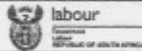


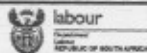
Import Parity Pricing

- A study on administered pricing conducted and a review study on import parity pricing initiated.
- The study on import parity pricing in the metal sector completed and a mechanism for addressing the matter is being developed.
- Since May 2005, Statistics South Africa has been publishing an index of Administered Prices monthly as part of its CPI series.
- A position paper addressing import parity pricing that will address issues of competition regulation was approved.



Pension and provident funds

- Draft policy document on retirement funds reform completed, and released for public comments.
- The Minister of Finance hosted a roundtable of industry stakeholders where government proposals for the principles to underpin the reform process were outlined.
- The National Treasury and the Financial Services Board held road shows at major centres and engaged with key stakeholders on the document.
- The revision of the policy document is underway in preparation for legislative drafting. It is envisaged that the drafting of a new Pension Funds Act will commence during 2006.



Housing

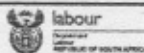
The Department of Housing has developed a process for the rapid release of land for affordable housing in terms of an appropriate policy taking account of both private and public-owned land as well as the establishment of a Special Purpose Vehicle (SPV) which will be responsible for the acquisition and holding of land for housing purposes.

A moratorium on the sale of municipal owned land has been agreed to on 31 October 2005, at the Municipal Housing Indaba. The outcomes of the discussions were that municipalities need to give priority to the provision of land for purposes of housing and accordingly to consider delaying the sale of land for other purposes until housing needs were adequately provided. SALGA is to ensure that municipal councils take appropriate resolutions to give effect to the agreement.



Housing

- Memorandum of Understanding concluded within the auspices of the Financial Sector Charter was signed by the Minister of Housing, the Banking Association of South Africa and the four major banks on 31st March 2005.
- The banks confirmed that they will, as a first phase, originate R42 billion in housing finance by 31st December 2008 and further reported as at 30 September 2005, they had lent R16,7 billion to the target market. This level of lending has not been verified. The banks are to submit reports to the Charter Council giving details of their respective engagements in the target market to enable the Council to confirm the level of lending that has taken place.
- Engagements in the charter process continue on a regular basis with representation by the Department of Housing, National Treasury, community, labour and the Banks through the Sectoral Low Income Housing Committee



Housing

A generic consumer education programme aimed at informing potential borrowers of their rights and obligations and the rights and obligations of Banks will be flighted through various media.

- An awareness campaign to the target group of the existence of this initiative and the basis on which they can access affordable housing finance products and subsidies from the Department of Housing that has developed a programme of financial support for households with incomes ranging from R3,501 to R 7,000.
- The successful implementation of these initiatives will also address the challenges of the duality of our economy and unlock the latent potential of the property market in areas previously under-performing and especially the dysfunctionality in the target market, i.e. those households earning between R1500 to R 7500 per month.
- The Director-General of the Department of Housing and the MD of the Banking Association will form a joint committee to monitor the implementation of this agreement.



Financial sector summit

- The Charter Council as envisaged in the Financial Sector Charter has been duly constituted. The Charter Council has 21 members representing business, black professionals in the industry, labour, community and government.
- The Council endorsed the development of the Mzansi Account. As at 28 November 2005, the Mzansi account had 2 216 000 account holders.
- The Charter Council is in the process of finalising Generic Access Standards against which low cost products will be measured in order to qualify for Charter points.
- National Treasury is currently considering the comments and effecting amendments to the Co-operative Banks Bill.



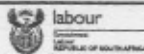
Advancing Equity, developing skills, creating economic opportunities for all and extending services

- Accelerating Equity
- Broad Based Black Economic Empowerment
- Employment Equity
- Promoting Literacy
- Learnerships
- Strengthening the SETAs
- Education
- Access to Basic Services



Black Economic Empowerment

- Phase One of the BEE Score Card and Codes of Good Practice has been completed, the Second Phase is currently being discussed at NEDLAC.
- Charters are being implemented or drafted in a number of sectors. Sector Charters have been completed in Finance, Mining, ICT and Petroleum.
- The National Empowerment Fund has been re-launched and new financial support measures have been introduced. The President will announce the Advisory Council.



Employment Equity

- The Employment Equity task team has been established at NEDLAC and encourages employers to report on their employment equity progress.
- National and provincial road shows were undertaken with strong support from Business and Labour, and enjoyed wide electronic media coverage.
- There has been some improvement in the reporting and more improvements are expected in the next reporting cycle.



