



Annual Report 2007 | 2008



**South African
Weather Service**



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Message from the Minister of Environmental Affairs and Tourism

Marthinus van Schalkwyk, MP



Marthinus van Schalkwyk, MP
Minister of Environmental
Affairs and Tourism

The progress made by the South African Weather Service (SAWS) on the trajectory that it embarked on in 2007/2008 is to be encouraged and commended. The functioning of this organisation has indeed improved significantly. This can amongst others be attributed to the strategic vision of the management team. Supported by committed, eminent scientists and a dedicated Board, SAWS can only ascend to greater heights in delivering on its mandate and also meeting the needs and expectations of its clients and stakeholders.

SAWS has maintained its international reputation as a regional leader in weather and climate information and honoured its commitment to safeguard the lives and property of citizens in South Africa and its neighbouring countries. It has continued to tirelessly provide accurate and timely weather information, warnings and advisories to the public. It enjoys the support of a distinguished scientific research base, which makes it possible for the organisation to continuously improve service delivery and innovate.

SAWS plays a crucial role in the promotion of compliance with international conventions such as the United Nations Framework Convention on Climate Change (UNFCCC) and the Montreal Protocol on Substances that Deplete the Ozone Layer. As one of the members of the National Committee on Climate Change (NCCC) the role of SAWS to advise policy-makers on climate change is highly valued.

The Department of Environmental Affairs and Tourism (DEAT) and SAWS have formed a partnership to develop and maintain a national South African Air Quality Information System (SAAQIS) to store and archive air quality data collected by various monitoring entities in the country. I want to congratulate SAWS on being chosen by DEAT to host this database on the basis of its experience in data management and the expertise it has developed in the field.

I would like to extend our gratitude to the Board members for their individual and collective contributions to SAWS during their tenure. The benefits of their tireless work and valued inputs will continue to advance SAWS and I am happy to entrust SAWS to such venerable custodians.

A handwritten signature in black ink that reads "Marthinus van Schalkwyk". The signature is written in a cursive, flowing style.

Marthinus van Schalkwyk, MP
Minister of Environmental Affairs and Tourism

Message from the Deputy Minister of Environmental Affairs and Tourism

Rejoice Mabudafhasi, MP

SAWS maintained its reputation as meteorological service provider of world-class standards by its focus on customer service and investing in state-of-the-art technology to deliver accurate and reliable climate- and weather-related data. DEAT supported the modernisation plans of SAWS by making available a grant of R60 million for its new weather radar network.

The ability to predict and therefore forewarn vulnerable communities of impending weather-related disasters is one of the organisation's key goals. The implementation of the Flash Flood Guidance System Project in partnership with various stakeholders will greatly enhance this drive for the benefit and safety of human life and property. The organisation continued to strengthen its early warning system through collaborations with disaster management structures, broadcasts on television, radio stations and print media in local languages.

SAWS embarked on a drive to educate and empower communities. Disaster management workshops were conducted country wide under the aegis of SAWS experts, that added value to the lives of people especially in areas prone to such severe weather. Effective communication links and channels were established to increase access to information and early warnings. In turn the efforts significantly improved communities' preparedness for adverse weather conditions and their resultant abilities to tone down the damages.

The acknowledgement by SAWS of the importance of indigenous weather knowledge is a further development in which I personally have keen a interest. Research on indigenous knowledge forms part of our rich cultural heritage and the efforts by SAWS to capture this for future generations must be applauded. I am personally looking forward to the results of this project. This kind of initiative would further increase awareness and community involvement in the weather and climate information and knowledge base.

It is in view of these and much more done that we recognise and acknowledge the outgoing Board for immersing itself with distinction in the affairs of SAWS and in ensuring that the quality of the important function fulfilled by SAWS remains high. I would also like to welcome the new Board members and assure them that we at the DEAT will continue rendering support and encouragement for them to fulfil their mandate.



Rejoice Mabudafhasi, MP

Deputy Minister of Environmental Affairs and Tourism



Rejoice Mabudafhasi, MP
Deputy Minister of Environmental
Affairs and Tourism

Review by Exiting Chairperson of the South African Weather Service Board

Sizeka Rensburg



Sizeka Rensburg

I have been privileged to serve two terms as the first Chairperson of the Board of SAWS since the organisation was re-designated as a public entity in 2001. In view of the business approach taken to position SAWS as a financially viable and sustainable organisation, it is gratifying to note that the efforts of the Board, supported by management, have borne results. During the 2007/08 financial year in particular, we saw approval of key policies, projects and programmes by the Board; and implementation thereof by management; including among others:

- The development of the Commercialisation Strategy aimed at expanding SAWS's commercial activities such that SAWS can fund some of its operations without complete reliance on Government funding; an area in which not much success had been achieved in the past due capacity constraints, among others;
- Conclusion of several scientific Memoranda of Understanding with other International Meteorological Authorities aimed at forging partnerships on areas of common interest; as well as Memoranda of Understanding domestically, with various organisations and/or organs of State;
- Approval of a number of human capital-related policies aimed at ensuring not only that SAWS is compliant with applicable legislative and governance frameworks, but also ensuring that the environment is conducive for management and staff to operate at their best potential; as well as the approval of the Total Quality Policy Statement for the organisation to work towards ISO accreditation in the long term; and
- The Modernisation Plan for the upgrade of infrastructure through the upgrade of existing and installation of the new radar network.

The Board applauds the developments and the strategic leadership position taken by the Executive Management of SAWS under the stewardship of Dr Linda Makuleni since she took office as CEO in April 2007. As some of us step down from active participation in the governance of SAWS, we are confident that the organisation is heading in the right direction under present management; and based on activities and developments in the reporting period, SAWS stands poised to improve exponentially in the immediate and medium term.



The outgoing Board welcomes the new Board taking over the governance of SAWS with effect from 1 April 2008 and trusts that the new Board will take over the baton and run a successful race in providing the strategic leadership necessary to take SAWS to new heights; and see through the implementation of some of the strategic programmes initiated by the outgoing Board to completion. Among others, I would like to encourage continuity in the collaborative partnerships of SAWS with our neighbouring states as it continues to play a very significant role in the Southern African Development Community (SADC). SAWS managed to entrench its strategic leadership role in the SADC region through its role in the formation of the Meteorological Association of Southern Africa (MASA). SAWS is now appointed as MASA Secretariat, which the Board also wishes to extend its appreciation to the support it received from the Ministry; including the support from Deputy Minister Mabudafhasi in assisting the Board to mobilise for the appointment of Dr Linda Makuleni as a permanent representative of South Africa with the the World Meteorological Organization (WMO) and a member of the Executive Council of the WMO; the strategic position that provides South Africa and SAWS an opportunity to excel and expand their role and influence in the meteorological field.

I thank all other Board members, management and all staff for their sterling efforts and contribution, both as individuals and as a collective.

Ms Sizeka Rensburg

Board Chairperson (until 31 March 2008)

29 July 2008

View by Chairperson of the South African Weather Service Board

Khungeka Njobe



Khungeka Njobe

It is an honour for me to take over the position as Board Chairperson of SAWS. On behalf of the newly appointed Board I wish to extend my gratitude to the exiting Board and Chairperson, Ms Sizeka Rensburg as well as the Executive Management of SAWS for the sterling work done during the period under review.

Whilst the majority of the new Board members had not been part of SAWS during the year under review as a collective the new Board engaged with the Executive Management and has undergone an intensive Induction Programme which assisted the Board to get to learn more about the business of SAWS. In the process, the Board got to note the achievements as well as challenges facing the organisation.

Looking at performance in the period under review, the Board salutes all those involved who went an extra mile to ensure the high level of achievements against the set targets.

As the newly-appointed Board assumes its leadership role in the governance of SAWS, it will uphold the good work done by its predecessors and continue to steer the organisation in the right direction. In the light of the governance frameworks and policies being in place, the focus of the new Board will be more on the full implementation of the SAWS mandate. These will include commercialisation, ensuring that the infrastructure base of the organisation is modernised and taking advantage of new technologies; building the research and development base, and ensuring the attraction and retention of appropriate skills, among others.

On behalf of the newly appointed Board, I thank the outgoing Board members, management and staff for work done in establishing sound governance in the organisation and the continued support from both the Department and the Ministry of Environmental Affairs & Tourism.

A handwritten signature in black ink, consisting of stylized initials 'KN' followed by a horizontal line.

Ms Khungeka Njobe

Board Chairperson (1 April 2008)

Overview by the Chief Executive Officer

Dr Linda Makuleni

The period under review coincides with the date I assumed office as the CEO of SAWS. At the outset, I would like to express my gratitude and appreciation to my colleagues whose support has been invaluable during my tenure thus far, and upon whose continued contributions I can depend for the realisation of our strategic objectives in the time ahead.

During the past year, SAWS managed to finalise outstanding issues, set up structures and develop plans and strategies to tackle new and arising issues.

The remaining matter of emphasis arising from the previous period's audit report was the transfer of the Waterkloof Land to SAWS. In cooperation with the Directors General of Land Affairs and Public Works respectively, SAWS is now in possession of the Title Deed to the land. I wish to thank the aforementioned offices for their cooperation and assistance.

The year under review was the first year of implementation of our 3-year strategy. We followed through on the Board's approval of the organisational structure in support of the strategy. This strategy included a seamless working relationship between and amongst DEAT, the Board and SAWS's internal and external stakeholders.

To date, we have filled 135 positions of which 83 were internal promotions and 52 were external recruitments, with 65 scientist positions.

Supporting our strategic plan, a commercialisation strategy was developed and approved by the Board in order to realise one of our strategic goals, to become financially sustainable and viable.

Financially SAWS performed well over the period and managed to balance its revenue to expenses, generating minimum surpluses at year-end. It enjoyed a good relationship with the aviation industry, which contributed about 30% of its revenue.



Dr Linda Makuleni



Overview by the Chief Executive Officer (continued)

Dr Linda Makuleni

In order to fulfil the South African government's mandate towards its international obligations I was appointed as Permanent Representative (PR) of South Africa with the WMO. I was furthermore elected to the WMO's Executive Committee, the WMO Executive Council's Working Committee on Strategic and Operational Planning, as well as being Chairperson of the Advisory Panel of Experts on Gender Mainstreaming and the Audit and Staff Pensions Committees.

In support of WMO activities and meeting international obligations, SAWS hosted workshops relating to the WMO's Commission for Aeronautical Meteorology (CAeM) Expert Team on Education and Training; Voluntary Cooperation Planning; RAI Workshop for PR Advisers on External Relations; Flash Flood Guidance System and the TIGGE workshop of the THORPEX Expert Team. We received many compliments as host.

SAWS continued to provide the aviation industry with support to enable its daily business in order to safeguard passengers' lives. We were subjected to an International Civil Aviation Organization (ICAO) audit and were found compliant in most instances. Corrective steps were implemented and accepted by ICAO and SAWS received a compliance certificate award from the National Civil Aviation Authority.

We were instrumental in the establishment of the MASA under the SADC Desk, now fully functional with an adopted constitution, with South Africa elected as its secretariat. We actively contributed to the development of a five-year strategic plan (2008 - 2012) which will assist MASA to achieve collaboration between national meteorological services to improve the quality, extent and usefulness of meteorological services in the SADC region.

Our involvement in the SADC Region's Severe Weather Forecasting Demonstration Project received WMO recognition, leading to the future continuation of other projects of this nature.

Our regional offices, positioned strategically over the country, continued to play an important role in daily service delivery. The official opening of our Nelspruit weather office at the Kruger Mpumalanga International Airport in March 2008 was a culmination of proactive efforts aimed at serving our clients. Our forecasting section delivered twenty-four hour services and issued many weather advisories and warnings to fulfil its crucial information role, some including cyclone warnings extending to the southern African region.

SAWS progressed with its modernisation plan which included remarkable technological advances. We were delighted by the recognition for our work done in respect of the Skukuza radar, nominated for an environmental award by the Lowveld Chamber of Business and Tourism.



Our new Unified research model for forecasting provided greatly improved guidance to short term prediction and warning services. We are looking forward to considerable further application developments in this regard.

The Long Range Forecasting Group achieved great success in accurately predicting a wetter than normal La Niña season for the 2007/2008 summer season, confirmed by observations of higher than normal rainfall totals over the greater part of our country. Exciting future results are envisaged for the newly developed objective multi-model forecasting system for seasonal rainfall.

Our Cape Point Global Atmosphere Watch (GAW) station excelled in providing a complete set of systematic measurements to measure the optical, physical and chemical properties of aerosols, contributing to climate change research.

SAWS was supported by its Human Capital Development and Corporate Affairs divisions which excelled in addressing matters relating to the development of human capital and promoting the organisation to its stakeholders.

I would like to thank the outgoing Board members for their purposeful contributions towards the betterment of SAWS. I would also like to welcome the new Board, and wish them a successful tenure in steering SAWS to become the meteorological service provider of choice in southern Africa and beyond.

The Annual Report of the South African Weather Service, established in terms of Act No. 8 of 2001, is hereby submitted to the Minister of Environmental Affairs and Tourism for tabling in Parliament.

A handwritten signature in black ink, enclosed within a hand-drawn circular border. The signature is stylized and appears to read 'Linda Makuleni'.

Dr Linda Makuleni
Chief Executive Officer

Vision, Mission and Shared Values



Vision

To be a world-class meteorological organisation that contributes to the sustainable development of South Africa and beyond our borders.

Mission

To collect, process and provide meteorological data, products and services for the use of all South Africans and beyond our borders.

This will be achieved through:

- Excellence in forecasting processes
- Cutting edge technology
- Accessing the international observation networks
- Research and innovation aimed at improving and developing our products and services
- Facilitating co-operation with regard to the observation network.

Shared Values

SAWS is guided by and committed to the following values:

- Professionalism
- Integrity
- Honesty
- Respect
- Teamwork and partnership
- Recognition of excellence in performance
- Accountability



Board Members



Ms Sizeka Rensburg
Board Chairperson



Mr Prince Maluleke
Board Deputy Chairperson



Dr Linda Makuleni
Chief Executive Officer



Ms Pat Maqubela



Rev Lulamile Mbete



Mr Welcome Msomi



Mr Rowan Nichols



Mr Ian Robinson



Professor Geoff Brundrit



Ms Medi Mokuena



Ms Joanne Yawitch
DEAT Representative

Executive Management



Dr Linda Makuleni
Chief Executive Officer



Ms Hanlie Grobler
Chief Financial Officer



Ms Siphokazi Bokwe
General Manager:
Human Capital Management



Ms Modjadji Makoela
General Manager:
Corporate Affairs



Dr Jonas Mphepya
General Manager:
Operations



Mr Gerhard Schulze
General Manager:
Projects

Senior Management



Mr Nish Devanunthan
Senior Manager:
Technical Services



Prof Themba L Dube
Senior Manager:
Climate Service



Dr Deon Terblanche
Senior Manager:
Research



Mr Mnikeli Ndebambi
Senior Manager:
Forecasting



Ms Gaborekwe Khambule
Senior Manager:
Aviation



Ms Trish Persad
Senior Manager:
Human Capital
Development



Ms Munyadziwa Rabambi
Senior Manager:
Stakeholder and
Communications



Ms Zandile Nene
Company Secretary



Ms Phindile Pat Mkwanzu
Senior Manager:
Finance



Mr Lindani Gwensa
Senior Manager:
Human Capital
Management



Mr Thabiso Dekeda
Senior Manager:
Employee Relations



Mr Mark Majodina
Senior Manager:
International Relations



Mr Mbuyiselo Xhamvu
Senior Manager:
Occupational Health
and Safety

Performance Against Targets – year ended 2008

STRATEGIC OBJECTIVE 1: Ensure financial viability and sustainability					
KPA	KPI	KEY DELIVERABLES	TARGET	ACHIEVEMENT	
Manage operational costs	Ensure spending against budget	<ul style="list-style-type: none"> Variance remains within 10% of the budget at financial year-end 	YTD < 10%	Achieved < 1% variance	
	Reduction in identified operational costs	<ul style="list-style-type: none"> Improved control measures implemented with regard to sundry expenses (e.g. telephone, electricity, courier) 	YTD R 1 million	Achieved R 1 million	
Increase revenue base	Increase revenue from cost recovery services and government grant	<ul style="list-style-type: none"> Increased revenue (regulated) 	R 171 million	Achieved R 174m	
	Increase revenue from commercial services	<ul style="list-style-type: none"> Increased revenue 	R 10 million (adjusted)	Partially Achieved R 7.1 million - A challenge exist with the development of market ready products, this will be addressed through the full development of products through the Trivis software	
	Increase innovation funds and alternate research funds	<ul style="list-style-type: none"> Increased additional funds (donor funding) 	R 600 000	Achieved R 1.2 million	

