's core values are service excellence, sustainable business practices, employment equity, integrity and fairness.

8.6. In terms of SAFCOL's Memorandum of Association, the company's main business is:

- Timber growing and harvesting, both domestically and internationally;
- Domestic and international sawmilling and log and timber processing, including the manufacture of timber and timber-derived products;
- Domestic and international marketing of raw and processed timber in all its forms and timber-derived, agricultural and other products obtained from the land at its disposal;
- Development and management of ecotourism activities and facilities;
- Cultivation and harvesting of agricultural and agricultural related products, including the harvesting of natural vegetation.

8.7. In 1996 the government revised its forest policy and decided that the private sector should manage commercial forests. SAFCOL and Department of Water Affairs and Forestry's (DWAF) plantations and assets were amalgamated into five packages. Four were sold since August 2001.

- The combined Southern KwaZulu-Natal Plantations of SAFCOL, its Weza Sawmill and DWAF's Transkei plantations were sold to Singisi Forest Products, a consortium of Hans Merensky Holdings, the Eastern Cape Development Corporation and Singalanga Community Development trust;
- SAFCOL's Northern KwaZulu-Natal package was sold to Siyaqhubeka Forest, a consortium comprising of Mondi Timber Wood Products and Imbokodvo Lemabalabala;
- SAFCOL's Amathole Forestry Company was sold to Amathole Timber Holdings, which include a BEE participation of 10%;
- MTO Forestry, comprising all the state plantations between Port Elizabeth and Cape Town was sold to Cape Timber Resources, which includes a 50% BEE participation.

8.8. As covered in the DPE 2006 Budget briefing, the Competition Commission prohibited the merger between Komatiland Forests and the Bonheur Consortium. The government has since decided not to proceed with the privatisation. The finalisation of the lease agreement between SAFCOL/Komatiland and DWAF for the lease of the state forest land for a period no less than 70 years, remains another focus area. Discussions between SAFCOL and DWAF took place during the year under review in an effort to establish mechanisms for the payment of the benefit to be derived from the lease agreement to the communities. "This remains one of SAFCOL's main risk areas, since the communities are becoming increasingly concerned that no payments have been received to date", says Mr Breed.

8.9. SAFCOL summarised lessons learned from its privatisation experience:

- Tradability of shares needs to be considered:
- Employee Share Option Plans (ESOPs) in a non-listed company are difficult to achieve;
- It is essential to match Black empowerment partners with local communities (National Empowerment Fund) (NEF);

- Business Plan undertakings (BPUs) need to be tightly drawn up, with severe penalties if the provisions are not achieved;
- There needs to be clearer verification of representations to ensure that fronting does not occur;
- Monitoring of all agreements should reside with the entity from which the disposal took place;
- The appropriate roles and responsibilities for the different entities should be identified – process preferably to be driven by SOE with clear guidelines from government.

8.10. The Minister and DPE are working towards finalising a new mandate for SAFCOL by the beginning of the new financial year. In consultation with DPE, SAFCOL's Board has begun work on a strategic plan.

8.11. SAFCOL now has three operating subsidiaries, Komatiland, IFLOMA and Abacus Forestries. IFLOMA is in Mozambique. SAFCOL also has a 25% interest in the privatised companies, Singisi Forest Products, Siyaqhubeka Forests, MTO Forestry and Amathole Forestry. SAFCOL also has a number of dormant subsidiaries. SAFCOL has four divisions/projects: Assegaaibos Project (Western Cape), DWAF Delegation – Exit Areas (Eastern and Western Cape), St Lucia Operations (KwaZulu-Natal) and Shannon Properties (Mpumalanga).

8.12. Mr Breed said that direct lumber sales to customers increased to 79% of total sales, compared to the 59% in the previous year. However, he said that "the demand for saw log volumes far exceeded the available timber. The increasing demand for softwood is expected to continue in the foreseeable future – resulting in increasing saw log prices due to normal market forces. The increasing demand is due to the growth in the economy and the reduced saw log volumes available. A widening gap between the long-term contract and spot market prices is being addressed, taking into account sound commercial considerations and Competition Law requirements".

8.13. He said that approximately 1,6 million to 1,7 million cubic metres of logs will be available annually for marketing in the next three to five years. The volumes will increase gradually to a sustainable volume of 1,9 million to 2,0 million cubic metres in the next 18 to 20 years, barring any major negative impacts such as fires and droughts.