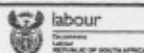
Promoting Literacy

- SETA reports indicate that by the end of March 2006 a total of 41,097 workers have registered for ABET programmes. This is a 98% achievement against the MoU targets for period 2005 - 2006.
- NSDS 2005-2010 provides for implementation of ABET programmes, with a target of 700 000 workers attaining levels 1- 4 by March 2010.
- Government, through the Department of Education, has set a target of learners in informal basic literacy programmes for 2005/6.



Learnerships

- At the end of March 2005, there were **155 460** learners registered with SETAs in structured learnership and apprenticeship programmes. Of this total, 82% were black, 43% women and 2% were people with disabilities.
- The Department of Labour centres have stepped up a campaign to register learnership applicants at local levels and have more learners than could be placed.



Strengthening the SETAs

- A comprehensive tender proposal developed to contract an external education institution provider, to develop and implement a SETA capacity building project.
- The SETA Boards performance evaluation and capacity building project was awarded to UNISA by the tender Board. The obligation of UNISA as the preferred provider for this service was based on three key activity results areas which were identified. NQF & SAQA processes were completed early 2006, administrative arrangements have been finalised with the University & the SETAs are preparing for enrolment.

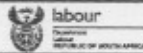


Access to Basic Services

The Guidelines that support the Indigent policy have been developed and approved by the MIN-MEC in June 2006. It is expected that the guidelines will assist municipalities in the implementation of the FBS policy. 199 municipalities have fully functional indigent policies.

187 municipalities have fully functional Indigent Registers.

The Housing Programme has been reviewed and the Comprehensive Plan for Human Settlement Development approved.



Local action and implementation for development

- Local level planning
- Local Economic Development
- Provision of infrastructure and access to basic services
- Service delivery mechanisms



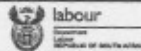
Local level planning

IDP engagements were held in all the Districts and Metropolitan Municipalities. The purpose of the review process was to assist municipalities to develop credible IDP's that are aligned to the budgets

Government approved the model for aligning IDPs, PGDS and the NSDP. The model is used to inform the IDP hearing and review process. The PGDS guidelines and assessment framework have been developed.

Izimbizo held in Project Consolidate municipalities to facilitate and deepen community participation. All provinces reviewed their respective PGDS and the NSDP is updated.

The Department of Housing has introduced a new multi-year planning regime at municipal level in order to provide for housing sector plans to become part and parcel of IDPs.



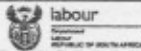
Local Economic Development

- The National Framework for LED has been developed to support the development of sustainable local economies through integrated government action.
- Local Economic Development Fund incorporated within the Municipal Infrastructure Grant (MIG). The DPLG hosted the LED Conference from 14-15 August 2006. The aim of the conference was to mobilise South Africans to work together in stimulating the regional and local economies in order for the Accelerated and Shared Growth Initiative for South Africa (Asgi-SA) to be realized and the 6% growth target to be surpassed.
- MPCCs have increased from 37 to 86 and a strategy for the next phase that will see an MPCC in every municipality by 2014, was approved in January 2005 and is being implemented.
- The Regional Industrial Development Strategy (RIDS) is being developed as part of the N.I.P.F



Service delivery mechanisms

- Municipal Infrastructure Grant (MIG) programme implemented to provide all South Africans with at least a basic level of service by the year 2014 through the provision of grant finance aimed at covering the capital cost of basic infrastructure for the poor. The Housing Programme makes a considerable contribution to this programme through the delivery of housing to the poor.
- The Department of Housing, in collaboration with NHBRC have developed a programme to support and promote small emerging contractors in housing. Programme Management Units have been established at a local level to assist municipalities with the management of their infrastructure programmes. A capacity building programme for emerging contractors have been developed. Between April and June this year, the programme has been rolled out in the Western Cape, Limpopo, Eastern Cape and KwaZulu-Natal, with a total of 211 learners trained.
- The Municipal Infrastructure Investment Framework is currently under review to reflect the current infrastructure backlogs (informed by the infrastructure backlog study). Developed the Municipal Service Partnership Guidelines that will guide the municipalities on the legislative processes to be followed when entering into partnership arrangements



Conclusion

- Thank you