STRATEGIC OBJECTIVE 1: Ensure financial viability and sustainability				
KPA	KPI	KEY DELIVERABLES	TARGET	ACHIEVEMENT
Increase revenue base (continued)	Investigate the possibility of ring-fencing SAWS-owned commercial products and services	<ul style="list-style-type: none"> Completed Feasibility Study Implemented recommendations of the feasibility study 	Implementation of recommendations	<p>Achieved</p> <p>Go to market plan</p> <p>Commercial projects committee meetings</p> <p>Projects identified, Metsys turnaround strategy developed</p>
	Formalise partnerships with revenue generation potential	<ul style="list-style-type: none"> Number of agreements/contracts concluded 	3 contracts	<p>Achieved</p> <p>4 contracts concluded with:</p> <ul style="list-style-type: none"> - Eskom - ACSA - AfriGis - Transnet Freight Rail
Infrastructure modernisation	Maintain and grow Capex in accordance with the Recapitalisation Plan	<ul style="list-style-type: none"> Implemented Recapitalisation Plan as per schedule to effectively utilise the funds provided Approved funds against Capital Investment Plan 	<p>R 28.7 Capex</p> <p>R 60 million</p>	<p>Partially achieved</p> <p>Funds committed – R 60 million</p> <p>Capex spend R 23.1 million (committed R 5.6 at year end)</p>

STRATEGIC OBJECTIVE 2: Ensure corporate governance and strategic leadership				
KPA	KPI	KEY DELIVERABLES	TARGET	ACHIEVEMENT
Develop and implement a Corporate Communication Strategy and Plan	Internal Communication Strategy	<ul style="list-style-type: none"> Developed and implemented Internal Communication Strategy 	100% implemented	Achieved <ul style="list-style-type: none"> Communication strategy developed Internal Communications audit Conducted staff meetings Conducted EMC meetings Conducted Senior Management meetings Appointed Internal Communications Manager
	External Communication Strategy	<ul style="list-style-type: none"> Developed and implemented an External Communication Strategy 	100% implemented	Achieved <ul style="list-style-type: none"> External communication strategy developed Perception survey was conducted SAWS celebrated World Met Day SAWS was profiled through print and electronic media Disaster management workshop was conducted
	Media Relations Strategy	<ul style="list-style-type: none"> Approved and implemented a Media Relations Strategy 	100% implemented	Achieved <ul style="list-style-type: none"> Media survey Media Strategy developed Media workshop conducted
Review and consolidate organisational policies and procedures	Ensure development and approval of all policies	<ul style="list-style-type: none"> Developed and improved policies Eliminated procedures in policies Developed procedure manuals 	97%	Achieved HCM & Finance and SCM reviewed
	Enforce compliance with all policies	<ul style="list-style-type: none"> Reduced audit findings Submitted compliance report to DEAT on quarterly basis 	100% compliance	Achieved <ul style="list-style-type: none"> Compliance Diary was completed Quarterly compliance reports

STRATEGIC OBJECTIVE 2: Ensure corporate governance and strategic leadership				
KPA	KPI	KEY DELIVERABLES	TARGET	ACHIEVEMENT
Develop and implement a Board Charter	Review and recommend Board Charter	<ul style="list-style-type: none"> An approved Board Charter 	Approved Board Charter	Partially Achieved - The current Board's term ended in March 2008, the amended Board charter to be presented to the new Board for approval during Q1 of the new year.
Transformation Strategies	Develop Transformation Strategy	<ul style="list-style-type: none"> Strategy developed and implemented: - Reviewed organisation work force and targets. - Management evaluated against targets 	100% implemented	Achieved - New organisational structure implemented - New appointment in line with SAWS EE Plan - Demographics as at 30 March 2008
	Develop EE Strategy	<ul style="list-style-type: none"> Strategy developed and implemented 	100% implemented	Achieved - 3 Year EE plan developed
Delegation of Authority	Draft and obtain approval, and implement	<ul style="list-style-type: none"> Delegations document 	100% reviewed and refined	Achieved

STRATEGIC OBJECTIVE 3: Ensure SAWS becomes a learning organisation				
KPA	KPI	KEY DELIVERABLES	TARGET	ACHIEVEMENT
Pursue scientific and business excellence	Draft and implement Staff Development Strategy	<ul style="list-style-type: none"> Strategy developed and implemented 	100% implemented	Achieved <ul style="list-style-type: none"> - Recognition of prior Learning - Executive development programme
	Review, streamline and implement Skills Development Programmes	<ul style="list-style-type: none"> All skills development aligned to business requirements submitted to SETA and implemented Levy refund realised annually Learnership and Internship programmes 	100% implemented	Achieved <ul style="list-style-type: none"> - Skills development plan - Levy received - Internships , 5 students
	Develop a continuous cadre/pool of relevant skills at all levels	<ul style="list-style-type: none"> Students with relevant skills are absorbed into the SAWS Support systems for meteorology students 	15 students per annum	Achieved <ul style="list-style-type: none"> - 15 students BSc honours - 8 students BSc Bridging course - 7 Students appointed
	Develop strategy to get schools to participate in weather-related sciences	<ul style="list-style-type: none"> Developed and implemented Schools Outreach Strategy 	100% implemented	Achieved <ul style="list-style-type: none"> - School outreach Strategy drafted - Schools visited / career expo / World met day, International Polar year, Science unlimited
	Investigate the possibility of developing a Regional Atmospheric Science Training Centre	<ul style="list-style-type: none"> Completed Feasibility Study Submitted Implementation Plan 	Board approval and implementation plan	Achieved <ul style="list-style-type: none"> -The feasibility study has been completed.
	Develop, implement and review an effective Recruitment and Selection Strategy	<ul style="list-style-type: none"> Current activities consolidated into an effective Recruitment Strategy 	100% reviewed and refined	Achieved <ul style="list-style-type: none"> - Recruitment strategy part of the HR strategy developed

STRATEGIC OBJECTIVE 3: Ensure SAWS becomes a learning organisation				
KPA	KPI	KEY DELIVERABLES	TARGET	ACHIEVEMENT
Pursue scientific and business excellence (continued)	Develop, implement and review an effective Retention Strategy for Scarce Skills	<ul style="list-style-type: none"> Developed and implemented strategy Reduced staff turnover Improved organisation culture 	100% reviewed and refined	<p>Achieved</p> <ul style="list-style-type: none"> Retention survey conducted including climate survey - questionnaire Retention strategy reviewed and refined Quarterly report on staff turnover
Knowledge Management Strategy (KMS)	Develop and implement a Knowledge Management Strategy (e.g. Documentation System, Knowledge Centre, Institutional Memory, Mentorship and Archive) Strategy and Plan	<ul style="list-style-type: none"> Scoping document completed Developed and streamlined processes (Process Mapping) Developed and implemented archiving processes and a Document Management System Integration and application of appropriate indigenous knowledge 	Planning and Phase One implementation	<p>Achieved</p> <p>The document management system was acquired on the server; initial training conducted and the document structures for various cabinets developed.</p>
	Develop and implement a Mentorship and Coaching Strategy	<ul style="list-style-type: none"> Mentorship and Coaching Strategy for all levels developed and implemented 	100% reviewed and refined	<p>Strategy – the formal development of the strategy will commence in the new year; there was however some initiatives around this target:</p> <ul style="list-style-type: none"> Oral coaching of forecasters and development of coaching material Coaching of two forecasters on media

STRATEGIC OBJECTIVE 4: Create a client-centric organisation				
KPA	KPI	KEY DELIVERABLES	TARGET	ACHIEVEMENT
External Customer Relationship Management	Perform Market Survey and Needs Analyses	<ul style="list-style-type: none"> Market Survey and Needs Analyses performed and report submitted 	100%	Achieved Developed go to market plan
	Assess customer satisfaction through Customer Satisfaction Surveys	<ul style="list-style-type: none"> Annual Customer Satisfaction and needs Survey Report Developed Customer Service Policy Statement³ 	100% completed	Achieved -A communication and perception audit was conducted
	Develop and/or enhance meteorological products according to clients' needs	<ul style="list-style-type: none"> New products and services developed Statistics reflecting the enhanced existing products and services 	3 new products	Achieved -The following products were developed for Transnet during the reporting period: <ul style="list-style-type: none"> Wind strength Daily temperature change Total 7-day temperature change A snow and rainfall product Forecast maps for 7 days
	Execute a Customer Awareness Campaign	<ul style="list-style-type: none"> Increased customer awareness (as measured in customer survey) 	Awareness Campaign completed	Achieved <ul style="list-style-type: none"> Science Unlimited exhibition Client Evening Function took place in Durban. SAWS presented a paper at the Disaster Management Institute of Southern Africa conference at Jeffries Bay and participated at the exhibition . World Met Day in Nelspruit. 6 media workshops country wide Two additional radio daily weather broadcasting (Lesedi FM and Radio Zibonele) Severe Weather awareness on Morning live TV-9th October
Identify high revenue yielding customers and launch and implement a Marketing Strategy which will result in growth of revenue	<ul style="list-style-type: none"> Relevant clients identified Developed Marketing Strategy 	7 new customers	Achieved Go to market plan identified 21 new customers	

STRATEGIC OBJECTIVE 4: Create a client-centric organisation

KPA	KPI	KEY DELIVERABLES	TARGET	ACHIEVEMENT
External Customer Relationship Management (continued)	Develop and implement a new comprehensive competitive Pricing Strategy for non-regulated business	<ul style="list-style-type: none"> Comprehensive Pricing Strategy document approved 	100% reviewed and refined	Partially Achieved The pricing policy of SAWS have been developed and presented to the finance committee of the board for recommendation to the Board for approval
Internal Customer Relationship Management	Conduct an annual Organisational Climate Survey	<ul style="list-style-type: none"> Conducted Organisational Climate Survey Corrective actions implemented 	100% implemented	Achieved - Internal Communications audit, Media survey and Stakeholder and public perception survey were conducted. Recommendations are built in a corporate Communications Strategy.
	Develop and implement an employee wellness programme	<ul style="list-style-type: none"> Developed a Wellness, Health and Safety programme Current activities consolidated into an effective Employee Wellness report 	100% implemented and refined	Achieved - Wellness programme drafted
	Enhance dissemination of products by using emerging technology	<ul style="list-style-type: none"> Number of ICT platforms used to disseminate SAWS products/services 	6 products/services	Achieved 1) Web Portals (http://www.weathersa.co.za , http://avaition.weathersa.co.za) 2) FTP Server (Main FTP Server ftp://ftp.weathersa.co.za) 3) Email server 4) Satellite Multicast Broadcast (Lightning Detection Network Data) 5) SMS distributions (Provided by Cointel and Vodacom) 6) MSS (message switching system) supply data on the GTS (RTH)

STRATEGIC OBJECTIVE 5: Improve internal business processes				
KPA	KPI	KEY DELIVERABLES	TARGET	ACHIEVEMENT
Quality Management	Active Quality Steering Committee	<ul style="list-style-type: none"> Functioning Committee 	Functional Committee to meet on a quarterly basis	Achieved - Functional committee was appointed - Met quarterly
	Develop and document a Quality Policy and Quality Manual	<ul style="list-style-type: none"> Improvement of a High Level Quality Policy Implemented approved sections of the Quality Manual 	100% developed policy	Achieved - Quality policy developed
	Conduct process mapping, develop and comply with business procedures and work instructions for priority areas of the organisation	<ul style="list-style-type: none"> Developed and prioritised business processes, procedures and work instructions 	50% complete mapping	- Achieved
	Conduct Quality Audit	<ul style="list-style-type: none"> Sectional Audit initiated ICAO Universal Safety Audit completed Gap analysis 	Aviation Safety Audit concluded	Achieved - Audit completed
Modernisation Plan	Commissioning of new observation platforms and technology enablement	Number of Automatic Weather Stations in operation (185)	185 cum	91% Achieved 168 operational, the balance was manufactured but not deployed
		Number of Automatic Rain Stations in operation (200)	200	Partially Achieved 150 in store and waiting for GPRS development
		Number of radars in operation (13)	13 cumulative	92% Achieved 12 radars in operation, the KZN installation has been held up due to the environmental impact study delay

STRATEGIC OBJECTIVE 5: Improve internal business processes				
KPA	KPI	KEY DELIVERABLES	TARGET	ACHIEVEMENT
Modernisation Plan (continued)		Number of weather buoys deployed per annum	39 cumulative	Achieved 46 weather buoys deployed
		Number of upper-air soundings per year	7665	83% Achieved 6345 sounding conducted in financial year due to late delivery of radio sondes from overseas supplier
		<ul style="list-style-type: none"> Fully implemented Unified Model (forecasting) Model verification statistics 	100% verified and refined	Achieved
		<ul style="list-style-type: none"> Fully implemented new forecasting workstation Forecasting accuracy statistics 	100% verified and refined 98% accuracy	Achieved 98% forecasts delivered in time
		Number of Pan View Cam Cameras in operation (2)	7 cumulative	86% Achieved 6 pan view cameras in operation
	To establish an inclusive National Climate Database	<ul style="list-style-type: none"> Archived, quality assured data from relevant sources (ARC, DWAF, ACSA, Marine data, etc.) 	2 MOUs	Achieved 2 MOU concluded - with SANERI and NDMC (MOUs SAWS, DWAF and the ARC drafted)

STRATEGIC OBJECTIVE 5: Improve internal business processes				
KPA	KPI	KEY DELIVERABLES	TARGET	ACHIEVEMENT
Modernisation Plan (continued)	Conduct focused research and development	<ul style="list-style-type: none"> Value-added applications and improved techniques implemented for operational use 	6 cum	<p>Achieved</p> <p>6 cum</p> <p>-4 Satellite/Unified model derived Nowcasting fields developed and being provided operationally</p> <p>-1 Seasonal Prediction product based on multi-model output introduced operationally</p> <p>-1 Unified model based Fire detection index for use in fire warnings</p>
		<ul style="list-style-type: none"> Number of peer reviewed publications submitted (6) 	6 per annum	<p>Achieved</p> <p>6 published</p> <p>1. Kgatuke, Landman, Baraki Journal of Climatology</p> <p>2. Landman CLIVAR</p> <p>3. Coetzee (co-author) Journal of Geophysical Research</p> <p>4. Schulze SA Journal of Science</p> <p>5. Kruger-Water SA</p> <p>6. Esterhuyse (co-author) Renewable Energy</p> <p>7. Landman (co-author) Hydrology Research</p> <p>4 cum submitted</p> <p>1. Landman Journal of Climatology</p> <p>2. Landman, Kgatuke, Mbedzi, Beraki, Bartman, du Piesanie Journal of Climatology</p> <p>3. de Coning (co-author) Weather and Forecasting</p> <p>4.AC Kruger BAMS</p>

STRATEGIC OBJECTIVE 5: Improve internal business processes

KPA	KPI	KEY DELIVERABLES	TARGET	ACHIEVEMENT
Client safety and well being	Development and implementation of a weather verification system	<ul style="list-style-type: none"> • Completed scoping to determine parameters to be verified and techniques to be used • Verification system developed and implemented in phases • Quantified accuracy of forecasts • Reviewed and refined forecasting processes 	<p>Compile verification statistics</p> <p>Review and refined forecasting processes</p>	<p>Achieved</p> <ul style="list-style-type: none"> -Verification system developed -AMDAR evaluation programme -TREND and aerodrome warning system - Temperature evaluation program in operation and results used to identify problem areas and improve upon the forecasts - Trend evaluation program developed and initiated. We are still gathering results from this to identify problem areas. - Take-Off data evaluation program - TAF evaluation program initiated and operational. - Introduced an excel based quote and client data base program - Program to evaluate errors in METARS was initiated - A verification tool for Marine forecasts was implemented in Cape Town <ul style="list-style-type: none"> - New monthly reporting program being developed - Evaluations calculated for - Aerodrome warnings - Severe weather forecasts - Commercial forecasts - Take-Off data
	Provide information on forecasts as per schedule	% of forecasts issued on time as per schedule	98%	<p>Achieved</p> <p>Forecasting: 98% of the forecasts were issued on schedule.</p>

Corporate Governance

Introduction

SAWS is a public entity reporting to the DEAT. SAWS is committed to the principles of corporate governance and adherence to ethical standards in the conduct of its business.

The mandate of SAWS, and the statutory duties and responsibilities of the Board, are derived from the South African Weather Service Act No. 8 of 2001 and are augmented by the relevant provisions of the Public Finance Management (PFMA) Act No. 1 of 1991 as amended. They are also derived from the code of Corporate Practices and Conduct as contained in the King Report on Corporate Governance for South Africa, 2002 (King II Report), the Protocol on Corporate Governance for Public Entities, 2002, among others; and the Government's broader transformation agenda.

In line with its statutory mandate, SAWS provides two services. These are:

Public Good Services

The gathering of meteorological and climatological observational data over South Africa and surrounding oceans, and the provision of weather and climate forecasting and warning services to the general public through various public sector and non-public sector intermediaries. Public good services are funded by the government.

Commercial Services

The provision of specialised weather forecasting and climate information services to monitored and non-monitored commercial sectors. Commercial services are funded through revenue generated from commercial clients.

Shareholding

The South African Government is the sole shareholder of SAWS represented by the Minister of Environmental Affairs and Tourism.



Governing Structure

Chapter 3 of the South African Weather Service Act No. 8 of 2001 provides that there shall be at least 10 members and no more than 12 members comprising:

- 10 non-executive members, one of whom shall be the Chairperson, appointed by the Minister in accordance with Section 5 (3) of SAWS Act No. 8 of 2001;
- The Chief Executive Officer by virtue of his/her office;
- A senior official of DEAT designated by the Director-General with the approval of the Minister.

