

66 TAX RETURNS

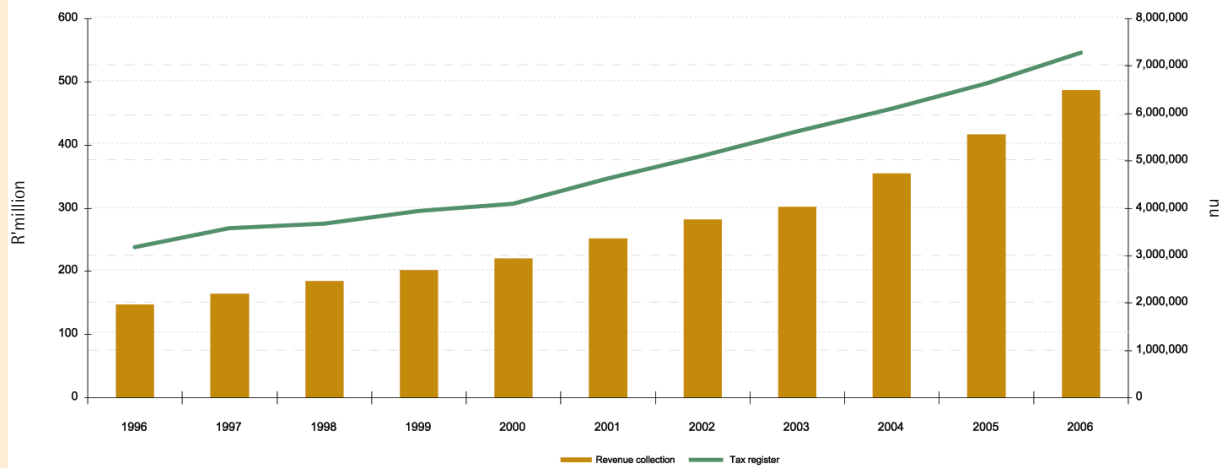
Goal To strengthen the revenue-collection capacity of government.

Trend analysis Revenue collected quadrupled between 1996 and 2006 and the number of tax payers in the tax register also more than doubled in the same period. Tax collection is an area in which government effectiveness has improved considerably.

TAX REGISTER AND REVENUE COLLECTION

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenue collection	R'billion	147.3	165.3	184.8	201.4	220.3	252.3	282.2	302.5	355.0	417.3	486.4
Annual tax relief	R'billion	2.40	0.91		3.57	8.48	9.06	15.17	15.06	2.30	9.38	19.30
Tax register	no	3 166 795	3 568 089	3 671 130	3 941 375	4 094 271	4 623 870	5 102 227	5 608 223	6 085 436	6 624 767	7 277 006

TAX REGISTER AND REVENUE COLLECTION



Data source South African Revenue Service, communication as at November 2006

67 AUDITS

Goal To promote good governance in public institutions.

Trend analysis There is a mixed record in terms of the auditing performance of state institutions. While noticeable progress has been achieved in relation to public entities such as state-owned enterprises, the record of national and provincial departments and the local sphere of government has been uneven and slightly trending towards negative. The trend in performance should also be seen against the increasingly high standards that the Auditor General's Office is using in auditing departments.

AUDITING

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
National depts.						
No of nat depts. Audited	36	36	36	34	34	34
No of qualified audits	7	8	8	11	7	11
% of qualified audits	19%	22.2%	22.2%	32.4%	20.6%	32.4%
Provincial depts.						
No of provincial depts. audited	117	116	116	115	117	117
No of qualified audits	95	62	36	36	46	41
% of qualified audits	81%	53.4%	31.0%	31.3%	39.3%	35.0%
Municipalities						
No of municipalities audited	543	175	128	95	126	186
No of qualified audits	414	131	77	58	72	not available
% of qualified audits	76.2%	74.9%	60.2%	61.1%	57.1%	
Public entities						
No of public entities audited	136	136	186	158	122	
No of qualified audits	63	53	56	20	25	
% of qualified audits	46.3%	39.0%	30.1%	12.7%	20.5%	

Definition Qualified audit as so defined by Auditor General (AG)

Data source General Reports of the Auditor-General 2000/1 till 2005/6 / www.agsa.co.za

68 CORRUPTION PERCEPTIONS

Goal To reduce the levels of corruption in government and in society as whole.

