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## **OVERVIEW AND ANALYSIS OF THE ANNUAL REPORT OF THE DEPARTMENT OF ARTS AND CULTURE 2011/12**

**08 October 2012**

### **1. INTRODUCTION**

The aim of the Department of Arts and Culture (DAC) is to develop and preserve South African arts and culture to ensure social cohesion and nation building. This national department exists to facilitate the full realisation of the potential of arts and culture in social and economic development, to nurture creativity and innovation, and to promote South Africa's diverse heritage. To fulfil this mandate, the Department continually develops and reviews policies and programmes that will ensure the survival and development of all art forms, genres and cultural diversity with mutual respect and tolerance, including the recognition and advancement of heritage through equitable development and preservation of the nation's experiences, heritage and symbols.<sup>1</sup>

The Department operates within the scope of broader policy priorities identified in the 2010 – 2014 Medium Term Strategic Framework, as well as its 2011 – 2016 Strategic Plan. The activities of the Department are divided into six programmes which serve to ensure that the strategic, outcome-orientated goals are met. The key departmental strategic policies are in place until 2015/16 and have been developed to transform South Africa's arts, culture and heritage sectors in order to direct South Africa's variety of artistic and cultural needs, ensuring job creation and sustainability of the Department.<sup>2</sup> A major focus for this year is using South Africa's heritage as a vehicle for the realisation of the Mzansi Golden Economy (MGE) strategy, introduced in 2011/12.<sup>3</sup> The sector has been identified as a potential leader in economic growth and job creation. Through the MGE strategy, the Department plans to contribute to the national goal of creating five million jobs by 2020.<sup>4</sup>

An analysis of the annual report is required in order to gain perspective on the Department's successes and challenges for the 2011/12 financial year. The aim of this paper is therefore to provide a concise overview and analysis of the Department's financial and non-financial performance.

### **2. KEY STRATEGIC OBJECTIVES OF THE DEPARTMENT**

The activities of the Department are divided into six programmes. Their respective descriptions and purposes are set out in the 2011/12 Annual Report as follows:

<sup>1</sup> Department of Arts and Culture. (2012) *Annual Report*.

<sup>2</sup> Department of Arts and Culture. (2011) *Strategic Plan 2011 – 2016*.

<sup>3</sup> DAC. (2012) *Annual Report*.

<sup>4</sup> National Treasury (2012). *Estimates of National Expenditure*.

**Programme 1: Administration**

**Purpose:** Provide leadership, management and support functions to the Department.

**Programme 2: Performing Arts**

**Purpose:** Promote the performing arts.

**Programme 3: National Language Service**

**Purpose:** Promote the official languages of South Africa and enhance the linguistic diversity of the country.

**Programme 4: Cultural Development**

**Purpose:** Promote and develop South African arts and culture.

**Programme 5: Heritage Promotion**

**Purpose:** Provide policy, legislation and strategic direction for identifying, conserving and promoting cultural heritage.

**Programme 6: National Archives and Library Services**

**Purpose:** Facilitate full and open access to the archival and information resources of South Africa.

**Alignment with national outcomes**

Out of the 12 government priorities, the Department's work is closely aligned with two. These are Outcome 4 which aims to ensure decent employment through inclusive economic growth; and outcome 12 which is geared at creating efficient, effective and development oriented public service and empowered, fair and inclusive citizenship.<sup>5</sup> Three out of the five departmental strategic themes speak directly to these national objectives.

With regard to Outcome 4, the Department's MGE Strategy redirects funds from the Investing in Culture Programme to the MGE Strategy to create employment and stimulate the economy on a broader scale in relation to arts, culture and heritage.<sup>6</sup>

### **3. PERFORMANCE OVERVIEW**

The Department focused on the following strategic themes:

- Development, preservation and promotion of arts, culture and heritage.
- Economic development.
- Skills development.
- Preservation for access to information.
- Social cohesion and nation building.

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<sup>5</sup> The Presidency (n.d.) Outcomes Approach.

<sup>6</sup> National Treasury (2012).