8.14. Mr Breed said that in terms of SAFCOL's agreement with the government, clear felling of the commercial plantations can continue at the St Lucia operations. A major fire in September 2005 impacted negatively on the operations. The uncommitted fire damaged timber was marketed by means of a price quotation system. This will continue into the next year to ensure maximum recovery of sawlogs into the industry. Negotiations are at an advanced stage to transfer certain clear felled areas together with rehabilitation funding to the Greater St Lucia Wetland Park Authority.

8.15. SAFCOL posted a net profit of R168,7 million during the 9-month financial year under review compared to R232,7 million in the previous financial year. Profit before tax was R240,8 million compared to the previous year's R344 million. Increases in fair value adjustments of the plantations added R170,97 million to pre-tax profit. A non-recurring profit of R6,43 million realised from restructuring and privatisation transactions is also included in the profit before tax. In terms of profitability, for forestry companies worldwide the weighted average cost of capital is about 14%. SAFCOL achieved a 15,4% return on capital employed. Revenue declined from R640,6 million to R359,9 million because of the disposal of MTO and Amathole, the closure of the Blyde Sawmill and a 9-month financial year.

8.16. SAFCOL directly employs 1 806 people in South Africa and about 600 in Mozambique. SAFCOL also has between 2 000 and 2 700 contract workers depending on the time of the year. Of those directly employed, 1 664 are African and 142 are White. There are no Coloureds and Indians. 83% are male. 85% of senior managers are White and 92% are male. Mr Breed said that "we still have a long way to go to recruit women in the forestry industry". He said that with the focus on privatisation, employment equity has not been high on the agenda, but now that SAFCOL is to develop as a company, greater priority will be paid to this. He said that in view of the nature of its business, SAFCOL makes a substantial contribution to rural development and the growth of the second economy, especially through its procurement and supply practices.

8.17. Mr Breed explained that the majority of SAFCOL's 25% share in the privatised companies is for disposal to employees by means of an ESOP and the National Empowerment Fund for the benefit of surrounding communities. SAFCOL has been working with DWAF during the past year on the development of the Broad-Based Black Economic Empowerment (BBBEE) Forestry Charter.

8.18. SAFCOL has expanded its capacity-building programme. The Platorand Training Centre has provided skills training to more than 4 600 of SAFCOL's staff and contractors. Auditing, mentoring and assistance are provided to emerging contractors (SMMEs). Training is provided in the forestry, artisan, administrative, marketing and wood technology fields. R1,3 million has been allocated for bursaries. 376 people attend Adult Basic Education Training classes.

8.19. Mr Breed noted that "there is a lack of younger people coming through to forestry, and this is a gap that has to be filled, and we will have do this aggressively".

8.20. SAFCOL is in the process of reviewing its Code of Ethics in line with government's objectives. The Group is a member of Ethics SA.

8.21. With the focus on privatisation, SAFCOL did not invest in saw milling, but with its changing mandate, has decided to invest R60 million in the Timbadola Sawmill to upgrade technology. SAFCOL will invest 1,4% of its saw log sales in research. It

also plans to establish a research and seed centre on the Nyalazi Plantation in St Lucia which will benefit the industry in general.

8.22. SAFCOL is also exploring forestry options in Tanzania, Zimbabwe, Angola and also further options in Mozambique.

8.23. Mr Breed said that new members were to be appointed to SAFCOL's Board shortly.

8.24. Mr Breed stressed SAFCOL's considerable potential. The "forestry side of our business is world class. We are often visited by international consultants who say that we are world leaders in forestry for timber processing".

8.25. For a variety of reasons, including, at one stage, the possibility that the government might exit from SAFCOL, the Committee has not being paying enough attention to SAFCOL. Given the government's "strategic shift of emphasis" on SAFCOL and the likelihood of it remaining in state hands for now, the Committee will pay increasing attention to SAFCOL. This means that we will also need to better understand SAFCOL and its role as well as the forestry industry as a whole.

8.26. As raised in our previous reports, the Committee welcomes government's decision to keep SAFCOL in state hands. Obviously, the "strategic change of emphasis" will call for an adjustment from SAFCOL from a "privatisation mindset". With the clarification of SAFCOL's mandate by the beginning of the new financial year, the company will be able to plan better. The Committee will in future, starting with next year's briefing, expect SAFCOL to be more precise about its objectives and progress in achieving them. We also request SAFCOL to provide a more clear and user-friendly overview of its Annual Report when it briefs the Committee next year. As we develop our understanding of this sector, we will also be able to engage more rigorously with SAFCOL representatives at the briefings.

8.27. The Committee is concerned about the impact of the shortages of saw wood on small saw millers, some of whom have reached out to us to raise their concerns. The Committee would like a fuller report next year on the challenges in this regard.