During the period under review, the Board composition complied with the South African Weather Service Act in line with corporate governance and best practices, with the majority of members being non-executive. The Board consisted of the following members:

Ms S. Rensburg (Chairperson); Mr P. Maluleke (Deputy Chairperson); Ms P. Maqubela; Reverend L. Mbete; Mr W. Msomi; Mr R. Nicholls; Mr I. Robinson; Professor G. Brundrit (co-opted member) ; Ms M. Mokuena; Ms J. Yawitch (DEAT representative, with Mr P. Lukey as her alternate); and Dr L. Makuleni (CEO).

The following appointments occurred during the financial year:

Dr L. Makuleni was appointed as the Chief Executive Officer and a member of the Board with effect from 1 April 2007.

The term of office of the Board lapsed on 31 March 2008, and the following members retired accordingly: Ms S. Rensburg (Chairperson); Mr P. Maluleke (Deputy Chairperson); Ms P. Maqubela; Mr R. Nicholls; Mr I. Robinson; and Professor G. Brundrit.

Functions of the Board

The Board is responsible for providing strategic leadership to SAWS, with a view to:

- Ensuring the financial viability and development of commercial activities;
- Ensuring an efficient, cost-effective and high quality weather service;
- Setting policy, standards and objectives within the framework issued by the Minister and ensuring that executive management implements these policies, standards and objectives;
- Monitoring operational performance of management;

- Ensuring that SAWS adheres to high standards of ethics and corporate behaviour;
- Ensuring that SAWS has adequate systems of internal controls, both financial and operational;
- Ensuring an efficient, cost effective and high quality SAWS;
- Ensuring that the majority of the South African population benefit from the public good services provided by SAWS; and
- Performing any other function assigned to it by the Minister.

Board and Committee Meetings

Board and Committee meetings are held in accordance with an approved Board calendar; and ad-hoc meetings may also be scheduled as and when the need arises. The schedules of the Board and Committee meetings held in the 2007/2008 financial year are as presented hereunder:

Board meetings and attendance

Members	Appointed	Retired	No. of ordinary meetings		No. of ad-hoc meetings	
			Meetings held	Meetings attended	Meetings held	Meetings attended
Ms S. Rensburg	01/03/2005	31/03/2008	3	3	1	1
Mr P. Maluleke	01/03/2005	31/03/2008	3	2	1	1
Ms P. Maqubela	01/03/2005	31/03/2008	3	3	1	1
Rev. L. Mbete	01/03/2005	-	3	2	1	1
Mr W. Msomi	01/03/2005	-	3	3	1	1
Mr I. Robinson	01/03/2005	31/03/2008	3	3	1	0
Mr R. Nicholls	01/03/2005	31/03/2008	3	3	1	0
Ms J. Yawitch	11/11/2005	-	3	2	1	0
Mr P. Lukey*	11/11/2005	-	3	1	1	0
Prof. G. Brundrit**	01/04/2006	31/03/2008	3	2	1	0
Ms M. Mokuena	01/12/2006	-	3	3	1	0
Dr L. Makuleni (CEO)	01/04/2007	-	3	3	1	1

*Ms J. Yawitch's alternate

**co-opted

Board Committees

The South African Weather Service Act and the Board Charter make provision for the Board to establish Committees with clear terms of reference, to assist the Board in the execution of its mandate. During the period under review, the Board constituted the following Committees:

Audit Committee

The objective of the Audit Committee is to monitor the identification and evaluation of actual and potential risk areas as they pertain to SAWS as a total entity and to review a process of either termination, transfer, acceptance (tolerance) or mitigation of each risk.

The Committee also monitors compliance with relevant legislation and ensures that an appropriate system of internal control is maintained to protect SAWS's interests and assets. It also reviews the accuracy, reliability and credibility of final reporting and recommends the annual financial statements and the annual report, as presented by management, for approval to the Board.

This committee consisted of the following members:

Mr P. Maluleke (Chairperson); Mr I. Robinson; and Mr R. Nicholls.

Audit Committee Meetings and Attendance

In line with corporate governance best practices, the external auditors, internal auditors and the Chief Financial Officer of SAWS were invited to all Committee meetings.

Members	No. of ordinary meetings		No. of ad-hoc meetings	
	Meetings held	Meetings attended	Meetings held	Meetings attended
Mr P. Maluleke	4	4	1	1
Mr I. Robinson	4	4	1	1
Mr R. Nicholls	4	3	1	0

Human Resources and Remuneration Committee

The objective of the Human Resources and Remuneration Committee is to recommend and advise the Board on the design of the performance bonuses of top management and the criteria to be used. It also considers and makes recommendations to the Board on human resource-related policies and strategies and monitors compliance therewith, including among others, the Basic Conditions of Employment Act, the Employment Equity Act, the Labour Relations Act and the Skills Development Act.

The composition of the Committee was as follows:

Rev. L. Mbete (Chairperson); Ms P. Maqubela; Ms M. Mokuena; and Dr L. Makuleni (CEO).

Human Resource and Remuneration Committee Meetings and Attendance

Members	No. of ordinary meetings		No. of ad-hoc meetings	
	Meetings held	Meetings attended	Meetings held	Meetings attended
Rev. L. Mbete	4	4	0	0
Ms P. Maqubela	4	4	0	0
Ms M. Mokuena	4	4	0	0
Dr L. Makuleni (CEO)	4	4	0	0

Finance Committee

The objective of the Finance Committee is to monitor the financial management and to ensure that all revenue, expenditure and assets of SAWS are managed efficiently and effectively.

The membership of the Committee was as follows:

Mr R. Nicholls (Chairperson); Mr I. Robinson; and Dr L. Makuleni (CEO).

Finance Committee Meetings and Attendance

Members	No. of ordinary meetings		No. of ad-hoc meetings	
	Meetings held	Meetings attended	Meetings held	Meetings attended
Mr R. Nicholls	5	5	10	1
Mr I. Robinson	5	3	1	1
Dr L. Makuleni (CEO)	5	4	0	0
Prof. G. Brundrit*		1	0	0

*The Committee meeting of 19 April 2008 was attended by Prof. G. Brundrit as a proxy to Mr I. Robinson

Programmes Committee

The objective of the Programmes Committee is to monitor the scientific programmes in the organisation to ensure that all research, developmental activities and related projects are managed effectively and efficiently.

The membership of the Committee was as follows:

Ms P. Maqubela (Chairperson); Prof. G. Brundrit; and Dr L. Makuleni (CEO).

Programmes Committee Meetings and Attendance

Members	No. of ordinary meetings		No. of ad-hoc meetings	
	Meetings held	Meetings attended	Meetings held	Meetings attended
Mr P. Maqubela	2	2	0	0
Prof. G. Brundrit	2	1	0	0
Dr L. Makuleni (CEO)	2	1	0	0
Mr I. Robinson*		1	0	0
Mr G. Schulze*		1	0	0

*The meeting of 23 January 2008 was attended by Mr Robinson as a proxy to Prof. G. Brundrit and by Mr G. Schulze in his capacity as Acting Chief Executive Officer

Commercial Committee

The objective of the Commercial Committee is to ensure that SAWS succeeds in executing its commercial mandate and complies with all its obligations towards the Regulating Committee in respect of regulated tariffs; both for marine and the aviation sectors.

The membership of the Committee was as follows:

Mr W. Msomi (Chairperson); Mr I. Robinson; Mr R. Nicholls; and Dr L. Makuleni (CEO).

Commercial Committee Meetings and Attendance

Members	No. of ordinary meetings		No. of ad-hoc meetings	
	Meetings held	Meetings attended	Meetings held	Meetings attended
Mr W. Msomi	3	3	0	0
Mr I. Robinson	3	3	0	0
Mr R. Nicholls	3	2	0	0
Dr L. Makuleni (CEO)	3	2	0	0
Ms S. Bokwe*		1	0	0

*The meeting of 20 September was attended by Ms S. Bokwe in her capacity as the Acting Chief Executive Officer

Executive/Corporate Governance Committee

The objective of the Executive/Corporate Governance Committee is to ensure accountable and ethical management of the Board of SAWS so that it fulfills the duties and mandate placed on it by the Executive Authority with utmost integrity. The Committee also attends to other urgent matters with a view to expediting the decision-making processes in-between Board meetings.

The membership of the Committee was as follows:

Ms S. Rensburg (Chairperson); Mr P. Maluleke (Deputy Board Chairperson and Chairperson of the Audit Committee); Mr R. Nicholls (Chairperson of the Finance Committee); Rev. L. Mbete (Chairperson of the Human Resource and Remuneration Committee); Ms P. Maqubela (Chairperson of the Programmes Committee); Mr W. Msomi (Chairperson of the Commercial Committee); and Dr L. Makuleni (CEO).

Executive/Corporate Governance Committee

Members	No. of ordinary meetings		No. of ad-hoc meetings	
	Meetings held	Meetings attended	Meetings held	Meetings attended
Ms S. Rensburg	2	1	0	0
Mr P. Maluleke	2	2	0	0
Mr R. Nicholls	2	1	0	0
Rev. L. Mbete	2	1	0	0
Ms P. Maqubela	2	2	0	0
Mr W. Msomi	2	1	0	0
Dr L. Makuleni (CEO)	2	2	0	0

Note: The Board Strategy session was held in September 2007 to engage the Board on the 3-year strategy, Commercialisation plan (Go To Market Plan).

Key Documents and Policies Approved by the Board

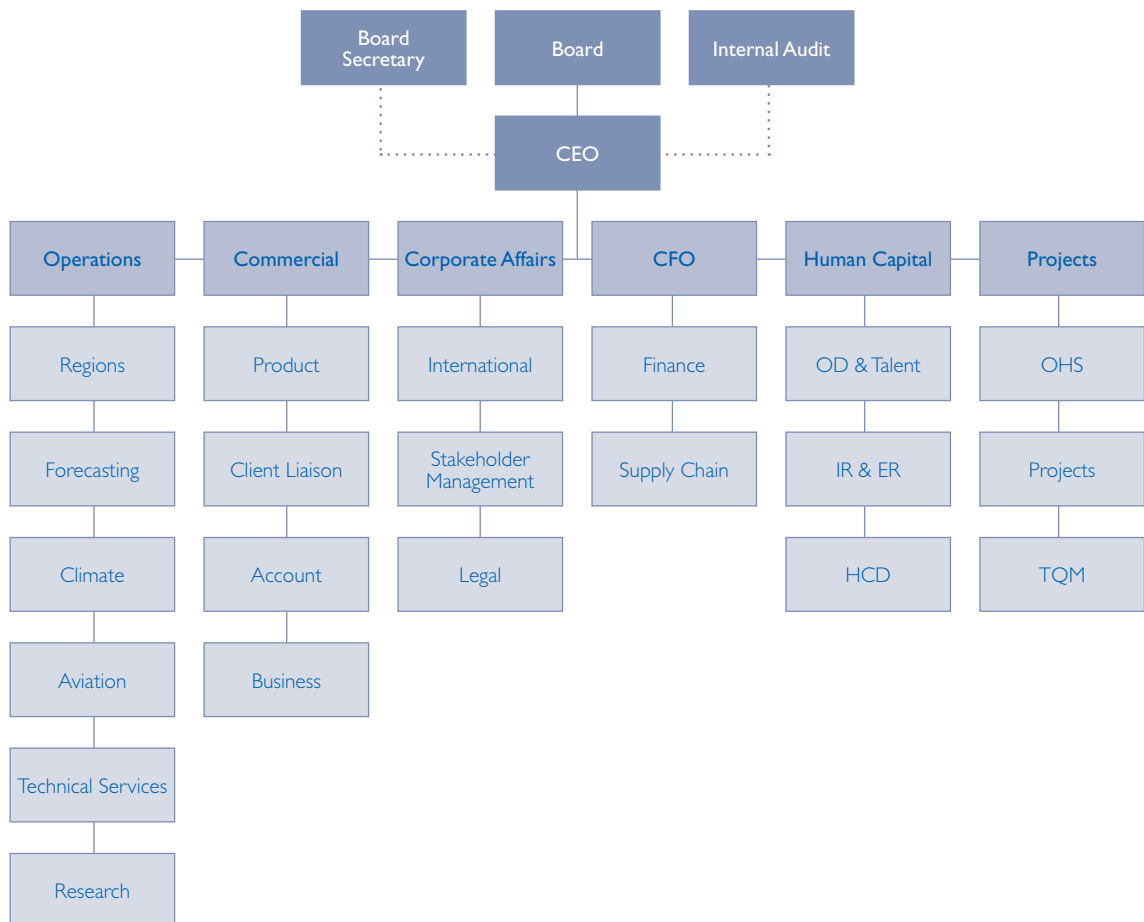
- Annual Report and Audited Financial Statements for 2006/2007
- Bursary Policy
- Employment Equity Policy
- HIV/AIDS Policy
- Induction Policy
- Occupational Health and Safety Policy
- Recruitment and Selection Policy
- Shift Allowance Policy
- Travel and Accommodation Policy
- Group Insurance Scheme
- Employment Equity Plan for 2008-2010
- Resettlement Policy (amendments)
- Strategic Plan for 2008-2011
- Business Plan for 2008/2009
- SAWS Total Quality Policy Statement
- Materiality Framework
- Communication and Media Policy
- Succession Planning Policy
- SAWS Remuneration Policy
- Performance Management Policy

Executive Management Committee (EMC)

The EMC, a forum under the leadership of the CEO, comprised of all General Managers, drives the business of SAWS. It is responsible for ensuring effective and efficient running of day-to-day operations of the business and for influencing an integrated approach towards business conduct. The forum met monthly to track progress, discuss cross function matters and communicate decisions made by the Board, and to take collective decisions on implementation plans.

An extension of EMC, MANCO (Management Committee), was composed of EMC and Senior Managers. The forum met quarterly with the purpose to communicate progress and resolutions taken at EMC level.

Organisational Structure



Operations

The Operations division is responsible for the core business of the South African Weather Service and consists of:

1. Regions

Regional offices form a direct link between SAWS and the communities in different parts of the country and play a vital role in ensuring that service delivery is efficient and effective in meeting the needs and expectations of clients. During the year, more attention was paid to community awareness about the risks related to weather hazards. Several projects were initiated which included strengthening partnerships with Disaster Management and local municipalities, ensuring effective dissemination of weather warnings and information for the benefit of the community at large and improving understanding. These kinds of initiatives and community involvement contribute to saving lives.



In reinforcing community awareness, regional offices participated in various activities, such as the Science Expo Week, which is an annual event led by the Department of Science and Technology countrywide, MTN science exhibitions, and Agri Week participation. SAWS, through the Port Elizabeth region, received an award for the most valuable contribution towards the science festival held in Grahamstown. School visits were initiated, and one outstanding project to note is the "adopt a school project" whereby SAWS donated used equipment and furniture to a school that took the responsibility of looking after an Automatic Weather Service (AWS).

The annual Western Cape Golf Day, aimed at client relationship building and networking, generated funds which were then donated to a deserving institution as part of our corporate social outreach. Client relationship building activities and networking meetings were held throughout regions. These efforts brought improvements on service delivery turnaround time, and understanding of products, expectations and needs.

The quality of products improved due to the implementation of tools used for the verification of severe weather warnings, maximum and minimum temperature forecasts and aviation products.

The full utilisation of new and existing observation networks such as the lightning detection network, web cameras, new upper-air profiling equipment and the expansion of AWSs resulted in a modernised observational network. New forecasting workstations were successfully installed and used operationally at all regional offices, thereby further increasing the level of accuracy in forecasting and observation.

A number of new commercial and public good products were developed and distributed to meet client needs. These included specialised reports for the construction, marine, insurance, film, sport and recreation industries.

2. Forecasting

Daily weather forecasts are well known services that are frequently utilised by communities at large. Weather forecasts and warnings are currently broadcasted to 59 radio stations to reach millions of people, including marginalised communities. This number includes two newly-added radio stations, namely Zibonele Community Radio and Radio Islam. A major improvement was seen in the dissemination of severe weather warnings and the means of distribution of such to the media and public. In total more than 700 severe weather warnings were issued via our real time SMS system, safeguarding life and property.

To ensure full understanding and adequate interpretation of forecasting and severe weather warnings, and to improve on reporting of such, mainly by media personnel and disaster management authorities, SAWS embarked on vigorous workshops and training programmes throughout the country. This need emanated from miss-interpretation of weather information and especially severe weather warnings by the media when reporting to the general public. SAWS took the opportunity to improve on service delivery and build relations with clients, the media and other stakeholders. The same approach has been successfully used in countries such as China where improvements in severe weather reporting were achieved through training media personnel on weather information dissemination. Another benefit is to use the media in educating the public on effective interpretation and usage of weather information. Broad representation from different sectors was obtained: the print media had 24 participants; radio broadcasting: 39; and television and electronic: 23. Other sectors that participated were Disaster Management (12) and Government Communication officers (7).

SAWS experienced a high influx of requests for educational information and live broadcasts on radio, including live crossovers to some radio stations, mainly when severe weather warnings were being issued.