In addition to these broader priorities, the 2012 State of the Nation Address (SONA) identified specific key priority foci within the ambit of the heritage and arts and culture sectors. These include the unveiling of museums and centres, homes and graves of former African National Congress (ANC) presidents and national heroes, memorial sites as well as the renaming of the Presidential and Diplomatic Guest Houses. Furthermore, the DAC has declared 2012 'the year of heritage'. In this regard, the Department has committed to intensify work in heritage preservation, paying particular attention to South Africa's liberation heritage.<sup>7</sup>

### **Key Achievements**

The Department has achieved the following:

- Reduced its vacancy rate from 27.6 per cent in the 2010/11 financial year to 9.5 per cent in 2011/12.
- The Minister of Arts and Culture announced the declaration of the Voortrekker Monument as a national heritage site. This declaration acknowledges South Africa's diverse heritage and signifies that the country is a product of many histories and cultures.
- Reported significant progress on the development of the Freedom Park Museum.
- Facilitated the opening of the 'Reconciliation Road' – a road linking the Voortrekker Monument to Freedom Park. Access to both heritage institutions has been improved. Symbolically, it signifies nation building through co-operation in building an inclusive society.
- Sponsored production of "Azikwelwa" (We will not ride), a music production based on the 1950s Alexandra Bus Boycott that commemorates the history of the struggle in Alexandra Township, which celebrates its centenary in 2012.
- Launched the JL Dube Legacy Project at the Ohlange Institute in Inanda. Linking to the 2012 SONA, this project (which DAC will support financially) was marked by the laying of wreaths at the refurbished and restored graves of Dr. JL Dube and his wife and children.
- Hosted an Indian Festival in 2011 as part of implementing the bilateral cultural agreement with India. Events took place across South Africa and were held in partnership with provinces and municipalities. By way of reciprocation, the Indian Government will host the South African Festival in India in late 2012.
- Hosted a Consultative Conference on the MGE Strategy in April 2011. This event brought together over 1000 delegates from around South Africa. The Summit made a number of specific proposals to strengthen DACs role in repositioning Arts and Culture as a major contributor to the economy. These include the establishment of an art bank; a touring and sourcing company; initiating a public art programme; the establishment of a cultural observatory; encouraging arts education in schools; the establishment of the National

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<sup>7</sup> Parliament (2012). *Proceedings of Extended Public Committee*.



Cultural Industries Skills Academy of South Africa (NACISA); and the implementation of the national liberation heritage route.

- Participated in a range of international festivals and events, including but not limited to the COP17 International Conference, the Cape Town International Jazz Festival, the Cape Town Carnival, and the South-Africa French Seasons.
- The Heritage Promotion Bursaries Programme was launched in 2011. During the year under review, the Department awarded bursaries to 312 post-graduate students for studies in language practice, including language policy development and terminology studies. Undergraduate students were also awarded bursaries in the field of language practice.

### Key Challenges

- While the Department has reduced its funded vacancy rate to 9.5 per cent from 27.6 per cent at the end of the 2010/11 financial year, the vacancy rate in senior management (levels 13 – 16) stands at 22 per cent. According to the 2011/12 Annual Report, 39 of the 50 posts in this tier are currently filled.
- A final report on the under-spending or misspending of the 2010 FIFA World Cup budget has been submitted, but recommendations will only be addressed in the 2012/13 financial year.
- The DAC's Audit Committee considers the internal audit function to be under-resourced. The Committee reports that this hampers operations of the internal audit function and subsequently affects the ability to address the risks pertinent to the Department in its audit.
- The Department continues to under-spend. An amount of R131.1 million was not spent in the 2011/12 financial year.

### QUESTIONS OR ISSUES FOR CONSIDERATION

- How many of the 11 unfilled funded posts in senior management will be filled in the current financial year?
- The Department should ensure that the report on the 2010 FIFA World Cup expenditure is made available and presented in detail to the Portfolio Committee. What steps has the Department taken to ensure that its Audit Committee can fulfil its function and thereby reduce risks? We are already more than half-way into 2012/13. Have the recommendations already been addressed? If not, when will they be addressed?
- The Department should present a detailed report to the Committee regarding its consistent under-expenditure. What measures have been put in place to ensure that the budget is expended fully and effectively in order to carry out the mandate of the Department effectively?



## **4. PERFORMANCE PER PROGRAMME**

Analysis of performance per programme is limited to key successes and challenges. Successes are considered to be areas in which the Department has exceeded its targets, while challenges indicate failure to meet targets. Challenges highlighted are particular to prioritised targets set out in the Strategic Plan.

### **4.1 Administration**

#### **Key successes**

- The Department successfully revised and submitted its Annual Performance Plan (APP). The APP was tabled in Parliament in March 2012.
- The Fraud Prevention Implementation Plan was developed and approved for implementation by the end of the financial year.
- DAC awarded bursaries to 100 per cent of eligible bursary applicants in its efforts to build capacity through talent management and Human Resource Development.
- The Internal Audit Plan was fully implemented during the period under review.