8.28. Of course, the Committee, recognises the legacy issues and the difficulties, but feels that more needs to be done to ensure that SAFCOL is more demographically representative at senior management levels.

8.29. The Committee will pursue further the following issues:

- The effect of forestry on water courses.
- The role of contractors.
- The application of BBBEE.

8.30. Of course, SAFCOL's role and strategy have to be more clearly defined, but, in the circumstances, it seems to be performing well. It could do better. We note Mr Breed's comments about its "world class" potential. We want to see that potential fulfilled.

9. Transnet

9.1. Transnet was represented by Group Chief Executive, Ms Maria Ramos; Group Chief Financial Officer, Mr Chris Wells; Group Executive: Strategy and Transformation, Mr Pradeep Maharaj; Chief Operating Officer, Mr Louis van Niekerk; Spoornet CEO, Mr Siyabonga Gama; SAPO CEO, Mr Tau Morwe; Transwerk CEO, Mr Richard Vallihu; and General Managers, Mr Karl Socikwa and Ms Moira Moses.

9.2. Ms Ramos explained that the shareholder compact with the Minister had been signed the previous week.

9.3. Transnet's four-point turnaround strategy and its core structure remain the same as covered in last year's report.

9.4. Ms Ramos reported on progress in each of the pillars of the turnaround strategy. They are pithily covered in her "Group Chief Executive's Review" in Transnet's Annual Report.

9.5. Transnet's assets are worth about R77 billion and it employs over 65 000 people. As explained last year, as part of its strategy to become a focused freight and logistics company with rail, port and pipeline operations, Transnet would shed its non-core assets. Ms Ramos reported that, in terms of the "Restructuring of the Balance Sheet" pillar of Transnet's strategy, SAA was separated from Transnet on 31 March 2006 subject to the fulfillment of certain suspensive conditions. Metrorail was transferred to the SARCC on 1 May 2006. The metro assets of Transtel were sold to Neotel on 3 May 2006 for equity of R256 million. The V&A Waterfront was sold to a consortium comprising UK-based London and Regional, Dubai-based Istithmar and a South African BEE consortium (23.1%) (comprising, inter alia, Cape-based investors including a women's group) for R7,04 billion on 15 September 2006. Shosholoza Meyl will be transferred to the SARCC by April next year.

9.6. The process of selling Transnet Freightdynamics, Transnet Pension Fund Administration, VAE Peway and non-core property is underway. In future, the housing assets, SA Express, Autopax, and "C" class preference shares will be sold.

9.7. The Transnet Second Defined Pension Fund had a deficit of R1,6 billion on 31 March 2006 (2005: R4,7 billion). But with the good equity portfolio performance, increased interest rates and the surplus from the sale of the V&A Waterfront, the fund is now in surplus. Transnet is considering increasing the pensions of the

pensioners receiving less than the State Old Age Pension (SOAP) level, as well as including certain categories of previously disadvantaged retired people.

9.8. Ms Ramos said that the two-month industrial action by the trade unions over the terms of the disposal of non-core assets was settled amicably through a "very forward-looking agreement", and relations with the unions had improved. A Strategic Leadership Forum has been established which brings together the Transnet executive, led by Ms Ramos, and the leaders of the unions four times a year to "promote engagement on strategic issues in a way that helps all parties contribute to our collective success".

9.9. In terms of "Re-directing and Re-engineering the Business" pillar of its strategy, Transnet has initiated the "Vulindlela" programme to "build Transnet's core business units into efficient, profitable and customer-oriented entities". Vulindlela is initially focusing on:

- Optimising Spoornet's iron ore line, general freight business and the coal line.
- Improving maintenance practices and culture.
- Containing costs, simplifying processes and improving service delivery.
- Upgrading procurement processes.
- Improving safety.
- Attending to Spoornet's National Operating Centre (scheduling of trains).

9.10. Significant benefits are already evident. For example, delivery times on the coal line have improved over 10% since September 2005, with the introduction of a new scheduled operating system. Outage time on the main line has decreased from 64,4 to 21,6 hours. According to Transnet, the coal mines have at times run out of freight to be transported, not just because of the unavailability of coal due to rains, but also because of Spoornet's improved efficiencies. However, Mr Lazarus Zim, President of the Chamber of Mines, was recently reported as saying that "industry's potential to grow at a faster rate has been inhibited by Transnet's inability to manage increased tonnages…." ("Business Report", 7 November 2006).