In 2007, several significant severe weather conditions were experienced in the country and in neighbouring states. These were mainly caused by cut-off low pressure systems. Severe weather events ranged from thunderstorms in Cape Town at the beginning of July 2007, (an unusual condition for that part of the country), heavy rains and flooding over parts of the Western Cape, snow over the interior of the country, a "weak tornado" in Mpumalanga and ravaging fires in KwaZulu-Natal. SAWS's improved systems provided real time forecasts and a large number of advisories, warnings and media statements.

SAWS kept relevant South African Government departments and emergency services well informed in real time on the development of events such as cyclones Ivan and Jokwe that threatened Mozambique, Madagascar and, to a limited extent, South Africa. This in many ways assisted in getting communities ready and helped to save lives.

The valuable investment made on a forecasting workstation (NINJO) which contributed significantly to the weather prediction success became evident. A new media system, Trivis, which was also acquired, rendered improved user-oriented products and services to increase understanding of weather forecasting and warning services.

In assisting neighbouring countries, the Severe Weather Forecasting Demonstration Project for Botswana, Tanzania, Zimbabwe, Mozambique and Madagascar was successfully completed in November 2007. This project was acknowledged by WMO as a significant success and clearly demonstrated the role of SAWS as the Regional Specialized Meteorological Centre (RSMC) of Southern Africa.

3. Climate Service

All measured and recorded surface and upper air climate data that was generated during the reporting period was verified, validated and archived on the national climate database. A Data Quality Management workshop aimed at evaluating the quality control software procedures took place in August 2007. The software is used at the German Meteorological Service, which is one of very few National Meteorological Services in the world that have ISO 9001 accreditation. The outcome of the workshop was a decision to utilise the QualiMet software at SAWS, and the software was demonstrated by two specialists from Germany. Reinhard Spengler represented the Deutsche Wetterdienst, where he is responsible for the operational use of QualiMet. Daniel Gudlat represented Ernst Bassler and Partner, the developers of the QualiMet software.



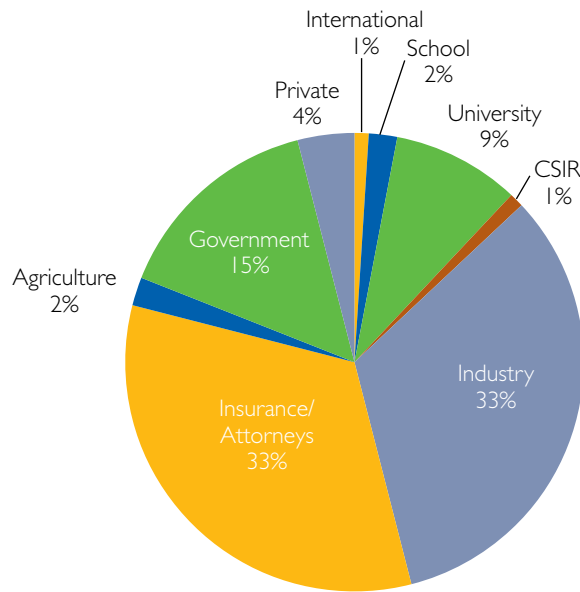
SAWS initiated the Climate Database Re-development Project, which is critical to ensure service delivery to all clients utilising climate data. Five projects were initiated as part of the re-development process. These projects included the identification of full months of missing rainfall data, the capturing of identified missing rainfall data, the identification of gross data errors, the calculation of threshold values for each individual weather station for each of the climate variables, and the correction of the station metadata. The purpose of all of these projects is to assist with the preparation of the data on the existing climate database for transfer through the QualiMet software onto the new database.

Climate Information attended to more than 5 200 enquiries received from commercial clients and customers requesting climate data and related information, generating a potential income of more than R 1 million. More than 1 500 public good enquiries were also attended to, which mostly related to the provision of climate and weather data, and related information to students and learners for educational purposes.

The fifth publication in a series that revised WB28, Climate of South Africa, Part 8, General Survey, became available during July 2007. This publication deals with all aspects of precipitation in South Africa including inter alia the following: the mean quantity of precipitation at a given place and over a given time interval e.g. year, season, month, day; extreme precipitation for specified time intervals; variability of precipitation for specified time intervals; and frequency of specified amounts of precipitation.

SAWS published a full-colour A1 poster as well as A4 pamphlet on frontal systems as part of its public good mandate; these were distributed for educational purposes.

Breakdown of Climate Service Clients: April 2007 to March 2008



SAWS's involvement in climate change matters

Climate change has in the recent years moved up on the agendas of decision-making forums and has become a matter of interest in discussions by many; SAWS has invested intellectually and is playing a role in steering discussions of such. SAWS presented a position paper on Climate Change, outlining its role in an adaptation strategy, at the National Energy Summit hosted by the Department of Minerals and Energy at the Sandton Convention Centre, Johannesburg, in September 2007. The paper took the following historical trends in South Africa into consideration:

- Warmer days, nights and evenings have increased while colder days, nights and evenings have decreased;
- Areas with significant increases and decreases in annual precipitation;
- Increases in longest annual dry spells indicating more extreme dry seasons;
- Increases in longest annual wet spells indicating more extreme wet seasons; and
- Increases in high daily precipitation amounts.

SAWS also conducted critical measurements related to the long-term trends in ozone, atmospheric pollutants and greenhouse gases, most of these measurements took place at its Global Atmosphere Watch (GAW) station (one of only 24 in the world) at Cape Point. Presentations by SAWS on carbon sequestration, air quality and GAW, floods and disaster management, and forecasting were well-received as they provided the Portfolio Committee with insight prior to their planned visits to Australia and other African states.

DEAT and SAWS formed a partnership to develop and maintain a South African Air Quality Information System (SAAQIS) for the purpose of storing and archiving air quality data gathered by national, local and provincial government and industry. DEAT identified SAWS as the most suitable organisation to host a database of this nature due to its experience in data management as a custodian of climate data. Following a workshop in 2006, progress during the reporting period included the forming of a task team, finalisation of the terms of reference, forming a working group to specifically look at ICT-related issues, the development of a SAAQIS web page under the auspices of DEAT, and the finalisation of the SAAQIS business plan. SAAQIS has become a unit under the Climate Division at SAWS and the SAAQIS web page will be moved to SAWS once it has matured.

An Air Quality business plan outlining the planned business processes of SAAQIS at SAWS was developed and papers on SAAQIS were presented at the Climate Change, Energy and Environmental Management conference in Boksburg and at the South African Society for Atmospheric Sciences (SASAS) conference at Wits University in September 2007. SAWS also presented two papers on its current database structure and data flow, and its perspective on climate change at the Air Quality Governance Lekgotla held at the Drakensberg to demonstrate its capability to host air quality data.

4. Aviation

Aviation service provision is one of the critical services in the transport industry, especially as, these days, traveling by air is on the rise. Whilst the SAWS Aviation unit continued to provide its normal services, 2007 proved to have brought significant change. The unit extended its services and successfully introduced verification programmes for all its forecast products, and was furthermore subjected to an international audit.

SAWS has opened its first new weather office at the Kruger Mpumalanga International Airport in order to meet the growing need of aeronautical meteorological services, due to a growth in the commercial aviation industry. While this office, like most of the regional forecasting offices, will provide services for a variety of clients, its position makes it ideal to provide the full range of aeronautical services required by international and domestic aviation. SAWS contributed to meeting the standards and recognition of the airport as an International Airport. SAWS also plays a significant role in flight planning and operations, ensuring safety of passengers.

It is essential that these services are not only readily available, but reliable. Programmes verifying the quality of all aviation forecasts were introduced during this reporting period. Weaknesses were identified and addressed. Forecasts met and exceeded international standards in some areas.

The Universal Safety Oversight Program (USOAP) was introduced in 1999 by ICAO to audit member states for compliance to standards, and it investigates all organisations within the State that provide services to international aviation. South Africa was audited in 2007 for its services to aviation in its capacity as the meteorological authority and meteorological service provider. Only three minor findings were made against SAWS, none of them relating to service delivery. This again elevated good service delivery and continued to increase clients' and users' confidence in our services. The South African Civil Aviation Authority (SACAA) presented a certificate of compliance to SAWS and expressed its appreciation on the role SAWS plays.

SAWS extended its web camera facilities with the installation of additional web cameras at selected sites, with an aim to improve service in general aviation. The images, displayed on the SAWS aviation website, provide pilots with relevant visual observations. Web cameras were installed at Skukuza, Nelspruit and Constantia Berg.

A quarterly aviation newsletter was distributed to local and sub-regional aviators in order to improve communication and encourage information sharing. An advisory committee on aeronautical meteorological services met quarterly with aviation stakeholders to discuss service improvement and other matters of common interest.

Fifty eight aircraft accident reports were compiled during this reporting period. SAWS provided weather condition information about the accident scenes to assist with the accident investigations.

5. Technical Services



With increased service demand and technology advancing at an alarming rate, it became imperative that SAWS adapts speedily to provide quality services. The strategy to modernise technology was implemented and resulted in the deployment of proven observations, information processing and communication technologies in all provinces. The apparent result is in improved availability, quality and quantity of data, thereby assuring systematic observations for long periods.

RADAR Data Acquisition System (RDAS2000) installations were completed and higher resolution (500 × 500 × 500m) data was made available at weather offices at Irene, Ermelo, Cape Town, Bloemfontein, Port Elizabeth, Durban, Polokwane, Skukuza and East London. Remaining RADARs were upgraded at De Aar, Bethlehem and Mthatha. Twenty RADAR lightning-enhanced images, with different zoom states, displaying aviation navigation backgrounds were developed for ATNS. These images are used in the flight control centres at the main airports.

The Skukuza RADAR installation was one of the major milestones completed during this reporting period. Our client, SANPARKS, indicated its satisfaction with the project initiative, and the project was subsequently nominated for an environmental award. Although SAWS did not ultimately win the award, we took great pride in being nominated.

As part of SAWS's modernisation plan, which was developed in 2006 to ensure that SAWS adopts cutting edge technology as per the SAWS mission, nine hydrogen generators were replaced with modern Hogen caustic-free systems.

Enhancement to the SUMO activities display system included adding RADAR, lightning, hydro-estimator as well as a number of index fields to the system. Ingesting of the MeteoSat low-resolution data into SUMO was done for Malawi. A MeteoSat receiver and SUMO software were installed for the Department of Water Affairs and Forestry (DWAF) at the Vaal Dam offices and also for Namibian Water Affairs in Windhoek.

Telecommunication is vital to SAWS's efficient service delivery. It therefore, in the reporting period, became crucial to upgrade the wide area network supplied by Telkom to a Virtual Private Network (VPN-Supreme) with the advantage that redundancy is built into the VPN solution. This upgrade will impact positively on the NINJO forecaster workstation rollout to the regional forecasting offices, therefore ensuring efficient service delivery. Investment in technology was further rolled out to office administration whereby desktop computers were upgraded, following the last IBM rollout which was done in 2002. A number of new servers were installed and software upgraded to facilitate operational needs and secure ICT infrastructure. A DELL Commvault data backup and archiving system, which is flexible and grows with the demand for offline storage, was procured and will serve organisational needs for the next 5 to 10 years.

6. Research

SAWS embarked on several research projects. Most of the efforts were in collaboration with other organisations and international structures due to the realisation that SAWS cannot operate and function in isolation. Six main areas of research are reported on, which impact on different areas of service delivery within SAWS.

Observation Research

As part of the MOU between SAWS and the Bureau of Meteorology in Australia, the SAWS Airborne Research Facility participated in a research project on rainfall enhancement in South East Queensland during the Southern Hemisphere summer. Further research on the South African developed rainfall enhancement technology formed part of this project in an attempt to develop usable technologies to augment water resources. SAWS provided an instrumented research aircraft fitted with state-of-the-art microphysical and trace gas monitoring equipment, which served a dual purpose: primarily as a research aircraft to perform trace gas, aerosol, and microphysical measurements in the area and during the treatment of clouds; and secondary, as an additional seeding aircraft when conditions are ideal for multiple seeding.

In addition, SAWS personnel were involved in research and processing of the aircraft data. Specialised equipment was also deployed on the SAWS airborne facility participating in a cloud seeding research project in Australia. The AIMMS Air Data Probe (ADP) was commissioned and flown for the first time on the aircraft in Australia. It provides accurate data on state parameters but also detects vertical movement of the aircraft very accurately, utilising a differential Global Positioning System (GPS) system on board the aircraft. The Australian project also provided the first opportunity to utilise the cloud condensation nuclei counter acquired by SAWS. This instrument directly links the effects of aerosols caused by natural and man-made activities to rainfall processes. This ongoing project is expected to provide valuable insight into both the effects of pollution on rainfall as well as to clarify the effectiveness of artificial means to enhance rainfall.

Very short-range and nowcasting


This is one of the new products developed in collaboration with EUMETSAT and combines output from the Unified model and the MSG satellite. It enables forecasters to identify the areas of future convective development with lead-times of several hours. Another significant development was the Regional Instability Indices and hydro-estimator scheme that provide 15-minute rainfall estimates for southern Africa. This scheme will provide important input to the Flash Flood Guidance System still underway. SAWS scientists participated in the establishment of a Convection Working Group in Poland in November and presented research results at the International Meteorological Satellite Conference.

Numerical Weather Prediction

The Unified model, run on the SAWS supercomputer, proved to be a strategic part of SAWS's operational short-range forecasting service. This model, developed by the UK MetOffice, is generally regarded as one of the best in the world and its output and forecasts are of high quality. Research personnel attended to development issues in this model, realising the huge potential that this new model holds for socio-economic applications for South Africa and the region, and continued to be active in relevant international bodies. In addition, the significant positive impact of Aircraft Meteorological Data Relay (AMDAR) and radiosonde observations of the upper-air as input to the model was also quantified.

Long-range forecasting

The Long-Range Forecasting Group of SAWS had been issuing seasonal rainfall and temperature forecasts operationally since the mid-1990s. These forecasts were based on a number of forecast models subjectively combined to produce probabilistic seasonal forecasts. This subjective system is being replaced by an objec-



tive system that mathematically combines model forecasts. Notwithstanding, the subjective system had been successfully used in a large number of cases of which the 2007/2008 season is no exception. This season was classified as a La Niña season and during such seasons southern Africa is more likely than not to receive high seasonal rainfall totals. However, it has happened in the past that dry conditions prevailed during La Niña years. Careful consideration of the model forecasts was therefore important in order to come up with a useful consensus seasonal forecast for the summer of 2007/2008 which correctly indicated above-normal rainfall over much of the interior.

The SAWS Long-Range Forecasting Group and its partner, the Department of Geography, Geoinformatics and Meteorology of the University of Pretoria, also developed an objective multi-model forecasting system for seasonal rainfall. The very first operational forecast of this nature was issued on 31 March 2008 and is a culmination of a research project funded by the Water Research Commission (WRC) on the development of an operational multi-model system at the SAWS.

Global Atmosphere Watch

The SAWS GAW station at Cape Point forms a crucial component of a global network that maintains long-term records on trace-gases and greenhouse gases in the atmosphere. The pristine location of the Cape Point GAW station (34.3S, 18.5E) enables measurements to be made in air that has passed over the vast clean Southern Ocean. Such long-term observations are representative of background conditions, making it possible to detect changes in the atmosphere's composition.

The Cape Point GAW research staff form part of a highly specialised global group of researchers in which SAWS personnel are very active. A highlight of the past year was the commissioning of Aerosol Optical Depth (AOD) measurements at Cape Point during February 2008. In ongoing collaboration with scientists from America, France and Switzerland, a complete set of systematic measurements is now in place to measure the optical, physical and chemical properties of aerosols.

In conjunction with these measurements a condensation particle counter was also installed that ensures that the South African GAW station has now joined the aerosol programme being conducted by about half of the GAW stations around the world. Cooperation with Princeton University in the USA was also initiated with regards to sampling oxygen to study carbon dioxide sources and sinks in the southern oceans. SAWS scientists also participated in meetings of WMO, firstly the OPAG GAW strategic planning during April and secondly, the Scientific Advisory Group for Greenhouse Gases in September 2007.

Research results of SAWS were captured in seven peer-reviewed articles that were published in the scientific literature. A further four papers were submitted for publication.

Study on indigenous weather knowledge

SAWS recognises the potential value of including indigenous knowledge in service delivery mechanisms and initiated a study on indigenous weather knowledge during the report period. Knowledge of and adaptation to local climate and weather phenomena are key to survival in the harsh African climate. Furthermore, all rural communities are intimately dependant on their immediate environment for the bulk of the resources they rely on. They have to live close to nature and therefore have, over decades, accumulated relevant knowledge of local weather conditions that could be of value to SAWS.

The study, focusing on Modjadji, the Rain Queen in the Limpopo Province, was commissioned during this reporting period. The study will expand to other areas in Limpopo and will revisit previous studies related to popular beliefs regarding links between various weather phenomena and rainfall.



Commercial

During the reviewed period, SAWS developed and built its client base and continued to provide commercial specialised services aimed at reducing dependence of SAWS on a primary grant from DEAT.

The most important achievement in the drive to increase commercial revenue was the development of a comprehensive commercial strategy. Various exciting viable opportunities and options were identified and implementation plans were developed. In the latter part of the period significant time was devoted to refine these implementation plans, develop new products and services using state-of-the-art technologies, and put enabling processes in place.