Trend analysis The ranking position of South Africa in the Transparency International Corruption Index has deteriorated over time. While this is a negative trend, it is important to note that the corruption index only measures perception, which does not necessarily indicate an increase in the actual levels of corruption. What it may indicate is that measures introduced by government to expose corruption are becoming effective, which may then drive the perception that corruption levels are increasing.

Perceptions of firms surveyed by the World Bank's International Finance Corporation on the levels of corruption in South Africa show that South Africa compares quite impressively with other countries when it comes to firms' perceptions of corrupt conduct when dealing with public institutions. What is particularly important to note is that firms deal with public institutions on a regular basis. Thus, their perceptions of corruption are likely to be credible though it should be underlined that these are just perceptions.

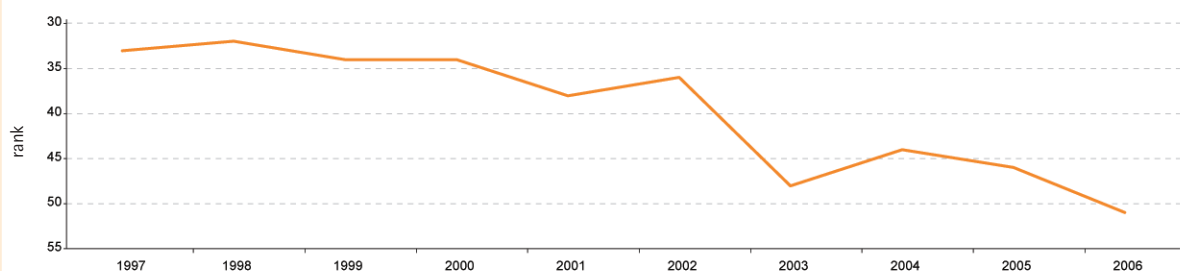
TRANSPARENCY INTERNATIONAL CORRUPTION PERCEPTION INDEX

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Ranking position	33	32	34	34	38	36	48	44	46	51

WORLD BANK PRIVATE FIRMS CORRUPTION SURVEY

2003	South Africa	Sub-Saharan	All Countries
Unofficial payments for typical firm to get things done (% of sales)	0.05	1.94	1.39
Firms expected to give gifts in meetings with tax inspectors (%)	0.61	20.74	32.3
Value of gifts expected to secure government contract (% of contract value)	0	4.04	2.3

TRANSPARENCY INTERNATIONAL RANKING POSITION OF SOUTH AFRICA



Data source www.transparency.org
Enterprisesurvey.org, World Bank, International Finance Corporation, 58 000 firms surveyed in 91 countries

69 BUDGET TRANSPARENCY

Goal To ensure transparency in the budgetary process through availing extensive information about the budget to citizens.

Trend analysis Even though this is the first Open Budget Index by the International Budget Project (IBP), the ranking of South Africa among the top six countries whose budgetary processes are the most open and transparent, indicates the country's good standing in the category of good governance

OPEN BUDGET INDEX 2006

Provides extensive information to citizens			
France	Slovenia	United Kingdom	
New Zealand	South Africa	United States	
Provides significant information to citizens			
Botswana	Norway	Romania	
Brazil	Peru	South Korea	
Czech Republic	Poland	Sweden	
Provides some information to citizens			
Colombia	Indonesia	Namibia	Sri Lanka
Costa Rica	Jordan	Pakistan	Tanzania
Croatia	Kazakhstan	Papua New Guinea	Turkey
Ghana	Kenya	Philippines	
Guatemala	Malawi	Russia	
Provides minimal information to citizens			
Albania	Bangladesh	Georgia	Zambia
Algeria	Cameroon	Honduras	
Argentina	Ecuador	Nepal	
Azerbaijan	El Salvador	Uganda	
Provides scant or no information to citizens			
Bolivia	Egypt	Nicaragua	
Burkina Faso	Mongolia	Nigeria	

Definition The rating is based on a questionnaire with 91 questions relating to categories of availability of budget documentation, the executive's budget proposal and the budget process.