#### **Key challenges**

- The Department had set a target of 98 per cent expenditure of the approved budget. The actual figure was 95 per cent. The variance was attributed to under-expenditure due to:
  - - Investing in Culture (IIC) projects not paid out,
    - Capital projects not finalised,
    - Social cohesion projects not executed, and
    - MGE projects delayed.
- The Department failed to successfully develop and implement Monitoring and Evaluation Tools and System to facilitate the use of consistent approaches and standards in assessing the performance of DAC and its public entities. Research and consultation were reported as the reasons for delays in finalisation. The draft stages of the following were reached:
  - - Integrated Planning Framework,
    - Monitoring and Evaluation strategy/framework, and
    - Reporting guidelines and planning framework.
- The Department has established a Performance Management and Development System (PMDS). Of the targeted 100 per cent of half-yearly performance reports to be received



by HRM, only 60 per cent of reports were submitted. The Department cites poor compliance with the PMDS policy by employees and managers as the cause for variance.

#### QUESTIONS OR ISSUES FOR CONSIDERATION

- Why are employees and managers failing to comply with the PMDS policy, and what has the Department done to remedy this situation?
- The Department has placed a moratorium on the filling of posts. Only priority posts were filled in anticipation of the re-aligned organisational structure. When will the re-aligned structure come into effect? The Committee should closely monitor progress on EE targets as the Department fills its vacant posts.

## 4.2 Performing Arts

### Key successes

- In commemoration of National Youth Day, a Youth Month cultural programme was supported and held in Orlando Stadium. In addition, a youth seminar was held at the State Theatre and a youth service programme was held in Mamelodi.
- The TrendSetter Initiative (TSi) programme was approved by top management. This initiative aims to empower youth in arts, culture and heritage towards socio-economic opportunities, supporting their creative endeavours and encouraging civic participation.<sup>8</sup> This is another encouraging initiative that aligns with the MGE strategy.
- Fifty artists were placed in two Western Cape and Northern Cape schools – 25 in the Western Cape and 25 in the Northern Cape.
- Two programmes on vulnerable persons were implemented in the period under review. These are the Tshwane Disability Arts and Africa Sinakho Arts (based in Durban) programmes.
- Fully functional councils for each of the six playhouses were approved and inaugurated.

### Key Challenges

- In spite of prior recommendation on reporting and monitoring, Programme 2: Performing Arts still presents problems in this regard.

<sup>8</sup> Department of Arts and Culture. (2011) Kha ri Ambe Newsletter, volume 3.



- An amount of R31.2 million remained unspent at the end of the 2011/12 financial year. This was attributed to the following:
  - R10 million was not transferred to the National Film and Video Foundation (NFVF) as ownership of cinemas had to be clarified,
  - R5.4 million earmarked for capital works not transferred to the Northern Cape Theatre due to non-compliance to conditions set by the Department, and
  - An amount R15.2 million was not spent as a result of a delay in implementation of MGE projects.
- A number of planned targets were not achieved due to the resignation of staff member(s). These include:
  - Two national workshops conducted on integrated, sustainable and humane human settlements research work and National Task Team resuscitated,
  - Four social dialogues conducted through Non-Governmental Organisations (NGOs),
  - Implementation and monitoring of programmes that support families in distress, and
  - Consultations on the draft Arts, Culture and Heritage Gender Equity mainstreaming strategy.
- The reason for variance given for a number of planned targets not met was prolonged consultation.

#### QUESTIONS OR ISSUES FOR CONSIDERATION

- This particular programme, although central to the mandate of the Department, is plagued by challenges such as planned targets that have not been achieved. One issue in particular is the resignation of employee(s) key to the implementation of planned targets. The Department cites reconfiguration of the DAC structure as a reason for the delay in replacing staff. As these targets appear to require the capacity of more than one staff member, why is resignation cited as failure to meet planned targets?
- Some planned targets include consultation. The prolonged process of inter- and intra-departmental consultation, resulting in failure to meet targets should be monitored.
- If the MGE Strategy is a DAC priority, what are the reasons for the delay in implementation of MGE projects?

### 4.3 National Language Service

#### Key successes

- The amount not spent on this Programme stood at an immaterial 0.69 per cent of the final appropriation and all planned targets were achieved.