9.11. As reported last year, Transnet intended to reduce its Head Office staff from 400 to 250. Ms Ramos said that Head Office staff was now 190.

9.12. The major focus of Vulindlela is, obviously, on Spoornet. Ms Ramos said that while the coal and iron ore lines are crucial, "we cannot become a two-commodity business. Commodity prices are booming, but these are cyclical and we don't know how long they'll last. That's why we're spending an enormous amount of time, effort and money to grow our general freight business. It's that business that we're going to take from road to rail". General Freight represents more than 50% of Spoornet's revenue.

9.13. 212 locomotives in addition to the earlier 110 have been ordered for Spoornet. It takes between 18 and 24 months for the delivery of the locomotives.

9.14. "This has been a year of intense work on the human capital development side, and there's going to be another couple of years of very intense work in regard to this", said Ms Ramos. "The successful implementation of Transnet's turnaround strategy lies fundamentally in creating a work environment where our people can excel."

9.15. Progress on the "human capital development" pillar of the strategy includes:

- Completed redesign and staffing of corporate centre.
- Introduced a talent management programme.
- Begun capacity building exercise for operational requirements and skills demand study for medium term.
- Introduced a new reward and performance management system.
- Introduced a leadership development programme.
- Redefined partnership with labour for Transnet's transformation.

9.16. "Transnet supports all transformation instruments of government", said Ms Ramos, "not because we have to, but because it's imperative to our business model and our success as a business." Transnet has "made significant progress in achieving equitable representation across its divisions. Employment equity is a strategic initiative driven by the Transnet Exco and is intimately aligned with the organisational transformation process." Of a workforce of approximately 55 000, Africans make up 56.9% , Whites 20,7%, Coloureds 18,8% and Indians 3,4%. 85,5% are males.

9.17. Transnet reported progress on its "Corporate Government and Risk Management Framework" pillar. The shareholder compact is now signed. An enterprise-wide risk management framework has been implemented. Risk Management Committees have been established at both Board and executive levels. The outsourcing of the internal audit function has "probably been one of the best decisions we have taken". A head count has been done of every employee as part of a payroll audit. Monthly audit reports are done of progress on business re-engineering. A Fraud Prevention Plan has been finalised, and a process is underway for every employee to sign a "Code of Ethics" statement. An independent fraud reporting hotline has been installed. A "full review" has been done of "all litigation and material contracts". With the exit of SAA, Transnet now has to amend its Articles of Association.

9.18. Transnet made a net profit of R4,5 billion in 2005/6. In 2004/5 the net profit was R6,5 billion – but with the R4 billion embedded derivative removed, it was in effect a R2,5 billion profit. So compared to the previous year, Transnet made a significantly better profit in 2005/6 – an increase of R2 billion. Profit from operations increased by 57% to R8,4 billion. The profit margin increased from 21,4% in the previous year to 32,2% in 2005/6. This is the highest in seven years Turnover increased by 7%, representing real growth of 3%. The increase was not

higher because of the lower-than-expected Spoornet volume growth and the low volume growth at Petronet which is operating close to capacity. Operating expenses were reduced by 10%; at least 5% reflects productivity gains. The gearing ratio is 47%, compared to 62% in the previous financial year. Transnet's capital base grew by 31% to R27,6 billion.

9.19. Transnet now measures its performance against key performance indicators as set in the shareholders compact in terms of operating margins, revenue growth, infrastructure investment, gearing and cash flow return on investment - and "is in line with targets". Overall, the study reveals that Transnet has made significant progress, especially in terms of productivity and efficiency gains. In terms of performance management measures against budget:

- Transnet's operating margin exceeded budget and reflects operating efficiency, given that the tariff increases at 3,4% were below inflation.
- Revenue increased by 6,5% of which volume accounted for 3%. The increase was below budget by 8,2% due to not achieving the budgeted volume increase of 5,5%, primarily because of the low volume increase at Spoornet.
- Overall, the capex budget was achieved although the National Ports Authority (NPA) and Petronet were well below their budgets.
- Gearing at 47% is within the Board's agreed target range.
- The cash flow return on investment, 5,8%, is ahead of budget.

9.20. Spoornet's turnover increased by 4% to R14,4 billion. Its operating profit increased by 121% - but most of this is attributable to the R681 million for capitalisation of maintenance in terms of the IFRS. R3,8 billion was spent on capital investment. Total volumes increased by 0,5% to 182 million tons. Iron ore line volumes increased by 5% to 29,6 million tons, coal line volumes by 2,7% to 68,7 million tons and general freight volumes decreased by 2,7% to 83,8 million tons. General freight volumes have declined for many years due to lack of capacity and service delivering. This has been significantly impacted by poor availability and reliability of rolling stock due to lack of investment in both maintenance and new rolling stock. This is being urgently addressed in the re-engineering.