Initial contacts made with the SABC led to the drafting of an MOU between the two parties. The MOU defines the roles and responsibilities regarding public broadcasting, public good and SAWS's commercial mandate respectively and to provide training to SABC weather presenters.

SAWS secured an income-generating contract related to the leasing of one of its aircraft and the provision of expert scientific advice in a rainfall enhancement research project in Australia.

Although not formalised in any agreement as yet, SAWS and Air Traffic and Navigation Services (ATNS) have agreed to support each other in seeking international commercial opportunities. Currently we are working together on a project that could lead to providing support for the improvement of the aeronautical infrastructure of an African country. The move toward the regionalisation of air traffic management is also being monitored closely as it is expected to provide opportunities for the future.

SAWS provided Transnet Freight Rail with lightning detection and weather forecasting data in an extended pilot project during the year, setting the scene for a long-term contract to be concluded in 2008. It is gratifying to note that Transnet Freight Rail believes that the pilot project proved to be successful as, since this date, there had been no derailments reported due to wash-a-ways.

A revised contract was finalised between SAWS and Eskom for the delivery of lightning detection data for the 2007/08 and 2008/09 financial years.

Existing revenue generating commercial contracts between SAWS and Vodacom, AfriGis and ACSA were renewed. An investigation was launched into enhancing the services of the automatic telephone answering



services of the Vodacom 082162 number. However, due to a change in ownership of the service provider and the prospect of new technology, the implementation date of new services was moved to late 2008.

New revenue generating contracts were concluded with PetroSA and various other smaller ad hoc revenue-generating initiatives such as the provision of on-the-spot weather forecasting services for big golf tournaments.

Monthly commercial revenue received from the regional offices showed a steady rise in excess of 5% per month. Most of the regions broadened their client base and provided dedicated services to new clients. Revenue received from the commercial sales of climate data and information from Head Office remained significantly more.

The greater part of the income from the telephone answering service (082162) was generated by the regional offices. Income from SMSs distributed by the AfriGis ("Look For It" *120*555*3#) showed a marked increase during the latter part of the reporting period.



To support the growth and management of commercial sales, a cost accountant was appointed to ensure the successful implementation and maintenance of an Activity-Based Costing system. More than 300 activities and 50 products were costed.

Executive Projects

Total Quality Management

A major strategic project of the SAWS strategic plan is the implementation of a Total Quality Management (TQM) system over the next few years. The short term goal of this project is to obtain ISO 9001:2000 certifications in the 2008/2009 financial year. In preparation and in pursuit of this objective SAWS appointed a TQM project manager, as well as an external service provider to develop an electronic quality manual for the organisation. The first high level draft of the quality manual was compiled and loaded on the SAWS Intranet towards the end of 2007. In addition, the service provider developed an Enterprise view of SAWS while the Board approved a Quality Statement for SAWS.

Occupational Health and Safety

Legal appointments required by the Occupational Health and Safety Act were completed; fire marshals were appointed and some personnel received level 2 first aid training. As part of the SAWS Business Continuity Plan, emergency procedures were reviewed. Four safety representatives for the Pretoria Head Office were elected and health and safety awareness was encouraged.



Corporate Affairs

SAWS has in the year under review redefined its Corporate Affairs business unit with the new roles of providing strategic and business development support to the CEO, Stakeholder Management and Communications, International Relations and Legal Services. The Corporate Affairs structure was populated in alignment to SAWS's new approved structure.

Stakeholder Management and Communications

SAWS has developed a three-year communication strategy that aligns to the SAWS Corporate Strategy. During the year under review, SAWS managed to profile its new Executive Management and its products and services through various media channels. Public outreach programmes were done through participation in various industry exhibitions. Media and Disaster Management workshops were conducted to media and Disaster Management stakeholders respectively.

The Portfolio Committee on Environmental Affairs and Tourism paid their first visit to SAWS since its inception and received an orientation visit of the SAWS facilities.

SAWS celebrated World Meteorological Day in Mpumalanga on 18 March 2008. It made use of this opportunity to raise awareness about the Weather Service, obtain publicity in different centres around the country, celebrate the building of the Skukuza radar in 2007, and officially launch the Nelspruit Weather Office at the Kruger Mpumalanga International Airport. A large-scale exhibition formed part of the celebrations and approximately 500 learners were able to talk to the scientists manning the exhibition stands.

The official registration of the SAWS's visual identity has been obtained and the logo has been updated accordingly with an aim to manage the SAWS brand both internally and externally.



International Relations

The nature of meteorology compels the existence of cooperation and strong relations between National Meteorological Services (NMS). SAWS has played a pivotal role in promoting cooperation between NMSs and the development in meteorology, in line with the country's international obligations and foreign policy.

The major highlights in International Relations during this period include the active participation and hosting of related international events, the establishment of the MASA, the election of South Africa into the Executive Council of the World Meteorological Organization, the formalisation of relations with strategic NMSs and participation in regional capacity-building initiatives.

The fourth plenary session of the Group on Earth Observations (GEO-IV) and the GEO Ministerial Summit was hosted by the Government of South Africa in November 2007. In light of the tremendous amount of environmental observations made and extensive data archive held by the national meteorological service, SAWS participated in the GEO discussions and exhibitions with the WMO. This event also allowed an opportunity to network with the WMO Secretary General and heads of major NMSs. The continued global weather and climate observations were acknowledged and supported by the GEO-IV session.

SAWS assisted with the formation of MASA by hosting a preparatory meeting between heads of SADC NMSs in Pretoria. MASA is a regional body concerned with the cooperation of NMSs, development of meteorology and its socio-economic applications. This meeting yielded a further draft of the MASA constitution, which was subsequently adopted by the SADC Ministers of Transport and Meteorology meeting in Botswana during October 2007. MASA then held its first annual general meeting in Lesotho, where South Africa was appointed as its Secretariat. SAWS has since been instrumental in the development of the MASA strategy.

WMO held its 15th Congress in Switzerland during May 2007. South Africa (represented by the CEO of SAWS), in recognition of its strategic regional role and potential, was elected to serve on the organisation's Executive Council (EC), thereby allowing South Africa to play a major role in influencing decisions and programmes which affect NMSs in developing countries, particularly in the African region.

In light of the relatively low meteorological activity in the Southern Hemisphere, the SAWS initiated the formalisation of relations with the Australian Bureau of Meteorology. A MoU between the two NMSs was subsequently signed in November 2007, allowing for cooperation in operations, research and ocean observations. Progress has already been made in short-term forecasting and weather buoy deployment in the Indian Ocean. MoUs with other strategic NMSs are currently being sought to draw mutual benefits.

SAWS, with the assistance of WMO and the European Organisation for the Exploitation of Meteorological Satellites (EUMETSAT) has welcomed meteorological personnel from a number of NMSs in the region for training. The training ranged from general, aviation weather forecasting, radar meteorology to remote sensing applications. Participants in these training and exchange programmes came from SADC countries and other African sub-regions.

In March 2008, SAWS successfully hosted two important WMO meetings. The WMO's Voluntary Cooperation Programme (VCP) took place for the first time on the African continent. The VCP is an important WMO programme concerned with aid between NMSs. This is extremely important for capacitating NMSs, particularly in developing countries, in order to provide basic meteorological services. The March 2008 meeting reviewed past progress and identified new projects for the coming years in order to develop global meteorology. The first workshop of External Advisers followed this meeting to WMO Permanent Representatives of the African Region. This workshop recognised the important roles of WMO Permanent Representatives and resolved on methods to enhance the supportive role of external advisers. South Africa was elected to lead this forum in order to support the WMO Permanent Representatives and promote cooperation between NMSs in the region.



Signing of the MoU between SAWS and the Bureau of Meteorology of Australia.

Legal Services

SAWS contracts were reviewed and a database was created for easier access and management. Several contracts and MoUs were vetted and signed by SAWS and relevant parties. A compliance diary was completed and will be updated on a regular basis. A Shareholder Compact between SAWS and DEAT was drafted for approval in the first quarter of the 2008/2009 financial year.

Human Capital Management

Human Capital Management (HCM) in organisations provides a vital role in maximising return on human capital investments thus minimising financial risk. In ensuring the achievement of maximum productivity and efficiency, SAWS HCM comprises of three main divisions:

- Human Capital Development
- Organisational Development and Talent
- Employee Relations


Within the regulatory framework that governs our organisation, HCM has a pivotal responsibility of ensuring compliance. To this end, there have been continuous efforts to live up to this requirement. Amongst the projects that were finalised is the development and review of HR policies and the formulation of Three-year Employment Equity Plan.

Human Capital Development

In order for SAWS to deliver on its mandate and strategic objectives it needs a highly skilled workforce with scientific professionals at the centre of the organisation. Skills development is crucial in growing capacity and achieving sustainability in an organisation. SAWS has long recognised the importance of investing in the development of human talent to support not only its growth, but also that of the environment in which it operates. It is also the aim of SAWS to broaden access to skills development for previously disadvantaged and academically competent learners, and to contribute to South Africa's national goals by expanding the skills base.



SAWS is currently implementing a bursary programme as one of the interventions to bridge the scarce and critical skills gap within the organisation. In doing so, it identified key strategic areas to award bursaries in order to address scarce and critical skills needs that is aligned to the strategic objectives and direction of the organisation. The bursary programme provides financial assistance to full-time students, enabling them to qualify for a recognised South African university degree and to contribute to the SAWS's medium and long term needs for skilled staff.



Full-time bursaries awarded to 100% previously disadvantaged individuals:

- Weather Observation – 13
- BSc Undergraduate – 9
- BSc Honours – 13

Part-time bursaries for SAWS employees: 13 bursaries were awarded in line with the development of Black scientists, technicians, technologists, researchers and ICT personnel. The Human Capital Development division has drafted a bursary framework and internship framework, which is the foundation of the implementation of the bursary and internship programmes.

In the year under review, SAWS has been actively involved in School Education Outreach programmes throughout the country. To advance education, awareness, appreciation and engagement of Atmospheric Science in South Africa, this programme has three key strategic areas that will combine to form an integrated and seamless approach: education, awareness and communication.

SAWS's nature of business responds to basic needs, yet, as compared to other fields such as Education and Health, the number of trained and skilled people in meteorology remains very low. In facing the challenge, a succession policy was developed and approved, implementation thereof was augmented by retention and attraction strategy would translate to transfer of knowledge and skills, retention of scarce skills within SAWS and attraction of such skills to join SAWS.

Meteorological Training has always been an integral part of SAWS because of the scarcity of knowledge and training facilities of meteorologists (forecasters, researchers and climatologists).

A feasibility study towards establishing a Regional Atmospheric Training Institute was conducted to ensure that SAWS is rightly geared towards becoming a learning organisation and meeting the meteorological training needs of South Africa and beyond. The establishment of a Regional Meteorological Training Institute will position SAWS at an advantageous standing in the region. This should also be noted as direct response to increasing the number of skilled professionals and increasing knowledge in the meteorology field.

The SAWS Meteorological Training Centre registered a qualification – National Certificate in Weather Observation – NQF 5 with the South African Qualifications Authority in 2007 and has subsequently scoped a qualification – National Certificate in Forecasting – NQF 7, to be developed in 2008. The centre is also in the process of becoming an accredited training provider with the Transport Education Training Authority (TETA).

Partnership agreements with Higher Education Institutions and Historically Disadvantaged Higher Education Institutions were placed high on the agenda in the year under review; partnerships with clearly defined goals and objectives were entered into with three South African universities to assist in the drive for skills development.

As an effort to empower SAWS leadership, basic training in meteorology was extended to Board members with the aim to increase knowledge and understanding of meteorology, enabling members to engage with SAWS partners, stakeholders, and assist in decision making.

In line with growing capacity and achieving sustainability within SAWS, the following skills development programmes were rolled out:

Training area	Participants
Company Secretary Best Practice	2
South African Law Reports	2
Effective Business Writing	15
MS Excel	3
Automated Weather Observation Systems	76
Project Management	15
Introduction to MSG	13
NINJO Forecasting Training	58
Moodle and Visit View	10
Basic Principles of Discipline	6
Agro Meteorology	2
Basic Intermediate Excel	4
Intermediate Excel	26
Occupational Health and Safety - First Aid	5
Occupational Health and Safety	2

Organisational Development and Talent

Staff Profile

SAWS reviewed and started implementation of Employee Equity (EE) plan in line with the new approved organisational structure. The EE implementation plan's roll over is structured over three years. There has been an improvement in the appointment of people from the designated groups in the senior officials' category.

The total number of employees at SAWS is 389, and these are positions reflected on the approved organisational structure. In the previous financial year the Board approved the implementation of the staff migration which was to be completed over a phased period of three years. In consonant with the mandated position of populating the new organisational structure, HCM was able to recruit 134 employees into these positions. Of the total number of employees placed into the new positions, 82 are scientists.

A skills gap analysis was conducted with the main objective of identifying areas of improvement and to assist in the execution of the SAWS strategy. The upshot of this exercise led to the development of individual development plans. The Performance Management System was redesigned to ensure its alignment to the organisation's strategic direction and to instil a culture of continuous high performance.

Rational category	Gender and Race								Totals
	African		Coloured		Indian		White		
	M	F	M	F	M	F	M	F	
Legislators, senior officials and managers	7	7	0	0	1	1	4	1	21
Professionals	12	5	2	0	2	7	27	7	62
Technicians and associate professionals	17	7	1	2	1	3	18	1	50
Clerks	71	40	18	8	3	3	33	34	210
Plant, machine and asset	1	0	1	0	0	0	1	0	3
Elementary occupations	23	10	7	1	0	0	0	0	41
Foreign nationals		1			1				2
Totals	131	70	29	11	8	14	83	43	389

Staff turnover

The staff turnover is one of SAWSs challenges and an analysis of this shows that on the core business (meteorologist, scientist) the turnover is very high considering the total number, importance and scarcity of the skills in the country. For 2007/2008 financial year the overall employee turnover is 14.14%. The table below illustrates this point:

Occupational category	No. of resignations, terminations and retirements	Total no. per category	Percentages of exits per category	Overall employee turnover
Meteorologist	9	58	15.52%	2.31%
Specialist scientists	5	14	35.71%	1.29%
Senior management	5	14	35.71%	1.29%
Middle management	8	28	28.57%	2.06%
Observer	13	98	13.27%	3.34%
Technical services	2	27	7.41%	0.51%
Admin/clerical	13	79	16%	3.34%
Total	55	318	22% average	14.14%

After identifying the challenge of high staff turnover within the organisation, SAWS took a conscious decision to probe the reasons why employees were leaving the organisation. To this end, an attraction and retention survey was conducted. It was against this backdrop that the attraction and retention strategy was formulated.

Employee Relations Statistics

SAWS, in its quest to build relationships with trade unions, has embarked in constructive negotiations on all matters of mutual concern resulting in an agreement on salary increases without the declaration of disputes.

SAWS has, through its wellness programme, contracted a 24-hour confidential Employee Assistance Programme (EAP) for employees and their families in order to assist with personal problems facing employees at work and outside work. SAWS participated in the WORLD Aids Day event of 1st December by organising activities in SAWS and by making a donation of R5000.00 at a local HIV/Aids hospice

Below are employee relations statistics on grievances and disciplinary matters for the year under review.

Nature of cases	Black		White		Coloured		Asian		Outstanding Cases	Total
	M	F	M	F	M	F	M	F		
CCMA cases	2	1	1	0	0	0	0	0	1	4
Grievances	3	1	2	0	0	0	0	0	0	6
Disciplinary enquiries	10	1	1	1	1	0	0	0	0	14
Total	15	3	4	1	1	0	0	0	0	24

Audit Report, Financial Statements and other Financial Information

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Report of the Audit Committee for the year ended 31 March 2008

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibility arising from section 38 (1) (a) of the PFMA and Treasury Regulations 3.1.13. The Audit Committee reports that it has adopted appropriate formal terms of reference as its audit committee charter; has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Audit Committee Members And Attendance

The Audit Committee plays a critical role in the corporate governance of the entity. The Audit Committee consists of the members listed hereunder. During the current financial year four meetings and one special meeting were held.

Members	Number of Meetings Attendance
Mr V P Maluleke (Chairperson)	5
Mr R G Nichols	3
Mr I W Robinson	5

The Effectiveness of Internal Control

The Audit Committee guided the Internal Audit unit in the preparation and implementation of the annual audit plan. The Internal Audit function has been outsourced to SizweNtsaluba vsp. The systems of control are designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA and the King II Report on Corporate Governance requirements, internal audit provides the Audit Committee and management with the assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

According to various reports of the internal auditors, the audit report on the annual financial statements and management report of the Auditor-General, it was noted that no significant or material non-compliance with the prescribed policies and procedures have been reported. Accordingly, we can report that the systems of internal control for the year under review were effective and efficient.

The Quality of In Year Management and Monthly/Quarterly Reports Submitted in Terms of the PFMA and the Division of Revenue Act

The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Chief Executive Officer of the Entity during the year under review.

Evaluation of Annual Financial Statements

The Audit Committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the Accounting Authority;
- reviewed the Auditor-General's management letter and management's response thereto;
- reviewed changes in accounting policies and practices; and
- reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's conclusions on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.