Data source www.openbudgetindex.org

70 PUBLIC OPINION ON DELIVERY OF BASIC SERVICES

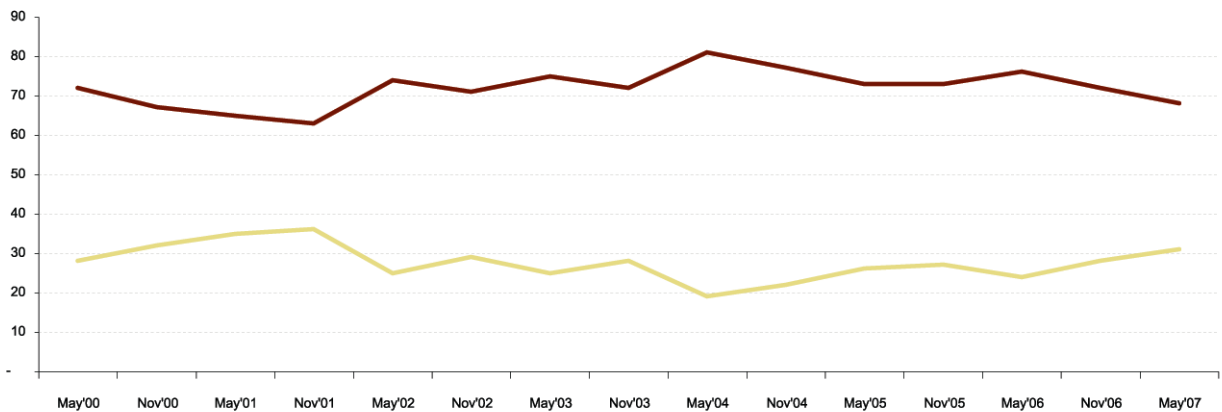
Goal To improve government's efficiency and effectiveness in providing services to citizens.

Trend analysis There is a generally upward trend in the opinions of citizens who think the Government's delivery of basic services has improved. What bears noticing is that public opinion tends to improve around the period of elections (see the year 2004, when national elections took place), which is likely to be as a result of the mass of information about public services during the elections period.

PUBLIC OPINION ON DELIVERY OF BASIC SERVICES

	May'00	Nov'00	May'01	Nov'01	May'02	Nov'02	May'03	Nov'03	May'04	Nov'04	May'05	Nov'05	May'06	Nov'06	May'07
performing well	72	67	65	63	74	71	75	72	81	77	73	73	76	72	68
not performing well	28	32	35	36	25	29	25	28	19	22	26	27	24	28	31

PUBLIC OPINION ON DELIVERY OF BASIC SERVICES



Definition National Survey of South African Adult Population (a sample of 3 500 South Africans 18 years and above is selected)
Data source Markinor Government Performance Barometer

71 RED TAPE (BUSINESS)

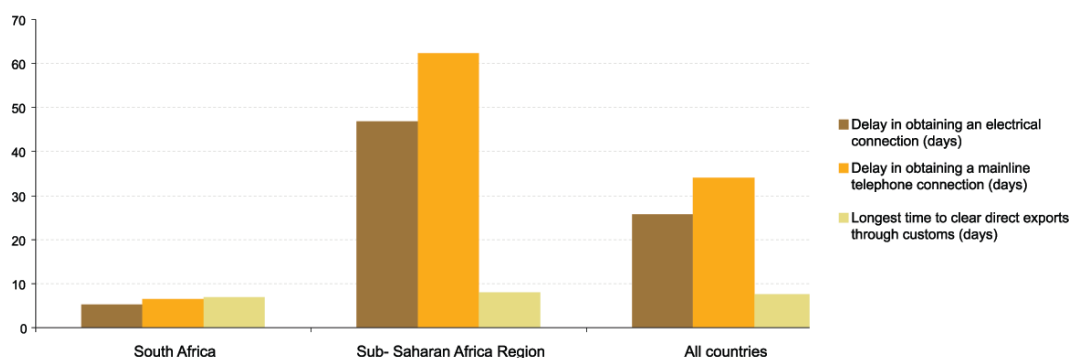
Goal To improve government's effectiveness and efficiency in providing services to citizens.