- Bursaries were offered to 312 students in order to enhance skills development in the language profession. The amount of bursaries offered exceeded the planned target of 180. In light of the South Africa Languages Bill [B23 of 2011] recently, DAC is working towards addressing the need for trained professionals in the language sector.
- A consultative conference was convened to develop the strategy and action plan for development of literary works in indigenous official languages, and a strategy was adopted by the conference.
- A Terminology Management System (machine-aided translation tools) was delivered, installed and implemented.
- A Memorandum of Understanding (MoU) with the Dutch Language Union was signed and implemented.

### **Key Challenges**

This Programme presented no challenges.

#### **QUESTIONS OR ISSUES FOR CONSIDERATION**

- While it is commendable that the DAC offered 132 bursaries in excess of the 180 planned bursaries to be offered in 2011/12, an explanation of how this was made possible and whether it did not result in overspending in this specific area of expenditure is required.

## **4.4 Cultural Development**

### **Key successes**

- The Annual Moshito (rhythm in sePedi) Music Conference, Exhibition and Showcase was held in Johannesburg.
- An action plan for the Independent Record Companies of South Africa (AIRCO) was developed and approved. This action plan is designed to empower local music producers.
- A business plan for the Downtown Studio Hub was completed and approved by its Board. While this is admirable, issues around the business plan were raised by the Portfolio Committee in August 2012.
- Small and independent local companies were subsidised to publish books in the nine indigenous languages. These books were unveiled during the 2011 National Book Week.
- The Department participated in the following continental arts and culture festivals:
  - International Cinema Festival of the Western Sahara (FISAHARA),
  - International Art and Craft Fair, Ouagadougou, Burkina Faso (SIAO)
  - Festival of Pan African Music (FESPAM), and
  - Africa Day Celebrations.





- It is promising to note that five countries were identified and engaged on the African World Heritage Fund (AWHF), namely Guinea-Bissau, Senegal, Angola, Oman and Qatar. Partnerships with these countries will assist in the leverage of resources for the AWHF.

### **Key challenges**

- The Audit Committee recommends an increase in efforts to ensure that performance objectives are met. As with Programme 2, lack of staffing has a direct effect on programmes not fully achieving their objectives.
- As at the end of the financial year, 13.8 per cent of the appropriated budget was unspent. An amount of R19.4 million was not utilised. This is attributed to the following:
  - Second payments to the Investing in Culture (IIC) projects could not be verified and paid, and
  - MGE projects were not timeously implemented.
- The draft conceptual document on national music policy for the MGE strategy was not developed. The reasons for variance were prolonged discussion with stakeholders and lack of funds.
- The study on the Liberation Route in Africa was not completed as planned. The National Heritage Council (NHC), which is mandated to lead this project, has however developed a business case report.



#### QUESTIONS OR ISSUES FOR CONSIDERATION

- The Department should brief the Committee regarding why second payments to the IIC projects could not be verified.
- The Department should present the action plan for the Independent Record Companies of South Africa (AIRCO) to the Committee, as well as indicate how exactly AIRCO aims to empower local music producers.
- The detailed business plan for Downtown Studio Hub should be presented for scrutiny to the Portfolio Committee on Arts and Culture. The Committee raised numerous concerns at the last presentation; therefore it is important that the business plan be presented in order for the Committee to assess whether it is adequately fulfils all criteria to ensure more efficient and effective implementation in future? What strategies have the National Arts Council and DAC put in place to effectively monitor the activities of Downtown Studio Hub?
- Lack in staffing capacity has to be addressed in order for DAC to fulfil more of its planned targets. How will DAC address its staffing problems?
- The Department has indicated that under-spending on this Programme is attributed to delays in implementation of MGE projects. However, the Annual Report indicates that part of the reason for not conceptualising a draft document on national music policy was reportedly due to a lack of funds. The Department should clarify this to the Committee.
- What were the challenges faced by the NHC in completing its study on the Liberation Route in Africa? What interventions were implemented to ensure that this study is completed, and what are the timeframes for completion of the study? The NHC should present a detailed report in this regard, including a brief to the Committee on its Business Plan in relation to this matter. A copy of the Business Plan should be presented to the Committee for assessment before the meeting in order to provide enough time for analysis by the researcher and assessment by Members of the Committee.

