

**REPORT OF THE PORTFOLIO COMMITTEE ON ARTS AND CULTURE  
ON THE BUDGET VOTE NO.14 HEARINGS FOR 2006/07. THE NATIONAL  
DEPARTMENT OF ARTS AND CULTURE AND ITS ENTITIES  
PRESENTED HEARINGS 09-29 MARCH 2006 .**

**1. Background information on submitting Budget reports of  
the Departments and entities reporting thereto to  
Parliament**

**1.1 INTRODUCTION**

In terms of current National Assembly's processes, all Parliamentary Portfolio Committees are required to consider and report on Departmental and Public Entity's budget reports after tabling and referral by Parliament. The objective of consideration of the budget and strategic plans is to assess the performance of the department and public entities that report to the Department against the targets set in the previous financial year and as well as strategic objectives that the Department and the public entity were set to achieve.

- Department of Arts and Culture
- National Film and Video Foundation
- National Arts Council
- National Library of South Africa
- Freedom Park Trust
- Arts Cape
- Playhouse of KZN

**2. FINDINGS**

**2.2 OVERVIEW OF THE PRESENTATIONS ON DEPARTMENT OF ARTS  
AND CULTURE.**

The Acting Chairperson welcomed the presenters and gave them an opportunity to make their submissions on the budget and strategic plans.

**2.3 Department of Arts and Culture**

The present report would be on the strategic plan for the Department of Arts and Culture and some few areas from the Budget Vote No. 14. The Minister of Arts and Culture will present the Budget Vote No. 14 to the Committee after tabling it to Parliament.

## Structure of the Strategic Plan

It is explained in line with Budget Vote No. 14 with the following measurable objectives. The Director General Prof. I Mosala briefed the Committee as follows:

- **Administration:** To conduct the overall management of the department and provide centralised support services. The Director General indicated that the programme constitute a large part of the budget because since the separation of the two department there was a need to expand and accommodate all the required human resource for the betterment of the DAC.
- **Arts and Culture in Society:** The department will continue to support initiatives for social cohesion and contribute to other government objectives such as poverty alleviation and job creation.
- **National Language Services:** In collaboration with the Government Information Systems (GCIS). The DAC will engage in a nationwide Language Awareness Campaign to conscientise all relevant stakeholders about policy as well as the role that they have to play in its promotion.
- **Cultural development and International:** The DAC gives support in the form of strategic financial interventions, management capacity, advocacy and networking, development of Public Private Partnerships and other initiatives that use culture as a tool for urban regeneration such as the Film and TV Market known as Sithengi as well as the SA Fashion week.
- **Heritage promotion:** To ensure the transformation of the heritage landscape as a vehicle for nation-building and social cohesion, through the implementation of heritage policies and legislation
- **National archives, Records, Meta-information and Heraldic Services:** Enable transparency and evidence-based good governance of archives, records, published information, and heraldic and symbolic inheritance of the nation through institutional management, regulation and development.

## 2.4 Broad Expenditure Trends

The table below illustrates the expenditure of the Department of Arts and Culture (DAC) for the last four years. (Extract from the Draft Strategic Plan of DAC)

PROGRAMME	2002/2003 Audited R'000	2003/2004 Audited R'000	2004/2005 Audited R'000	2005/2006 Audited R'000	
1. Administration	44,554	65,932	81,685	85,845	7,6%
2. Arts and Culture	152,615	192,011	232,802	200,680	17,7%
3. National Language Services	47,710	43,919	69,239	63,257	5,6%
4. Cultural Development and International Cooperation	78,501	121,672	140,047	165,995	14,7%
5. Heritage Promotion	241,687	440,222	532,286	550,073	48,5%
6. National Archives, Records, Meta-	44,838	60,301	57,692	67,170	5,9%

Information and Heraldic Services					
<b>TOTAL</b>	<b>609,905</b>	<b>924,057</b>	<b>1,113,751</b>	<b>1,133,020</b>	