Trend analysis The table below shows that the South African Government fares impressively in terms of providing important services to citizens, especially the business sector compared with other countries in the world. For instance, in terms of business perceptions, while it takes an average of 26 days to connect electricity in all the other countries surveyed; the delay takes only an average of five days in South Africa. Similarly, while the longest time it takes to clear direct exports through customs is seven days in South Africa, the delay is a day longer in other countries. As a result, business' perception is that there is less red tape in South Africa.

RED TAPE (BUSINESS)

	2003	South Africa	Sub- Saharan	All countries
Senior management time spent in dealing with requirements of government regulation (%)		9.19	9.32	6.58
Consistency or predictability of officials interpretations of regulations affecting the firm (%)		61.53	50.89	49.10
Delay in obtaining an electrical connection(days)		5.26	46.88	25.82
Delay in obtaining a mainline telephone connection (days)		6.58	62.42	34.1
Average time firms spent in meetings with tax officials (days)		2.88	5.08	3.46
Average time spent to clear direct exports through customs (days)		4.25	4.09	4.07
Longest time to clear direct exports through customs (days)		6.95	8.01	7.59
Average time to claim imports from customs (days)		6.23	7.68	6.35
Longest time to claim imports from customs (days)		11.54	15.77	12.70

RED TAPE (BUSINESS)



Data source

Enterprisesurvey.org, World Bank, International Financial Corporation, 58 000 firms surveyed from 91 countries

72 BIODIVERSITY

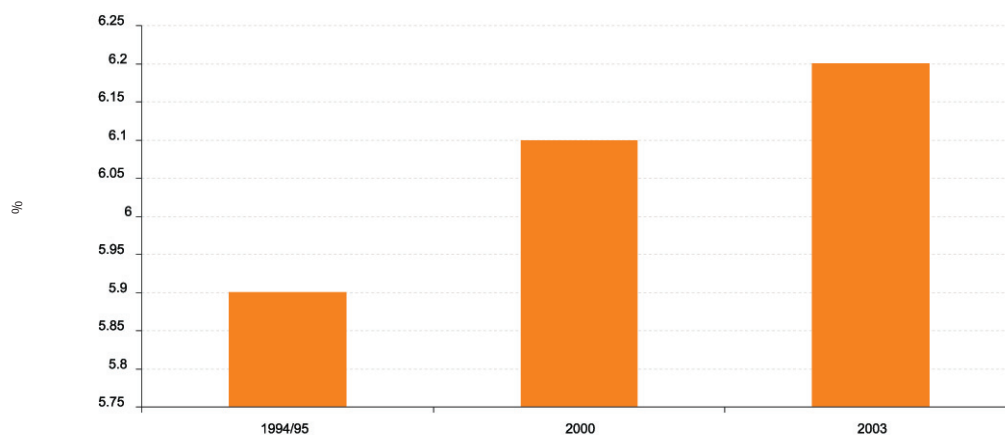
Goal To integrate the principles of sustainable development into the country's policies and programmes and reverse the loss of environment resources.

Trend analysis South Africa has been at the forefront of global biodiversity conservation through the active involvement of government and civil society, as well as mainstreaming by business and industry. With large areas of natural habitat still remaining in the country, conservation and biodiversity-friendly land uses such as game ranching have the chance to develop and flourish. The tourism industry provides an excellent incentive for better biodiversity management and for exploring the economic benefits of such an approach.

PERCENTAGE OF AREA PROTECTED TO MAINTAIN BIODIVERSITY TO SURFACE AREA

%	1994/95	2000	2003
	5.9	6.1	6.2

PERCENTAGE OF AREA PROTECTED TO MAINTAIN BIODIVERSITY TO SURFACE AREA



Definition	Biodiversity is the variability among living organisms (plants and animals) from all sources including terrestrial marine and other aquatic ecosystems and ecological complexes of which they are part/surface area
Data source	South Africa Environment outlook: p.337 Department of Water Affairs and Forestry (DWAF), Department of Environmental Affairs and Tourism (DEAT), Statistics South Africa, Environment Accounts; Earth Trends 2003; Council for Scientific and Industrial Research (CSIR), National Land Cover