9.21. NPA's turnover increased by 11% to R5,5 billion and its operating profit was 19%. NPA spent R783 million on capital investment. This is behind target mainly because of delays in the EIAs process. Bulk import volumes increased by 6%. Full container imports grew by 9% while exports did not reflect growth due to currency strength, competition and quality issues.

9.22. South African Ports Operations' (SAPO) turnover increased by 9% to R3,6 billion. SAPO's operating profit increased by 4% to R910 million. SAPO spent R776 million on capital investment. Container volumes increased by 7%. Break-bulk volumes dropped by 5% because of competition and containerisation. There was strong growth in volumes in the automotive sector due to the continued strong

demand. A record 28,8 million tons was exported through the Saldanha iron-ore terminal.

9.23. Petronet's turnover increased by 4% to R1,1 billion. Petronet's operating profit was R597 million (up by 31%). R220 million was spent on capital investment. Petronet complied with the "clean fuels" requirements in January 2006. The existing refined products pipeline is running at close to capacity while the crude line feeding Natref is operating at 75%.

9.24. Transwerk's turnover increased by 28% to R3,8 billion. Transwerk's operating profit was up by 46% due to the ramp up of the maintenance program at Spoornet. R189 million was spent on capital investment.

9.25. Transnet spent R6,6 billion on capital investment. Transnet's capital investment programme of R64,5 billion over the next five years will be spent as follows: 2006/7: R11,4 billion; 2007/8: R15,3 billion; 2008/9: R14,7 billion; 2009/2010: R12 billion; and 2010/11: R11,1 billion. R31,5 billion (about 48%) will be spent on Spoornet; R18,6 billion on NPA; R6,3 billion on SAPO; R4,9 billion on Petronet; and R2,6 billion on Transwerk. Transnet anticipates it will need to borrow up to R25 billion to finance its investment programme and refinance maturing borrowings. This figure could be reduced through the sale of non-core assets. Even with this borrowing, Transnet's gearing ratio is not expected to exceed 50%.

9.26. Last year Transnet reported that there were four cases of non-compliance with the PFMA, specifically at SAA, and relates all of it to the procurement systems issues. Action is in place to address the issues and these were reported as required.

9.27. Transnet's report to the Committee was very clear, direct and focused. Many of the issues raised in our report last year were addressed in the "Chairman's Statement" and "Group Chief Executive's Review" in Transnet's Annual Report.

9.28. While the Committee was somewhat cautious in welcoming Transnet's progress last year, this year we are clear that Transnet has made major, commendable progress that is sustainable. Of course, we have limited technical expertise, but it seems to us that while huge challenges persist, and there is still a long way to go, the progress achieved is a very solid foundation on which to build further. Clearly, the current leaders of Transnet have done a remarkable job – and their performance suggests that with an effective and driven Board and management, operating within a clear mandate from government, SOEs can be successful. Their performance, in other words, reinforces the case to keep enterprises involved in key sectors of the economy in state hands rather than privatising them. Without being glib about this, it seems to us, that where there is a will, there is often a way.

9.29. In his "Chairman's Statement", Mr Fred Phaswana said: "With financial stability achieved, the executive can now focus on strengthening Transnet's operational efficiency gains....". The Committee looks forward to this.

9.30. There seems to be greater integration and co-operation of the different operating divisions of Transnet. Ms Ramos said that this is "the year in which we began the march towards building 'one company, one team, one vision'". The Committee's response: "Good, march on, march on!....".

9.31. We are particularly impressed with the slide Transnet presented to the Committee on "Performance Measures Against Budget" – which seems to us to be a very finite measure of performance against targets set in the shareholder compact.

9.32. The Committee commends the Transnet leadership, the trade unions and the Minister for the way the strike was settled. The Committee's concerns about job losses raised in our last report have eased somewhat, and we hope that the disposal of Transnet's remaining non-core assets will not lead to significant job losses.

9.33. The Committee notes that Transnet's capital expenditure programme will now cost an estimated R64,5 billion compared to last year's estimate of R40,8 billion. The Committee's concern about the availability of cement, steel and other material to implement the programme is raised briefly in section 10.8 below. The Committee will continue to monitor progress on the capital expenditure programme through the Quarterly Reports we receive from DPE.