The following additional allocations were made to the DAC

- A baseline to the adjustment to the archives for accountability (R10million of the MTEF)
- Extension of the Archives Building (R50 million in 2008/09 only)
- Increase to the Freedom Park capital project (R144 million in 2008/09 only)
- Increase to the baseline of cultural institution (R30 million in 2006/07, R60 million in 2007/08 and R80 million 2008/09)
- Establishment of community library services (R5 million I 2006/07 to perform a detailed assessment of the present situation of Library Services and implementation cost of R200 million in 2007/08 and R360million in 2008/09)
- A baseline adjustment for the Pan South African Language Board (PanSALB) (R8 million in 2006/07, R10 million in 2007/08, and R12 million in 2008/09)
- Commemorations for the 50<sup>TH</sup> anniversary of the Women's March to the Union Buildings (R5 million in 2006/07 only)
- Shifting to Provincial Equitable Share for the Western Cape Archives (R7, 2 million in 2006/07, R7, 5 million in 2007/08 and R7, 9 million in 2008/2009).

The Director General informed the Committee that transfers to heritage, arts and culture institutions and projects consumes most expenditure of the overall Budget Vote approximately 89,3 per cent of the DAC's expenditure over the medium term.

The DAC explained the budget through its six programmes extensively and discuss the new programmes the department is involved in such as the commemoration and celebrations of the Nation.

The DAC has focused on transforming South Africa's Arts and Culture and Heritage landscape while also seeking means to ensure that communities use their creativity to generate economic benefits.

The DAC's budget overall budget grew at an average annual rate of 22,9% between 2002/ 3 and 2005/06 mainly due to additional resources for capital projects. The bulk budget goes to transfers to heritage and arts institutions.

More emphasis was made on the review of all the DAC policies. The DAC intend to review all the legislation that dates back to 1964. The urgent acts that need to be reviewed are that of National Arts Council and the National Film and Video Foundation.

### **3. STAKEHOLDERS CONCERN ON BUDGET VOTE**

The following stakeholders took part on the Hearings on Budget Vote

### **3.1 National Film and Video Foundation (NFVF)**

The National Film and Video Foundation supports South Africa's film and video industry. The cost of development of NFVF Programme Plan for 2006/07 is R55million. The current funding allocation is R26, 08 million. Receipt of the feature film fund of R35 million over the past 3years lapse between 2003-2005. The NFVF explained its budget programme by programme with cost.

The main concern of the NFVF was that with the budget they are operating with the NFVF couldn't carry its mandate. The DAC withheld R12 million from their funding; therefore it is very difficult for them to fund feature film. The DAC did not avail them to discuss the matter. The shortage of funds lead to the feature films copyrights belonging to other countries although it is made in South Africa by South Africans

### **3.2 National Arts Council (NAC)**

The National Arts Council supports the various disciplines of arts and culture through grants. The process of appointing new board members is in progress. The NAC will inform the Committee on the new board members.

The NAC will receive approximately R51 million from the DAC. Due to the absence of the board and the CEO the DAC is the accounting officer. Provinces such as Mpumalanga, Limpopo and Free State were now given a priority.

The NAC is there to ensure that this funding is obtainable for previously disadvantaged and newly established organisations that practice African art forms.

It has a surplus of R6 million in 2004/2005 financial year, a cost savings of R2 million in the administration expenses as well as the interest earned in the current financial year 2005/06 resulted in total R10 million funds being available for allocation to projects and grants.

### **3.3 National Library of South Africa**

The National Library of South Africa is a key information provider and cultural heritage institution. It holds millions of items, most acquired through Legal Deposit. There are also many valuable and rare items ranging from the Renaissance to the country's own early indigenous and colonial history.

The budget for the Libraries were not good enough for the Libraries to carry their mandate although for 2005/06 it has improved from R19 million in 2002/03 to R39 million for 2005/06. As the situation improve all the programmes in the National Library has its own programme director.