## 4.5 Heritage Promotion

### Key successes

- As part of rolling out the Heritage Human Resources Development Strategy (HHRDS), 106 bursaries were awarded and professional development courses were supported.
- The strategic plans of 16 heritage institutions were evaluated.
- An assessment of security and access needs of heritage institutions was conducted and budget allocations were made.
- The Department facilitated the United Nations Educational, Scientific and Cultural Organization's (UNESCO) reactive mission visits to Robben Island and Mapungubwe.
- Construction of the Matola Raid Monument has commenced.



- An audit report on Intangible Cultural Heritage (ICH) was developed and approved. A database of South African ICH as well as a management strategy was developed.

#### **Key challenges**

- As at the end of the financial year, 8.26 per cent of the appropriated budget was unspent. An amount of R62.1 million was not utilised. This is attributed to the following:
  - R49.9 million earmarked for the Muyexe and Ngquza heritage projects managed by Independent Development Trust (IDT). Funds were transferred but not spent by the IDT as they were treated as prepayments and not actual expenditure.
  - R5.5 million was unspent due to of various uncompleted projects.
  - R6 million was unspent due to of delays in social cohesion projects.
- The Sarah Baartmann Centre of Remembrance was not completed. The budget was approved and construction will commence in the 2012/13 financial year and is projected to be completed in 2015.
- Some headway has been made with the Women's Museum and Development Centre. The property that DAC was to have purchased is no longer available. DAC held a meeting with relevant stakeholders. A need to conduct socio-historic research was identified, thus influencing the timeframes.
- The Solomon Mahlangu Project was not approved by Cabinet.

#### **QUESTIONS OR ISSUES FOR CONSIDERATION**

- Which 16 heritage institutions' Strategic Plans were evaluated? What were the outcomes of the evaluations?
- Why were funds for the Muyexe and Ngquza heritage projects not spent by the Independent Development Trust? Will these funds be spent in the current financial year? What will the funds be spent on, and will this spending be according to the strategic plan?
- R5.5 million was unspent because of various uncompleted projects. Which projects were uncompleted and how important are these in ensuring that the Department delivers on its mandate successfully? When are they projected to be completed?
- What caused the delays with the Sarah Baartmann Centre of Remembrance projects? How will these projects be implemented moving forward? What strategies or interventions will the Department implement to avoid further delays? When during the 2012/13 financial year will construction commence?
- Why was the Solomon Mahlangu Project not approved by Cabinet?



## 4.6 National Archives, Records, Libraries and Heraldic Services

### Key successes

- The launch of the Friends of the Archives Programme took place on 9 September 2011. As part of this outreach programme, three provinces namely, Northern Cape, Mpumalanga and Limpopo, were visited.
- The planned target for records received, captured and processed was 90 per cent. This target was not only met, but actual performance was 160 per cent. This means that a backlog carried over from previous years was captured.
- The North West Provincial Archives co-hosted the Annual Oral History Conference in conjunction with the North West Department of Sports, Arts and Culture.
- The actual number of mini-libraries established to promote access to information for the visually impaired far exceeded the planned total of six. In total, 24 mini-libraries were established due to the unexpected interest in the project.

### Key challenges

- As at the end of the financial year, 2.09 per cent of the appropriated budget was unspent. An amount of R15.4 million was not utilised. This under-spending was attributed to delays in implementation of social cohesion projects, which will be executed in the 2012/13 financial year.
- The planned evaluation of the condition of all archival records was not undertaken. However, a pilot survey to determine the condition, extent and needs of collections was conducted. Limited personnel and time are cited as reasons for not achieving this target.
- The National Archives Digitisation Strategy only reached draft stage. It was not approved as planned due to the pending approval of the National Policy on Digitisation of Heritage, on which the Strategy is dependent.

#### QUESTIONS OR ISSUES FOR CONSIDERATION

- Social cohesion projects in this Programme were delayed. The Department should indicate which projects were delayed, as well as how important and effective these would be in strengthening social cohesion in society? The Department should also present all its projects and programmes related to achieving social cohesion to the Committee moving forward, as well as mechanisms that it will put in place to ensure success of these projects
- It is imperative for DAC to ensure the survival of archival records as in many instance these documents are unique. How will the Department ensure that archival records are preserved? The Department should present on the strategies that it will implement to ensure that there is enough capacity to carry out this important function effectively, e.g. outsourcing, increasing the staffing complement, internships in conservation, etc. Internships could possibly not only address the problem of limited personnel but also the lack of trained, qualified conservators.