9.34. Last year Transnet explained that its aim was to reduce its gearing ratio from 67% to between 50 and 55% over five years. It has already been reduced to 47%, and, we are told, will not exceed 50% even with the borrowing for the capital investment programme. This is impressive.

9.35. The Committee also notes that the Second Defined Pension Fund now has a surplus – a change from the significant deficit of prior years.

9.36. The Committee also welcomes Transnet's audit of every employee and its new Fraud Prevention Plan.

9.37. Obviously, Spoornet faces many challenges and the turnaround strategy will take some time to take effect, but the very low increase in volumes is disappointing. In fact, general freight decreased by 2,7% - yet this is where volumes have to grow, as observed by Ms Ramos in section 9.12 above. Ms Ramos said that until now Spoornet has not made a dent in road freight. Mr Gama said that Spoornet aims to move from its present 10% to between 22 and 30% of the market over five to six years; it is from 2008 that Spoornet will be poised for significant growth. Ms Ramos pointed out that even in Europe and elsewhere, it is proving to be very difficult for rail to retain its share of the market. Ms Ramos and Mr Gama were very candid about the challenges. The Committee needs to better understand these and Transnet's specific targets to address them and engage further on these issues; and in next year's briefing we will seek to do this.

9.38. Obviously, Transnet faces many challenges in respect of skills. The Committee is keen to exchange in greater depth with Transnet on this. We will also monitor progress on the Transnet Academy.

9.39. The Committee welcomes Transnet's progress on becoming more representative. Without being mechanical or glib, or being unmindful of the skills shortages and mismatches, the Committee feels that Transnet should do more.

9.40. The Committee notes that of its R7,7 billion tenders, 42% went to BEE companies. The Committee will engage in greater depth with Transnet next year on how it is implementing broad-based BEE.

9.41. Transnet's performance during the year under review was very impressive. In her "Review", Ms Ramos said: "More and better results are achievable." Good! We look forward to that….

10. On SOEs in general

10.1. We have consistently pointed out that the Committee does not have research support from technical experts in the energy, aviation, freight transport and other sectors in which the above SOEs are engaged. Nor do we have other independent means of evaluating the performance of DPE and the SOEs. We go by what we can tell, within these limitations, and sometimes we are just guided by our instincts. Our observations and views have to be understood in this context – and we accept that we could, in parts, be just wrong, or there are things we just fail to see. But what can we do? We will try to be better. But until we get the requisite support we will not be able to exercise our oversight role fully effectively. So when DPE and the SOEs talk about skills shortages, they should also spare a thought for us.

10.2. In view of the very limited research support available to the Committee, it would be useful to consider other independent evaluations of the performance of the SOEs, including by academics, other technical experts and others. Where appropriate, customer surveys undertaken of SOEs should be made available to the Committee.

10.3. Our overall assessment, for what it is worth, is that DPE and the SOEs are in general more directed, focused and driven now. Obviously, different SOEs face different challenges and are in different stages of their re-engineering and restructuring processes, but overall, to differing degrees, SOEs are more actively fulfilling government's mandate and performing better now than in the past two years. That, at least, is how we see it.

10.4. In a nutshell, our conclusions, for now, about the SOEs are:

- Until the land claims dispute is finally settled and the government is clearer about what it wants to do with Alexkor, it is difficult for the Committee to have a clear enough sense of how Alexkor is performing. It seems to us that Alexkor is very challenged. We feel though that Alexkor could do significantly better even in the current circumstances.

- Despite its many complex challenges, Denel's new strategy, overall, is sound and progress in the first year of its implementation is good. It will be a long haul. It is too early to say whether the turnaround strategy will succeed – but it is promising. Denel's leaders are firmly committed to fulfilling that promise.

- The power outages exposed both Eskom's weaknesses and strengths. Despite the challenges of the power outages and its capital infrastructure programme, Eskom is doing well and its financial performance remains impressive.

- SAA operates in a very difficult, volatile and unpredictable industry, with many factors largely beyond its control, especially fuel prices. It is difficult for the Committee to tell how much of SAA's difficulties flow respectively from factors beyond its control, "legacy issues" and weaknesses of the present management. We believe SAA can do better and its managers certainly have the potential to ensure this.

- With SAFCOL being retained in state hands, it will have to adjust from its "privatisation mindset". The Committee waits to see what precisely the new mandate is that government will provide – and will then be better able to assess SAFCOL's performance. For now, notwithstanding internal transformation challenges, SAFCOL seems to be doing well.

- Transnet's recovery over the past two years is remarkable. There is still a long way to go to ensure sustainable progress, but a solid foundation for this has been created. Major challenges persist, but if there is any leadership that can, over time, triumph over these, it is the current one.