Ms M Mokuena

Chairperson of the Audit Committee

29 July 2008

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF SOUTH AFRICAN WEATHER SERVICE FOR THE YEAR ENDED 31 MARCH 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the South African Weather Service which comprise the statement of financial position as at 31 March 2008, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and the summary of significant accounting policies and other explanatory notes as set out on pages 62 to 99.

Responsibility of the accounting authority for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in the summary of accounting policies and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the South African Weather Service Act, 2001 (Act No. 8 of 2001) (SAWS Act, 2001) This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or

error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The public entity's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in the summary of significant accounting policies.

Opinion

9. In my opinion the financial statements present fairly, in all material respects, the financial position of the South African Weather Service at 31 March 2008 and its financial performance and cash flow for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in the summary of accounting policies and in the manner required by the PFMA, and the SAWS Act, 2001 (Act No. 8 of 2001)

OTHER MATTERS

10. Without qualifying my audit opinion, I draw attention to the following matter that relates to my responsibilities in the audit of the financial statements:

Matters of governance

11. The PFMA tasks the accounting authority with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
Audit committee		
• The public entity had an audit committee in operation throughout the financial year.	Yes	
• The audit committee operates in accordance with approved, written terms of reference.	Yes	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10/27.1.8.	Yes	
Internal audit		
• The public entity had an internal audit function in operation throughout the financial year.	Yes	
• The internal audit function operates in terms of an approved internal audit plan.	Yes	
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2/27.2.	Yes	
Other matters of governance		
The annual financial statements were submitted for audit as per the legislated deadlines (section 55 of the PFMA for public entities)	Yes	
The financial statements submitted for audit were not subject to any material amendments resulting from the audit.	Yes	
No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.	Yes	
The prior year's external audit recommendations have been substantially implemented.	Yes	

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

12. I have reviewed the performance information as set out on pages 16 to 27.

Responsibility of the accounting authority for the performance information

13. The accounting authority has additional responsibilities as required by section 55(2)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the public entity.

Responsibility of the Auditor-General

14. I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008.

15. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

16. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

OTHER REPORTS

Investigations

17. Investigations were conducted by two independent consulting firms on request of the Minister of Environmental Affairs and Tourism. The investigations were initiated based on various allegations against members of senior management and members of the Board of Directors of the South African Weather Services. Reports containing the findings and recommendations of the consulting firms were issued to the Chairperson of the Board for her consideration.

APPRECIATION

18. The assistance rendered by the staff of the South African Weather Service during the audit is sincerely appreciated.



Pretoria
31 July 2008



A U D I T O R - G E N E R A L

STATEMENT OF RESPONSIBILITY BY THE BOARD AS AT 31 MARCH 2008

The Annual Financial Statements are the responsibility of the Board. The financial statements, presented on pages 62 to 99 were prepared in accordance with South African Statements of Generally Accepted Accounting Practices and South African Statements of Generally Recognised Accounting Practices, and include amounts based on judgement and estimates made by management. The Board also prepared the other information included in the Annual Report and is responsible for both its accuracy and consistency with the financial statements.

The Board is also responsible for the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. The Board reviewed the entity's system of internal control and risk management for the year. The Board is of the opinion that the entity's systems of internal control and risk management were effective for the year under review.

The going concern basis was adopted when preparing the financial statements. The Board has no reason to believe that the South African Weather Service will not be a going concern in the foreseeable future based on forecasts and available cash resources. The financial statements support the viability of the South African Weather Service.

The financial statements were audited by the Auditor-General, who had unrestricted access to all financial records and related data, including minutes of the Board and all its committees. The Board believes that all representations made to the Auditor-General during their audit were valid and appreciated.

Approval of Financial Statements

The financial statements on pages 62 to 99 were approved by the Board on 29 July 2008 and signed on its behalf by:



Dr Linda Makuleni
Chief Executive Officer
29 July 2008



Ms Khungeka Njobe
Chairperson of the Board
29 July 2008

Report by the Accounting Authority to the Executive Authority and Parliament of the Republic of South Africa

Preparation and presentation of the Annual Financial Statements

The South African Weather Service has adopted the South African Statements of Generally Recognised Accounting Practices (GRAP 1- 3) and the South African Statements of Generally Accepted Accounting Practices (GAAP).

General review of the state of affairs

The South African Weather Service (SAWS) performed well over the period and managed to balance its revenue to expenses generating a minimum surplus at year end.

Revenue

Total revenue increased by 7.7% (R 13.3 m) from R 172.9 million (2007) to R 186.2 million (2008).

The increase was attributed to:

	2008 Rm	2007 Rm	Increase/(Decrease)	
			Rm	%
Government grant	120.11	114.39	5.72	5.0
Aviation revenue	52.70	46.13	6.57	14.2
Aviation maintenance revenue	0.05	1.15	(1.09)	(94.8)
Information fees	3.46	3.33	0.13	3.9
Letting aircraft	1.01	0.02	0.99	4950.0
Lightning detection network sales	2.53	2.22	0.31	14.0
Other income	0.47	0.92	(0.45)	(48.9)
Profit on disposal of assets	0.00	0.18	(0.18)	(100.0)
Donations received	0.00	0.01	(0.01)	(100.0)
Interest received from debtors	0.72	0.40	0.32	80.0
Interest due to discounting receivables	1.03	1.19	(0.17)	(14.3)
Revenue from investments	4.19	3.00	1.18	39.3
Total	186.27	172.94	13.32	7.7

The Department of Environmental Affairs and Tourism (DEAT) has increased their grant by 5% for the year under review.

SOUTH AFRICAN WEATHER SERVICE
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	2008	2007	Increase/(Decrease)	
	Rm	Rm	Rm	%
Commercial Revenue				
Regulated aviation	52.70	46.13	6.57	14.2
Non-regulated	7.53	7.63	(0.10)	(1.31)
Total	60.23	53.76	6.47	12.03

Regulated aviation revenue increased by 14.2% and other non regulated commercial revenue decreased by 1.3% year on year. Non regulated commercial revenue comprises mainly of the letting of aircraft totalling R 1 million for the year (2007: R 0.02 million), the sale of lightning detection networks totalling R 2.5 million for the year (2007: R 2.2 million) and information fees totalling R 3.5 million (2007: R 3.3 million).

The profit on disposals of property, plant and equipment decreased from R 0.2 million (2007) to R 0 (2008) due to the fact that there was no disposals during the current financial year.

Interest received from outstanding debtors accounts increased from R 0.4 million (2007) to R 0.7 million (2008) due to the non payment of I Time airlines for their aviation charges.

Interest received due to discounting of receivables R 1.0 (2008) decreased from R 1.2 million (2007). International Accounting Standard 39; Financial Instruments, requires that when a receivable is raised, the receivable will be initially recognised at its fair value, and this would take into account the effect of the time value of money. Similarly, for the purchase of goods on extended payment terms the effect of time value of money should be reflected in the purchase value.

Revenue from investments increased by 39.36% from R 3 million (2007) to R 4.2 million (2008). Surplus cash funds, per the current accounts, have been allocated to interest bearing short term investment and call accounts. Interest rates are negotiated with financial institutions on a monthly basis or when the investment matures. Investments are placed according to the rules of the PFMA.

The relation between internally generated revenue and revenue received as a grant from DEAT is as follows:

	2008	2007
External as % of total revenue	65%	66%
Internal as % of total revenue	35%	34%
	100%	100%

The internal revenue increased year on year due to the increase in the revenue of regulated income.

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Expenses

Total expenses increased by 16.2% (R 26.0 million) from R 160.2 million (2007) to R 186.1 million (2008). Total increase was attributed to:

	2008	2007	Increase/(Decrease)	
	R m	R m	R m	%
Administrative and marketing expenditure	10.52	4.46	6.06	135.90
Employee benefits	93.80	86.74	7.06	8.10
Depreciation	13.41	10.44	2.97	28.40
Amortisation	1.07	0.34	0.73	214.70
Other operational expenditure	66.34	57.14	9.20	16.10
Finance cost	1.09	1.11	(0.02)	(1.80)
Total	186.23	160.23	26.00	16.22

Selling and administration expenditure

Administration expenses increased by 135.9% from R 4.46 million (2007) to R 10.52 million (2008). This increase was mainly attributed to the reversal of the bad debt provision in 2007 due to the settlement of the outstanding aviation debt (R3.7 million) and the provision for the outstanding debt for 2008 mainly attributed to the non payment of ITime airlines R 4.5 million.

Employee benefits

Employee benefits increased by 8.1% from R 86.7 million (2007) to R 93.8 million (2008). The average annual cost of living increase was 6.7 % and the filling of vacant positions as well as an accrual for staff retention and staff migration was also made for the final implementation of the reward and remuneration strategy based on benchmarking with other organisations.

Employee costs constitute 50.4% (2007: 54.2%) of the total expenses of the SAWS.

Depreciation

Depreciation increased by 28.4% from R 10.4 million (2007) to R 13.4 million (2008). The increase is a direct result of the capital expenditure programme. An amount of R 23.7 million (2007: R21.2 million) was utilised for the acquisition of capital assets.

Other operating expenses

Other operating expenses increased by 16.1% (R 9.2 million) from R 57.14 million (2007) to R 66.34 million (2008).

The increase was mainly driven by:

- An increase in aircraft expenses of 1164.5% (2007: R 0.10 million, 2008: (R 1.20 million)) due to the utilisation of the aircraft in an Australian project
- An increase in communication costs of 22.2%, (2007: R 6.62 million, 2008: R 8.10 million) due to an improvement of the wide area network.
- An increase in computer licence fees of 100% (2007 : R 0 million, 2008 : R 1.8 million) due to the

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renewal of the super computer licence for the year:

- Allocation of bursaries increased by 24.6% (2007 : R 2.2 million, 2008 : R 2.7 million)
- An increase in repairs and maintenance expenses by 41.3% (2007: R3.5 million, 2008: R4.9 million) due to the increase in the maintenance of the LDN network to ensure quality of data.
- Local travelling costs increased by 34.2% (2007 : R4.1 million, 2008 : R 5.5 million) due to increased regional visits, AWS inspections, implementation of Ninjo workstations and full asset count in regions.
- Equipment expensed decreased by 17.0% (2007 : R 10.0 million, 2008: R 12.1 million) due to change to a local supplier of radio sondes.

Finance cost

Finance cost decreased by 2.3% from R 1.11 million (2007) to R 1.08 (2008) due to the effect of the implementation of IAS 39 as discussed above.

Services rendered by the South African Weather Service

A list of services rendered by the SAWS is discussed in detail in the annual report under the report by the Chief Executive Officer.

The significant events that have taken place during the year as well as major projects undertaken is discussed in the annual report under the report by the operations department.

Tariff Policy

In terms of Section 28(b) of the SAWS Act, 2001 (Act No. 8 of 2001), the SAWS charges fees for the provision of aviation meteorological services by the operator of an aircraft in respect of a flight undertaken within any flight information region established by the Commission for Civil Aviation in terms of the Civil Aviation Regulations, 1997, as amended.

Aviation meteorological user charges have two categories:

Category I:

In respect to an aircraft with a Maximum Certified Mass (MCM) of 2000 kg and above:

- Charge = Tariff x W x D
- Where tariff =

Year 1 (1 April 2006 – 31 March 2007)	R 23.50
Year 2 (1 April 2007 – 31 March 2008)	R 24.29
Year 3 (1 April 2008 – 31 March 2009)	R 24.73
- W = Square root of (MCM in metric tonnes divided by 50)
- D = Distance of flight in the flight information region of South Africa in kilometre divided by 100.



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Category 2:

Aircraft with a published Certified Maximum Mass between 2000 and 4999 kg that operate under Visual Flight Rules (VFR) and aircrafts with a Maximum Certified Mass (MCM) of below 2000 kg the tariff is set at zero.

No fees are payable for an aircraft engaged in search and rescue operations and coastal patrol flights of the South African Air Force.

Capacity and other constraints

Employees – SAWS experienced a brain drain in the skilled operational department. Plans have been put in place to retain staff and an accrual has been created for the payment of retention allowances and the increase in the salaries of skilled employees to ensure market related salaries are paid and staff is retained for the future of the organisation.

Utilisation of donor funds

An amount of R 1.3 million (2007 : R 1.3 million) including interest was received during the year under review from donor funds. A total of R 1.3 million (2007 : R 1.5 million) was utilised as donor funding expenditure. These funds were received with conditions as agreed with the donors. Detailed information on these projects is discussed under the Chief Executive Officer's report in the Annual Report 2008. The amounts received from donors are recorded as a liability against which expenses are charged. The balance available at year end was R 1.7 million (2007 : R 1.8 million).

An amount of R 60 million was received from DEAT as the first contribution towards the RADAR network recapitalisation project of R 240 million. An amount of R 1.6 million was interest capitalised to the fund and an amount of R 1.6 was utilised against the project.

Corporate governance arrangements

The SAWS is committed to the objectives and principles of transparency, accountability and integrity explained in the King II Report on Corporate Governance. Detailed discussion of the application and results of Corporate Governance in the organisation is discussed under the heading Chief Executives Officer's report Corporate Governance in the Annual Report.

Full disclosure of risk items and policies are discussed under note 20 in the Annual Financial Statements, disclosure of all conflict of interest and contracts with related parties are done under note 21 in the Annual Financial Statements.

Disclosure of remuneration to members of the Accounting Authority and Executive Management is done under note 25 in the Annual Financial Statements.

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The strategic plan was amended and improved to include clear and precise direction for the organisation for the coming three years with the focus on the increase in commercial revenue. A new structure was developed and approved by the Board. Internal controls have been strictly monitored.

The Audit Committee meets on a regular basis and ensures that management adheres to internal controls and accounting policies and procedures. During the year under review SizweNtsaluba vsp. was appointed to perform the function of the internal audit for the organisation. This is an ongoing process and will ensure the effective implementation of internal audit and control procedures and adherence of management thereto. A three year rolling internal audit plan as well as a one year plan was developed by them. A risk assessment was performed during the year.

The Audit Committee has adopted a formal terms of reference and this Committee is satisfied that it covered all responsibilities for the year in compliance with its term of reference. (Refer to Report of the Audit Committee in the Annual Report).

Events After Reporting Date

Nationwide Airlines, one of SAWS aviation customers was filed for liquidation after year-end. A provision for an outstanding debt of R 0.45 million has been made.

Performance Information

Performance targets are set on an annual basis. Full disclosure of these targets and performance against them is disclosed in the Annual Report. Quarterly performance reports are prepared by the South African Weather Service and submitted to the Department of Environmental Affairs and Tourism stating achievements during the previous year and assessing results against targets set.

SCOPA Resolutions

There were no resolutions taken by the Standing Committee on Public Accounts (SCOPA) for the year under review.

Address

Registered office: South African Weather Service	Postal Address: Private Bag X097
442 Rigel Avenue South	Pretoria
Erasmusrand	0001
Pretoria	
0181	

SOUTH AFRICAN WEATHER SERVICE
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Auditors

The SAWS is a public entity audited by the Auditor-General.

Approval

The Annual Financial Statements set out on pages 62 to 99 have been approved by the Accounting Authority.