### **3.4 Freedom Park Trust**

The mandate of the Freedom Park Trust is to drive the establishment of the Freedom Park that will reflect the history of South Africa from Pre-colonial to post apartheid South Africa, for all South Africans.

The final hand over of the Freedom Park Trust to people of South Africa is estimated to be 2009. The first phase of Freedom Park has been handed over in 2003 and are constructing the Intermediary Phase with a planned completion date of November 2005 coincide with a hand over ceremony to the President and the Nation on 16 December 2006.

Freedom Park Trust received a grant of R19 800,000 million from the grant 2006 with an estimated shortfall of R48 million at the end of financial cycle ending 2007.

The FPT requested the Committee to negotiate with the DAC in availing the R150 million targeted for 2009 should be made available earlier than 2009 to be able to accomplish the task.

### **3.5 ARTSCAPE**

The mission of the Arts Cape is to facilitate and promote the arts in a way that advances nation building and establishes sustainable business partnerships involving all stakeholders.

Arts cape received an amount of R21 845 million in 2004/2005 from the state for capital work; and secures R24 434 for 2005/06

### **3.6 Playhouse – Kwazulu –Natal**

The Playhouse is working towards achieving its artistic Plan. It is oriented and packaged in a format that is required by the National Department of Arts and Culture. The artistic plan is set to deliver artistic services and products to the artistic community in alignment to all the National and Provincial priorities.

The Playhouse received a grant of R28 202 million from the grants with an estimated expenditure of R38 366 750 million; the difference is derived from the business, operations, productions and ex reserves.

## **4. Committee observations and concerns and the DAC's response and the participating entities**

The Committee was concern on the role played by the DAC in 2010 in terms of language translation it should be a role player. The DAC should work with other department on language issues to avoid duplication. Little has been done on educating South African citizen about the National Anthem and National Flag. Members were concern that when they visit the embassies in South Africa they hardly saw these National symbols.

The Department has responded that they need to look at Panslab and the National Language services concerning the language issue because sometimes they feel there is

a misunderstanding between the two. The problem with the DAC Pansalb was mentioned by the interim constitution the final version does not mention it.

The DAC has undertaken some road shows about the national symbols. The National Flags will be provided to all schools. On the issue of embassy the DAC felt that it is a matter of the Department of Foreign Affairs to look at that.

The Committee mentioned that the DAC is very slow in creating the Community Arts Centres that were intended to alleviate poverty.

The DAC responded that responded that R1million to 5 million has been allocated for the development of Community Arts Centres over a period of 5 years, although they acknowledge that the allocation is not enough.

The Committee also noted the allocation of funds to the previously benefiting institutions are still benefiting even more. The DAC should change the landscape of funding by concentrating on developing the disadvantaged artist.

The DAC has taken note of that.

The Committee questioned the DAC on the retrieval of the fallen heroes in foreign countries.

The DAC responded that the Minister intend to form an advisory personnel for the identification of graves

The Committee felt that the Committee should organise a meeting with the DAC to get clarity on both sides of the problem, as to why the R12 million allocations to National Film and Video Foundation was held by the DAC.

The Committee questioned the lengthy process that is taking to appoint the Board members and the CEO of the National Arts Council.

The NAC responded by confirming that the process is unfolding interviews has been done in the next two months it will be operational.

The Committee raised a number of concerns that funding from the NAC is mostly benefiting institutions that are in Gauteng.

The NAC expanded by concentrating in other provinces now such as Mpumalanga, Limpopo and Free State.

The Committee was also concern to the Arts Cape on the huge 44% that is used for centre management from their income expenditure trends compared to 6% used for support services and 7% used for manufacturing services. There is a lack of transformation in terms of their staff compliment.

The Arts Cape CFO has noted that and mentioned that in staff compliment they have already done a slight change.

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