10.5. The observations made about each SOE in 10.4 above are obviously quite condensed – and will make better sense if read against our observations of each SOE in the section of the report above dealing with a particular SOE.

10.6. The Committee looks forward to the shareholder compacts the Minister concludes with the SOEs being presented to the Committee early in the new year. It will significantly contribute to ensuring that we are more focused, rigorous and effective in our oversight role. It will also contribute to the SOEs becoming more specific and focused in their briefings to the Committee on their Annual Reports. In this regard we would like all SOEs to be more concrete about progress on specific targets in the shareholder compacts. A slide similar to the one presented by Transnet referred to in sections 9.19 and 9.31 above would be very useful to give the Committee a clear sense of this.

10.7. Many issues raised during the Annual Report briefings were not fully dealt with for want of time and other reasons. We, obviously, cannot wait until next year's briefings to deal with the issues. We will attend to them through the very useful quarterly briefings we receive from DPE, and, if necessary, through briefings from

the SOEs directly or written exchanges with them. The quarterly briefings are presented by DPE officials. While we do not necessarily require representatives of the SOEs to attend these, the SOEs are more than welcome to send representatives. For certain specific quarterly briefings we may request specific SOEs to send representatives. Essentially, the Quarterly Reports are meant to provide progress reports on:

- DPE programmes.
- Eskom's and Transnet's capital investment programmes.
- The overall performance of the all the SOEs.

10.8. Eskom's and Transnet's capital infrastructure programmes are taking place at the same time as the 2010 World Cup, municipal infrastructure and other capital investment programmes. The Committee would like to be briefed within the next six months on the strategies to meet the following needs:

- the massive demand for cement, steel and other material necessary to build the infrastructure planned by the SOEs.
- the major skills requirements.
- EIAs.

10.9. While recognising certain specific challenges that certain SOEs have in some areas of their work, the Committee would like more detailed and clear reports in future annual briefings on how SOEs are ensuring that their BEE programmes are indeed broad-based.

10.10. In respect of employment equity, we would like the SOEs to provide a full racial breakdown when they present their statistics to the Committee; in other words, the collective term "Black" needs to be disaggregated.

10.11. With the massive capital expansion programmes of the SOEs, the prospects of corruption increase. The Committee would like each SOE to spell out its anti-corruption strategies and programmes more clearly in future Annual Report Briefings.

10.12. The Committee welcomes the increasing co-operation of the SOEs. We also support Transnet's suggestion that SOEs co-operate on their Corporate Social Investment programmes and projects. We are interested to see progress on this – and will pursue this further with DPE.

10.13. The performance of SOEs seems to be significantly influenced by the political direction provided by government and the quality of leadership of the SOEs. It is crucially important that SOEs have effective succession plans in place. There needs to be greater stability and continuity within the SOEs that is not undermined by each change in their leadership. Eskom seems to be adopting a good approach to the replacement of its Chief Executive. We want to be briefed on succession plans by DPE and the SOEs.

10.14. The Committee welcomes the SOEs reporting in terms of IFRS.

11. Committee's 2007 Programme

11.1. In various parts of this report the Committee has set out issues we want to pursue further. These issues will be brought together in our programme for next year.

11.2. Among the more general issues we will be pursuing next year are:

- Shareholder compacts concluded with SOEs.
- Ministry's position paper on the role of the SOEs in a developmental economy.
- The remuneration guidelines for SOEs.
- The role of PBMR.
- The SOEs anti-corruption strategies and programmes.
- The possible contribution of SOEs to Call Centres.
- The SOEs skills acquisition and development strategies.
- The availability of cement, steel and other materials for the SOEs capital investment programmes.
- EIAs and progress on the SOEs capital investment programmes.

11.3. We will also continue with our usual quarterly briefings from DPE, and our special briefings on the SOEs application of BBBEE and their womens empowerment programmes.

11.4. The Committee will also be processing the South African Airways Bill and bills on Infraco and shareholder management.

12. Appreciation

12.1. We extend our appreciation to the leadership of DPE and the SOEs for their co-operation in our processing of their Annual Reports.

12.2. We also thank researchers Ms Desmoreen Carolus and Mr Eric Boskati for assistance with this report.

Report to be considered.