Ms Khungeka Njobe
Chairperson of the Board
29 July 2008



SOUTH AFRICAN WEATHER SERVICE
ANNUAL FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2008

	Notes	2008 R	2007 R
ASSETS			
Non-Current Assets		147,521,005	131,248,815
Property, plant and equipment	4	92,716,281	82,198,021
Intangible assets	5	6,483,180	4,293,026
Investment property	6	48,321,544	44,757,768
Current Assets		125,064,039	59,255,370
Inventory	7	8,236,096	4,675,086
Trade and other receivables	8	16,829,419	8,817,800
Cash and cash equivalents	9	99,998,524	45,762,484
Non-Current Assets Classified as Held for Sale	23	184,928	-
TOTAL ASSETS		272,769,972	190,504,185
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		31,510,698	29,189,900
Deferred rental obligations	10.1	8,711,034	8,299,480
Retirement benefit obligations	11	22,799,664	20,890,420
Current Liabilities		95,229,826	22,548,926
Current portion:Retirement benefit obligations	11	270,336	203,280
Trade and other payables	12	32,076,715	18,681,442
Provisions	13	1,234,192	1,911,151
Donor funding	14	1,695,071	1,753,053
Radar recapitalisation project	14	59,953,512	-
TOTAL LIABILITIES		126,740,524	51,738,826
Net Assets		146,029,448	138,765,359
Non-distributable reserve		61,434,528	57,780,964
Accumulated surpluses		84,594,920	80,984,395
TOTAL NET ASSETS AND LIABILITIES		272,769,972	190,504,185
Total Net Assets		146,029,448	138,765,359

SOUTH AFRICAN WEATHER SERVICE
 ANNUAL FINANCIAL STATEMENTS
 STATEMENT OF FINANCIAL PERFORMANCE
 AS AT 31 MARCH 2008

	Notes	2008 R	2007 R
Revenue		180,123,932	167,802,871
Other income		6,156,161	5,126,650
Total revenue	15	186,280,093	172,929,521
Administrative expenses		(10,521,243)	(4,463,358)
Employee benefits expense		(93,799,032)	(86,742,543)
Amortisation	5	(1,070,475)	(340,541)
Depreciation	4	(13,411,402)	(10,441,641)
Other operating expenses		(66,343,563)	(57,143,393)
Finance costs	16	(1,087,629)	(1,113,256)
Total expenses		(186,233,344)	(160,244,732)
Operating Surplus for the Year		46,749	12,684,789
Gains from fair value adjustments	6	3,563,776	2,014,018
Surplus for the Year	17	3,610,525	14,698,807

SOUTH AFRICAN WEATHER SERVICE
 ANNUAL FINANCIAL STATEMENTS
 STATEMENT OF CHANGES IN NET ASSETS
 AS AT 31 MARCH 2008

		Non-distributable Reserve	Accumulated Surpluses / (Deficits)	Total
	Notes	R	R	R
Balance at 31 March 2006		54,165,328	66,285,588	120,450,916
Property valuation	4	1,246,500	-	1,246,500
Aircraft valuation	4	2,369,136	-	2,369,136
Net surplus for the year		-	14,698,807	14,698,807
Balance at 31 March 2007		57,780,964	80,984,395	138,765,359
Property valuation	4	808,249	-	808,249
Aircraft valuation	4	2,845,315	-	2,845,315
Net surplus for the year		-	3,610,525	3,610,525
Balance at 31 March 2008		61,434,528	84,594,920	146,029,448

SOUTH AFRICAN WEATHER SERVICE
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CASH FLOW STATEMENT
AS AT 31 MARCH 2008

	Notes	2008 R	2007 R
Cash Flow from Operating Activities			
Receipts			
Government grant		178,266,137	175,283,738
Commercial and other income		120,112,000	114,393,000
Income from investments		53,968,789	57,887,468
		4,185,348	3,003,270
Payments			
Employee benefits expense		(102,631,577)	(148,828,573)
Suppliers		(93,799,032)	(86,742,543)
Finance costs		(7,744,916)	(60,972,774)
		(1,087,629)	(1,113,256)
Net Cash Flows from / (Used in) Operating Activities	18	75,634,560	26,455,165
Cash Flow from Investing Activities			
Proceeds on disposal of property, plant and equipment and intangible assets		12,295	410,292
Acquisition of property, plant and equipment and intangible assets		(23,731,613)	(24,587,636)
Net Cash Flows from / (Used in) Investing Activities		(23,719,318)	(24,177,344)
Cash Flow from Financing Activities			
(Decrease)/increase in long-term liabilities		2,320,798	4,087,225
(Decrease)/increase in short-term liabilities		-	-
Net Cash Flow from / (Used in) Financing Activities		2,320,798	4,087,225
Net increase/(decrease) in cash and cash equivalents		54,236,040	6,365,046
Cash and cash equivalents at the beginning of the year		45,762,484	39,397,438
Cash and Cash Equivalents at End of the Year	9	99,998,524	45,762,484

SOUTH AFRICAN WEATHER SERVICE
 ANNUAL FINANCIAL STATEMENTS
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 AS AT 31 MARCH 2008

I PRESENTATION OF FINANCIAL STATEMENTS

Basis of Preparation of the Financial Statements

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board, with the effective Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statement as follows:

Standard of GRAP

GRAP 1: Presentation of financial statements
 GRAP 2: Cash flow statements
 GRAP 3: Accounting policies, changes in accounting estimates and errors

Replaced Statement of GAAP

AC101: Presentation of financial statements
 AC118: Cash flow statements
 AC103: Accounting policies, changes in accounting estimates and errors

Currently the recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1, 2 and 3 has resulted in the following significant changes in the presentation of the financial statements:

1. Terminology differences:

Standard of GRAP

Statement of financial performance
 Statement of financial position
 Statement of changes in net assets
 Net assets
 Surplus / deficit for the year
 Accumulated surplus / deficit
 Contributions from owners
 Distributions to owners
 Reporting date

Replaced Statement of GAAP

Income statement
 Balance sheet
 Statement of changes in equity
 Equity
 Profit / loss for the year
 Retained earnings
 Share capital
 Dividends
 Balance sheet date

2. The cash flow statement can only be prepared in accordance with the direct method.

3. Specific information has been presented separately on the statement of financial position such as:

- (a) receivables from non-exchange transactions, including taxes and transfers;
- (b) taxes and transfers payable;
- (c) trade and other payables from non-exchange transactions;

4. The amount and nature of any restrictions on cash balances is required to be disclosed.

Paragraph 11 – 15 of GRAP 1 has not been implemented due to the fact that the local and international budget reporting standard is not effective for this financial year. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect the objective of the financial statements.

The financial statements are presented in South African rand since that is the functional currency in which the majority of the South African Weather Service's transactions are denominated. The annual financial statements have been prepared on the going concern basis. All accounting policies have been consistently applied to all the years presented.

SOUTH AFRICAN WEATHER SERVICE
ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
AS AT 31 MARCH 2008

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the South African Weather Service have been prepared in accordance with South African Statements of Generally Accepted Accounting Practices (GAAP) and with South African Standards of Generally Recognised Accounting Practices (GRAP). The preparation of financial statements in conformity with GAAP and GRAP require the use of certain critical financial statements accounting estimates. It also requires management to exercise its judgment in the process of applying the Entity's accounting policies.

2.1 Revenue Recognition

Revenue comprises of fees levied for the supply of weather related information to the aviation industry as well as other users. Revenue from information fees levied is recognised when the information is supplied to the customer.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable. Other income, mainly the letting of aircraft, is recognised when the service is rendered to the customer.

Project income received is recognised together with the respective expenses in the Statement of Financial Performance.

Monies received from donors are recorded as a liability against which expenses are charged, surpluses are either paid back or recognised in the Statement of Financial Performance depending on terms of the particular contract.

2.2 Government and Other Grants

Government and other grants are accounted for when they become receivable and recognised on a monthly basis to match the grants with the related costs which they are intended to compensate.

2.3 The South African Weather Service as a Lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

2.4 Foreign Currencies

Transactions in currencies other than the functional currency (Rands) are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates ruling on the Statement of Financial Position date. Exchange differences arising on the settlement of monetary items or on reporting an enterprise's monetary items at rates different from those at which they were initially recorded are recognised as income or expenses in the year in which they arise.

SOUTH AFRICAN WEATHER SERVICE
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 NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 AS AT 31 MARCH 2008

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign Currencies (Continued)

The South African Weather Service did not enter into forward contracts and options in order to hedge its exposure to foreign exchange risks, during the financial year under review.

2.5 Property, Plant, Equipment and Depreciation

Revaluations of aircrafts and land and buildings are performed annually using fair values at the Statement of Financial Position date. Any revaluation increase arising on the revaluation is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the Statement of Performance to the extent of the decrease previously charged.

A decrease in the carrying amount arising on the revaluation is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred to accumulated surpluses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

All other items of property, plant and equipment are stated at historical cost less accumulated depreciation.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

	2008 (Years)	2007 (Years)
Buildings - lease improvements	10	10
Commercial property	-	-
Aircraft	4	4
Motor vehicles	5	5
Meteorological instruments	10	10
Office equipment	4	4
Computer equipment	5	5
Computer software	5	5
Library books and equipment	5	5
Furniture and fittings	6	6
Tools and other equipment	5	5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance. When revalued assets are sold, the amounts included in other reserves are transferred to accumulated surpluses.

SOUTH AFRICAN WEATHER SERVICE
ANNUAL FINANCIAL STATEMENTS
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
AS AT 31 MARCH 2008

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Property, Plant, Equipment and Depreciation (Continued)

All other repairs and maintenance are charged to the Statement of Financial Performance during the financial year in which they are incurred.

2.6 Intangible Assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Acquired computer software are capitalised on the basis of the costs incurred and amortised over the useful lives (five years) using the straight-line method.

2.7 Investment Property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the entity, and the cost of the investment property can be measured reliably.

Investment property is shown at fair value based on periodic but at least annual, valuations by external independent valuers. The investment property is held for capital appreciation. A gain or loss arising from a change in the fair value of investment property is recognised in surplus or deficit in the year in which it arises.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represent the estimate selling price less all estimated cost to completion and cost to be incurred in marketing, selling and distribution. Inventory consists of consumable goods only and not held for resale.

Cost is determined on the following basis:

Consumable goods are valued using the average cost basis.

Redundant and slow moving stocks are identified and written down with regard to their estimated economic or realisable values.

2.9 Impairment

At each Statement of Financial Position date, the South African Weather Service reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered impairment. If any such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

Management is of the opinion that there was no indication of impairment of assets for the year under review.

2.10 Financial Instruments

Recognition

Financial assets and liabilities are recognised on the entity's Statement of Financial Position when the entity becomes a party to the contractual provisions of the instrument. All "regular way" purchases and sales of financial assets are initially recognised using trade date accounting.

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Financial Instruments (Continued)

Measurement

Financial instruments are initially measured at cost, which include transaction costs. Subsequent to initial recognition these instruments are measured as set out below.

Financial Assets

The entity's principal financial assets are trade and other receivables and cash and cash equivalents.

- Trade and other receivables

Trade and other receivables are stated at fair value providing for the time value of money and impairment of receivables.

- Writing off of debts

Prior to writing off debts, management assess, the recoverability of the debt. If it is determined that the debt is irrecoverable, the debt is written off if management is convinced that the recovery of the debt would be uneconomical or the recovery would cause undue hardship to the debtor or his or her dependants, or it would be to the advantage of the state to effect a settlement of its claim or to waive the claim.

- Cash and cash equivalent

Cash and cash equivalent are measured at fair value.

Financial Liabilities

The entity's principal financial liabilities are trade and other payables. Trade and other payables are stated at fair value of money.

Gains and Losses on Subsequent Measurement

Gains and losses arising from a change in the fair value of financial instruments, are included in the net surplus or deficit for the year in which it arises.

Derecognition

A financial asset or a portion thereof is derecognised when the entity realises the contractual rights to the benefits specified in the contract, the rights expire, the entity surrenders those rights or otherwise loses control of the contractual rights that comprise the financial asset. On derecognition, the difference between the carrying amount of the financial asset and the sum of the proceeds receivable and any prior adjustments to reflect the fair value of the asset that were reported in equity is included in net surplus or deficit for the year.

Fair Value Considerations

The fair values at which financial instruments are carried at the Statement of Financial Position date were determined using available market values. Where market values were not available, fair values were calculated by discounting expected future cash flows at prevailing interest rates. The fair values were estimated using available market information and appropriate valuation methodologies, but are not necessarily indicative of the amounts that the entity could realise in the normal course of business. The carrying amounts of financial assets and financial liabilities with a maturity of less than one year are assumed to approximate their fair value due to the short term trading cycle of these items.

2.11 Provisions

Liabilities

Provisions for liabilities are recognised when the South African Weather Service has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be reliably estimated.

Impairment of Receivables

Impairment of receivables are recognised when the South African Weather Service outstanding debtors are above 120 days.

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Post Retirement Medical Aid Contribution

The entity operates a defined benefit obligation. The obligation is generally funded by payments from the entity and employees, taking account of the recommendations of independent qualified actuaries. For defined benefit obligation the related current service cost, and where applicable the past service cost are determined by using projected unit credit method.

A defined benefit obligation is an obligation that defines an amount of benefit to be provided, usually as a function of one or more factors such as inflation, discounting and demographic factors both before and after retirement.

Actuarial gains and losses are recognised as income or expense in the statement of financial performance. The entity contribution to defined benefit obligation are charged to the Statement of Financial Performance in the year to which they relate. Once the contribution has been paid, the entity has no further payment obligations.

2.12 Comparative Figures

Where necessary, comparative figures were adjusted to conform to changes in the presentation in the current year.

2.13 Taxation

No provision has been made for taxation, as the entity is exempt from income tax in terms of Section 10 of the Income Tax Act, 1962 (Act No. 58 of 1962).

2.14 Value Added Taxation (VAT)

The Revenue Laws Amendment Act, 2003 (Act No. 45 of 2003) commenced on 22 December 2003. Previously, the definition of enterprise placed the South African Weather Service listed in Schedule 3 A within the scope of VAT. The Amendment Act, however has amended this definition of enterprise and effectively places the entity outside the scope of VAT. The amended definition of enterprise came into operation on 1 April 2005.

2.15 Related Parties

All transactions and balances with national departments of Government and state-controlled entities are regarded as related party transactions and are disclosed separately in the notes to the annual financial statements (refer note 21).

2.16 Fruitless, Wasteful and Irregular Expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of the Public Audit Act, 2004 (Act No. 25 of 2004). Fruitless and wasteful expenditure means expenditure that was incurred in vain and would have been avoided should reasonable care have been exercised. All irregular, fruitless or wasteful expenditure are charges against income in the period it was incurred.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

3.1 Useful lives of property, plant and equipment

For the financial period under review, management applied judgement in determining the extended useful lives of fixed assets in terms of IAS 16 PPE and the results was that the useful life has not changed from the previous financial year.

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4 PROPERTY, PLANT AND EQUIPMENT

Cost or Valuation	2008				
	Opening Balance	Additions	Revaluation	Disposals	Closing Balance
	R	R	R	R	R
Building lease improvements	1,880,429	-	-	-	1,880,429
Commercial property	16,152,750	-	598,250	-	16,751,000
Bethlehem houses	850,000	-	210,000	-	1,060,000
Aircraft airframes	2,104,491	-	1,362,074	-	3,466,565
Aircraft engines	5,079,893	-	1,380,588	-	6,460,481
Aircraft propeller	397,800	-	102,653	-	500,453
Motor vehicles*	861,217	-	-	(788,895)	72,322
Meteorological instruments	57,297,155	9,779,401	-	-	67,076,556
Office equipment	739,792	400,752	-	-	1,140,544
Computer equipment	20,317,066	8,376,214	-	(47,505)	28,645,775
Library books and equipment	101,768	30,454	-	-	132,222
Furniture and fittings	3,699,488	539,960	-	(10,009)	4,229,439
Tools and other equipment	1,928,618	1,344,201	-	-	3,272,819
	111,410,467	20,470,982	3,653,565	(846,409)	134,688,605

Accumulated Depreciation	2008				
	Opening Balance	Depreciation	Additions	Disposals	Closing Balance
	R	R	R	R	R
Building lease improvements	754,159	188,398	-	-	942,557
Commercial property	-	-	-	-	-
Bethlehem houses	-	-	-	-	-
Aircraft airframes	272,952	611,627	-	-	884,579
Aircraft engines	951,432	1,378,665	-	-	2,330,097
Aircraft propeller	77,986	106,799	-	-	184,785
Motor vehicles*	653,716	-	-	(595,855)	57,861
Meteorological instruments	12,843,977	6,467,568	-	-	19,311,545
Office equipment	404,483	227,757	-	-	632,240
Computer equipment	11,301,299	3,324,904	-	(47,505)	14,578,698
Library books and equipment	48,584	14,429	-	-	63,013
Furniture and fittings	1,515,783	645,252	-	(8,162)	2,152,873
Tools and other equipment	388,073	446,003	-	-	834,076
	29,212,444	13,411,402	-	(651,522)	41,972,324

* Motor vehicle disposals includes transfers to non-current assets held for sale refer note 23.

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4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2007

Cost or Valuation	Opening	Additions	Revaluation	Disposals	Closing
	Balance				Balance
	R	R	R	R	R
Building lease improvements	1,880,429	-	-	-	1,880,429
Commercial property	14,956,250	-	1,196,500	-	16,152,750
Bethlehem houses	800,000	-	50,000	-	850,000
Aircraft airframes	1,092,555	-	1,011,936	-	2,104,491
Aircraft engines	3,808,334	-	1,271,559	-	5,079,893
Aircraft propeller	312,159	-	85,641	-	397,800
Motor vehicles	1,746,479	-	-	(885,262)	861,217
Meteorological instruments	45,402,521	11,894,634	-	-	57,297,155
Office equipment	575,004	168,735	-	(3,947)	739,792
Computer equipment	14,161,814	6,378,154	-	(222,902)	20,317,066
Library books and equipment	73,037	28,729	-	-	101,766
Furniture and fittings	2,826,244	891,545	-	(18,301)	3,699,488
Tools and other equipment	440,260	1,488,358	-	-	1,928,618
	88,075,086	20,850,155	3,615,636	(1,130,412)	111,410,465

2007

Accumulated Depreciation	Opening	Depreciation	Additions	Disposals	Closing
	Balance				Balance
	R	R	R	R	R
Building lease improvements	566,190	187,969	-	-	754,159
Commercial property	-	-	-	-	-
Bethlehem houses	-	-	-	-	-
Aircraft airframes	-	272,952	-	-	272,952
Aircraft engines	-	951,432	-	-	951,432
Aircraft propeller	-	77,986	-	-	77,986
Motor vehicles	1,361,926	-	-	(708,210)	653,716
Meteorological instruments	7,564,123	5,279,854	-	-	12,843,977
Office equipment	262,304	145,973	-	(3,794)	404,483
Computer equipment	8,779,146	2,696,542	-	(174,389)	11,301,299
Library books and equipment	38,394	10,190	-	-	48,584
Furniture and fittings	991,261	539,129	-	(14,607)	1,515,783
Tools and other equipment	108,459	279,614	-	-	388,073
	19,671,803	10,441,641	-	(901,000)	29,212,444

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4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Net Book Value

	2008 R	2007 R
Building lease improvements	937,872	1,126,270
Commercial property	16,751,000	16,152,750
Bethlehem houses	1,060,000	850,000
Aircraft	7,028,038	6,279,814
Aircraft airframes	2,581,986	1,831,539
Aircraft engines	4,130,384	4,128,461
Aircraft propeller	315,668	319,814
Motor vehicles	14,461	207,501
Meteorological instruments	47,765,011	44,453,178
Office equipment	508,304	335,309
Computer equipment	14,067,077	9,015,767
Library books and equipment	69,209	53,182
Furniture and fittings	2,076,566	2,183,705
Tools and other equipment	2,438,743	1,540,545
	92,716,281	82,198,021

Aircraft

The Entity's aircrafts were revalued at 31 March 2008 by independent valuers.