Report of the Portfolio Committee on Public Enterprises on the "International Executive Short Course on Public Sector Reform" in Australia and New Zealand, dated 15 November 2006:

The Portfolio Committee on Public Enterprises, having delegated Mr Zunaid Kotwal, MP, to attend the "International Executive Short Course on Public Sector Reform" in Australia and New Zealand, reports as follows:

1. An International Executive Short Course on Public Sector Reform was held in Australia and New Zealand from 20 to 29 October 2006. The organisers of the programme were Australian Habitat Studies (Aus-HS). The director is Dr Behnam Ta'i. Mr Victor Greenspoon, who was the chief co-ordinator, is currently serving as Aus-HS training co-ordinator in Thailand and has extensive experience in international capacity-building programmes.

2. The course was attended by about 40 delegates mainly from India, South Africa, Nigeria, Phillipines and Malaysia. The Portfolio Committee on Public Enterprises decided that Mr Zunaid Kotwal should participate in the course. The Portfolio Committee on Social Development decided that Adv Tshililo Michael Masutha should attend the course.

3. The aim of the course was to educate participants from the various spheres of government on how to practise good governance. Good governance is only attainable if the various government departments implement systematic and renewed public sector reform.

4. The presentations on the various sectors were delivered by a host of Australian and New Zealand professors. DrTa'I, the Chief Director of the entire course, delivered a presentation on good governance which focused primarily on leadership, and how good political leadership inevitably downstreams to good governance. The overall message of the presentation stressed eight key characteristics that underlined a good leader in any sphere of government. These were participation, accountability, transparency, responsibility, efficiency, consensus orientation, following the rule of law, equitability and inclusivity and, lastly, responsiveness.

5. The programme included a tour of Sydney to view the level and quality of development of the host city. A lengthy presentation on the history, geography, economy, government and people of Australia was offered by Professor Peter Murphy, Dean of the Faculty of the Built Environment Centre at the University of New South Wales.

6. An in-depth presentation on capacity building was delivered by Dr Ta'I, and this module proved to be very beneficial in identifying key areas that need attention at the various levels of government. The objective of capacity building is the need for

human resources to be adequately trained and built as a prerequisite for reform and good governance.

7. Professor Percy Allan, a graduate in management and a professor in public policy at the School of Business and Government at the University of Canberra, has 18 years working experience at the Treasury of New South Wales. One of his responsibilities was reformation of the State's financial management framework to achieve world best practice. He has helped national and local governments in China, India, Thailand and Indonesia in the areas related to public sector management and financial reforms. His presentation on the Australian Public Sector Management is key for other countries to look into and perhaps use certain aspects for implementation.

8. Professor Allan discussed Perfomance Management Principles in government by outlining four key issues, namely planning, acting, monitoring and reviewing, as the basis of a sound system. Undoubtedly, if implemented correctly, this system makes for workable government through various sectors. However, it must be stressed that all levels and spheres of government have to be adequately educated and trained.

9. A field visit to a housing showcase and Olympic site was also undertaken to view and observe the quality of Australian infrastructure. This event concluded the five-day presentation in Sydney, Australia. All participants thereafter departed for Auckland, New Zealand for the continuation of the programme.

10. The Auckland Sector was hosted at the University of Auckland. This included an introductory video on New Zealand and a presentation by Professor David Emanuel, who is an accounting and financial lecturer at the University of Auckland Business School. In his capacity as consultant to various government departments, he delivered a short presentation on transforming government enterprises (corporatisation).

11. Mr David Caygill, former finance Minister of New Zealand, presented a module on public sector reform. The objective of this module was to understand the Public Sector, the need for reform and different types of reform. He outlined possible reform in the context of good governance and thereby set strategies.

12. Of course, the main focus of the course was on reform in the public sector generally. But there was also a presentation by Professor Emanuel which dealt with public enterprises. The emphasis was on corporatisation rather than on privatisation. The lesson that emerged was that the ownership of the enterprise was less important than issues of productivity, efficiency and effective financial management. Finding the balance between the socio-economic role of state-owned enterprises (SOEs) and profit margins is crucial. Many of the issues discussed in considering the reform of the public sector generally that have been raised above also apply to SOEs – and there was much overlap between these discussions and those currently taking place in South Africa. Minister of Public Enterprises, Alec Erwin, is soon to finalise a paper on the role of SOEs in a developmental state. In briefings to the Committee, he and Director-General Portia Molefe have raised some of the issues to be covered in that paper – and again, there was an interesting overlap between these issues and those we dealt with on the course. It was certainly a very useful, relevant and rewarding course to participate in and the lessons learned can be drawn on in the processing of the Committee's work, not least the pending "Shareholder Management Bill"

13. The conclusion of the three-day Auckland programme included an extensive tour of the city, followed by the presentation of certificates.