Valuations were made on the basis of open market value. The revaluation surplus was credited to the non-distributable reserve. If aircrafts were stated on the historical cost basis, the amounts would be as follows:

	2008 R	2007 R
Cost	9,811,735	9,811,735
Accumulated depreciation	9,811,735	9,811,735
Net book value	-	-

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4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Bethlehem Houses

The houses were revalued at 31 March 2008 by an independent valuer, Platinum Bethprop. Valuations were made on basis of open market value. The revaluation surplus was credited to the non-distributable reserve. If the houses were stated on the historical cost basis, the amounts would be as follows:

	2008 R	2007 R
Cost	600,000	600,000
Accumulated depreciation	-	
Net book value	<u>600,000</u>	<u>600,000</u>

The property includes Erf 1997 and Erf 2064 in the town of Bethlehem.

Erf 1997, also known as 8 Dr Clark Street, Bethlehem has an area of 1997 square meters and includes a house and outbuildings.

Erf 2064, also known as 19 Gordon Dreyer Street, Bethlehem has an area of 1568 square meters and includes a house and outbuildings.

The title deed of the Bethlehem property has not been registered in the name of South African Weather Service at financial year end however the Minister of Public Works passed all the rights, obligations and liabilities of the properties to South African Weather Service on the commencement of the South African Weather Service Act No.8 of 2001.

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5 INTANGIBLE ASSETS

		2008			
Cost or Valuation	Opening Balance	Additions	Revaluation	Disposals	Closing Balance
	R	R	R	R	R
Computer software	5,205,522	3,260,629	-	-	8,466,151
	5,205,522	3,260,629	-	-	8,466,151

		2008			
Accumulated Amortisation	Opening Balance	Amortisation	Additions	Disposals	Closing Balance
	R	R	R	R	R
Computer software	912,496	1,070,475	-	-	1,982,971
	912,496	1,070,475	-	-	1,982,971

		2007			
Cost or Valuation	Opening Balance	Additions	Revaluation	Disposals	Closing Balance
	R	R	R	R	R
Computer software	1,468,041	3,737,481	-	-	5,205,522
	1,468,041	3,737,481	-	-	5,205,522

		2007			
Accumulated Amortisation	Opening Balance	Amortisation	Additions	Disposals	Closing Balance
	R	R	R	R	R
Computer software	571,955	340,541	-	-	912,496
	571,955	340,541	-	-	912,496

Net Book Value	2008 R	2007 R
Computer software	6,483,180	4,293,026

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6 INVESTMENT PROPERTY

Cost or Valuation	2008				
	Opening Balance	Additions	Revaluation	Disposals	Closing Balance
	R	R	R	R	R
Remaining extent of portion 264 of the farm Garstfontein 374	60,910,518	-	4,162,032	-	65,072,550
Less: Commercial property	(16,152,750)	-	(598,256)	-	(16,751,006)
	44,757,768	-	3,563,776	-	48,321,544

Cost or Valuation	2007				
	Opening Balance	Additions	Revaluation	Disposals	Closing Balance
	R	R	R	R	R
Remaining extent of portion 264 of the farm Garstfontein 374	57,700,000	-	3,210,518	-	60,910,518
Less: Commercial property	(14,956,250)	-	(1,196,500)	-	(16,152,750)
	42,743,750	-	2,014,018	-	44,757,768

The Entity's investment and commercial property were revalued at 31 March 2008 by independent valuers.

Valuations were made on the basis of open market value. The revaluation surplus for commercial property was credited to the non-distributable reserve and the revaluation surplus for the investment property was credited to the statement of financial performance. The property was brought into the books for the first time in 2003 year end the valuation from independent valuers was accepted to also reflect the fair value at 31 March 2002. If the property were stated on the historical cost basis, the amounts would be as follows:

Net Book Value	2008 R	2007 R
Fair value of investment property	26,890,000	26,890,000
Less fair value of commercial property	(8,960,000)	(8,960,000)
Net book value	17,930,000	17,930,000

The investment property includes Portions 411, portion of portion 412, portion 423 and 424 (which are portions of the remaining extent of portion 264) of the farm Garstfontein 374, Registration Division JR, Gauteng. The property consist of 37,1116 ha and is located immediately west of the N1 National Freeway to the Northern Province and immediately north of Rigel Avenue.

The property was valued at 31 March 2008 by an independent valuers, T.I. Lehobye Valuations. The valuator used the market data valuation approach, whereby similar properties valuations are used as a motivation to value the property and this method is accepted by the Courts in the RSA as the best method to determine the value of this type of property.

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7 INVENTORY

		2008 R	2007 R
Bolepi	Consumables and maintenance	382,893	528,480
Irene	Maintenance and parts	7,020,645	4,146,606
Irene work-in-progress	Automatic weather stations	832,558	-
		8,236,096	4,675,086

8 TRADE AND OTHER RECEIVABLES

Trade receivables	19,369,300	10,149,903
Discounting of receivables	(141,107)	(100,494)
Provision for impairment of receivables	(4,533,990)	(2,347,588)
Prepayments	1,100,282	565,417
Other receivables	1,034,934	550,562
	16,829,419	8,817,800

Interest is charged on any long outstanding trade debtor accounts. The carrying amount of trade and other receivables approximate their fair value.

Trade and other receivables are stated at fair value providing for the time value of money and impairment of receivables.

Trade and other receivables past due but not impaired

Trade and other receivables which are over 30 days past due are not considered to be impaired. At 31 March 2008, R 11,562,564 (2007: R 5,021,110) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

	31-60 days	61-90 days	91-120 days	Over 120 days
Trade receivables	4,990,056	616,582	1,054,400	4,901,526

Trade and other receivables impaired

As of 31 March 2008, trade and other receivables of R 453,905 (2007: R0) were impaired and provided for.

The amount of the provision was R 453,905 as of 31 March 2008 (2007: R0).

The ageing of these tradereceivables is as follows:

	Current	31-60 days	61-90 days	91-120 days
Nationwide Airlines	282,528	171,377	-	-

Reconciliation of provision for impairment of trade and other receivables

	2008 R	2007 R
Opening balance	(2,347,588)	(29,306,190)
Provision raised/(utilised)	(2,186,402)	22,998,654
Reversal of provision not utilised		3,959,948
Closing balance	(4,533,990)	(2,347,588)

The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above. The entity does not hold any collateral as security.

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9 CASH AND CASH EQUIVALENTS

Bank balances and cash
 Short-term investment

2008 R	2007 R
90,678,511	40,643,876
9,320,013	5,118,609
99,998,524	45,762,485

Cash and cash equivalents consists of cash and short-term investments.

10 COMMITMENTS

Operating leases

The following lease payments are related to the operating lease for computer equipment, furniture and fittings, the rental of premises and motor vehicles.

SAWS leases 21 premises from various lessors. The rental agreements for the premises include escalations of between 8% and 11% per year. The duration of the rentals varies between three and ten years.

There is no escalation for the rental agreements relating to the computer equipment and the furniture and fittings. The duration of the rentals varies between four and eight years.

SAWS entered into an operating lease agreement with ABSA vehicle management solutions (Pty) Ltd on 26 November 2007. The agreement includes a full maintenance plan. Ownership in and to all or any of the vehicles comprising of the fleet shall at all times, during and after termination of the agreement, remain vested in ABSA vehicle management solutions (Pty) Ltd.

	Equipment	Premises	Motor Vehicles	Total
Rent Commitment: 0 - 1 year				
Minimum lease payments - 2009	2,229,889	8,567,426	2,156,802	12,954,117
	2,229,889	8,567,426	2,156,802	12,954,117
Rent Commitment: 2 - 5 year				
Minimum lease payments- 2010	688,462	8,532,693	2,156,802	11,377,957
Minimum lease payments - 2011	59,706	8,968,589	1,617,602	10,645,897
Minimum lease payments - 2012	-	9,800,355	-	9,800,355
Minimum lease payments - 2013	-	10,777,315	-	10,777,315
	748,168	38,078,952	3,774,404	42,601,524
Rent Commitment: 5+ year				
Minimum lease payments - 2014	-	1,161,096	-	1,161,096
Minimum lease payments - 2015	-	193,704	-	193,704
Minimum lease payments - 2016	-	-	-	-
Minimum lease payments - 2017	-	-	-	-
	-	1,354,800	-	1,354,800
Total commitment	2,978,057	48,001,178	5,931,206	56,910,441

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10 COMMITMENTS (CONTINUED)

10.1 Deferred Rental obligations

	2008 R	2007 R
Opening balance	8,299,480	7,147,171
Additional deferred rental	411,554	1,152,309
Closing balance	8,711,034	8,299,480

11 RETIREMENT BENEFIT OBLIGATIONS

Amounts Recognised in the Statement of Financial Performance

Post-employment medical benefits:		
Current service cost	770,000	748,000
Interest cost	1,629,580	1,408,000
Expected return on plan assets	-	-
Net actuarial losses/(gains) recognised in the year	(220,000)	986,700
Past service cost	-	-
Total included in 'employee benefits expense'	2,179,580.00	3,142,700
Actual return on plan assets	-	-

Amounts Recognised in the Statement of Financial Position

Post-employment medical benefits:		
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Present value of unfunded obligations	23,070,000	21,093,700
Unrecognised actuarial gains/(losses)	-	-
Unrecognised past service cost	-	-
Net Liability in the Statement of Financial Position	23,070,000	21,093,700
Less: Current liability	270,336	203,280
Long-term provision	22,799,664	20,890,420
Amounts in the Statement of Financial Position:		
Liabilities	23,070,000	21,093,700
Assets	-	-
Net liability in the Statement of Financial Position:	23,070,000	21,093,700
Current provision	270,336	203,280

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11 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

Movements in the Net Liability in the Statement of Financial Position:

	2008 R	2007 R
Post-employment medical obligation:		
Net liability at start of year	21,093,700	18,109,000
Net expense recognised in the Statement of Financial Performance	2,179,580	3,142,700
Contributions	(203,280)	(158,000)
Net liability at end of year	23,070,000	21,093,700
Less: Current portion	270,336	203,280
Long-term provision	22,799,664	20,890,420

Principal Actuarial Assumptions at Statement of Financial Position Date:

Discount rate 31 March (%)	9.5	7.5
General increases to medical aid subsidy (%)	8.0	6.0
Proportion continuing membership at retirement (%)	100.0	100.0
Proportion of retiring members who are married (%)	90.0	90.0
Retirement age (years)	60	60

Sensitivity	Medical aid inflation 1 % higher R	Medical aid inflation 1 % lower R
Current service cost and interest cost	3,160,000	3,890,000
Post-employment medical benefits	27,140,000	19,850,000

Amounts for the current and previous four years are as follows:

	2008 R	2007 R	2006 R	2005 R	2004 R
Post-employment medical obligation	23,070,000	21,093,700	18,109,000	16,103,000	14,087,000

There is almost no experience adjustment as the projected accrued service liability of R23.29m in the last valuation differs by less than 1% from the R23.07m calculated for the current year's valuation.

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12 TRADE AND OTHER PAYABLES

	2008 R	2007 R
Trade payables	19,230,547	7,644,224
Discounting of payables	(149,232)	(69,383)
Employee related accruals	11,689,547	8,953,258
Other payables	1,305,853	2,153,343
	<u>32,076,715</u>	<u>18,681,442</u>

The carrying amount of trade and other payables approximate their fair value. Unrealised foreign exchange profit and loss is calculated using the spot rate at year-end.

Included in the Trade Payables are Foreign Creditors:

	2008 Foreign Currency	2007 Foreign Currency	2008 R	2007 R
Vaisala USA	USD 378,834		3,104,166	
Ask Innovative	EUR 86,535	EUR 91,323	1,111,282	885,260
UK Met Office	GBP 40,787	GBP 60,000	666,783	855,586
Vaisala Oyj	EUR 34,944		448,751	
Vaisala Oyj	USD 9,995		81,899	
Ernest Bassler and Partner	EUR 29,808		382,794	
Eumetsys	EUR 3,510	EUR 111,739	45,075	1,083,162
World Meteorological Organisation	USD 4,500	USD 4,500	36,873	32,703
Droplet Measurement Technology	USD 3,875		31,752	
CLS	EUR 2,366		30,384	
Swedish Meteorological	EUR 1,638		21,035	
Mistaya Engineering Inc	USD 1,100		9,013	
American Meteorological Society		USD 972		7,064
Rinehart Publications		USD 57		414
			<u>5,969,807</u>	<u>2,864,189</u>

Spot Rates at Year-End

2008 - USD = R8.19400	2007 - USD = R7.26727
2008 - EUR = R12.84200	2007 - EUR = R9.69368
2008 - GBP = R16.34793	2007 - GBP = R14.25976

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13 PROVISIONS

	2008			
	Opening Balance	Additional Provision	Utilised	Closing Balance
	R	R	R	R
Capped leave provision	1,911,151	148,451	(825,404)	1,234,198
	1,911,151	148,451	(825,404)	1,234,198

	2007			
	Opening Balance	Additional Provision	Utilised	Closing Balance
	R	R	R	R
Capped leave provision	1,924,138		(12,987)	1,911,151
	1,924,138	-	(12,987)	1,911,151

Capped Leave Provision

Capped leave provision was calculated based on the working days due to each employee, as at 15 July 2001 from the PERSAL system. Adjustments to this provision relate to increases in salary rates, days claimed or paid out through retirement or death and employees resigning. It should be noted that employees resigning forfeit their claim.

14 DONOR FUNDING

	2008 R	2007 R
RADAR recapitalisation project	59,953,512	-
Donor funds available	1,695,071	1,753,054
	61,648,583	1,753,054

15 REVENUE

	2008 R	2007 R
Government grant	120,112,000	114,393,000
Aviation income	52,704,478	46,131,571
Aviation Instruments maintenance income	52,941	1,147,066
Information fees	3,460,318	3,326,847
Letting aircraft	1,011,664	20,182
Lightning detection network sales	2,527,711	2,215,105
Project/Automatic weather stations income	254,820	559,177
Other income	222,275	358,586
Profit on disposal of assets	2,337	180,697
Donations received	-	5,451
Interest received from debtors	719,966	396,740
Interest due to discounting of receivables	1,026,235	1,191,829
Income from investments	4,185,348	3,003,270
	186,280,093	172,929,521

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15 REVENUE (CONTINUED)

Government Grant

The government grant was received from the Department of Environmental Affairs and Tourism and was an operational grant for the 12 month period ending 31 March 2008. The grant is made subject to compliance to PFMA reporting requirements, an achievement of 53% target for procurement from historically disadvantaged individuals (HDI) companies excluding procurement from sole suppliers and other specific requirements from the department which SAWS has adhered to during the year under review.

Letting Aircraft

The SAWS has a annual rental agreement with Orsmond Aviation. The agreement states that the SAWS will invoice Orsmond Aviation based on usage of the aircraft.

Income from Investments

The amount of income from investments is made up of interest received from banks.

16 FINANCE COSTS

Interest charges by suppliers
 Interest due to discounting of payables

	2008 R	2007 R
Interest charges by suppliers	-	-
Interest due to discounting of payables	1,087,629	1,113,256
	1,087,629	1,113,256

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17 SURPLUS FOR THE YEAR

Net surplus has been arrived at after charging (crediting):

	2008 R	2007 R
Foreign exchange realised	130,605	(384,664)
Foreign exchange unrealised	697,200	909,505
Auditor's remuneration	1,008,283	986,433
Bad debts	460,620	183,837
Inventory expensed: Equipment expensed	10,069,240	12,134,397
Legal fees	820,186	1,623,804
Impairment of receivables	2,186,402	(3,959,949)
Communication cost/(refund)	8,093,660	6,620,972
Surplus on disposal of assets	(2,337)	(180,697)
Operating lease payments	15,333,336	13,722,319
Inventory adjustment	596,146	(1,135,488)

Depreciation:

Building lease improvements	188,398	187,969
Aircraft airframes	611,627	272,952
Aircraft engines	1,378,665	951,432
Aircraft propeller	106,799	77,986
Motor vehicles	-	-
Meteorological instruments	6,467,568	5,279,854
Office equipment	227,757	145,973
Computer equipment	3,324,904	2,696,542
Library books and equipment	14,429	10,190
Furniture and fitting	645,252	539,129
Tools and other equipment	446,003	279,614
	13,411,402	10,441,641

Amortisation: Intangible assets

1,070,475	340,541
------------------	----------------

Administrative expenses in current financial year was reclassified to be in line with National Treasury classification, comparative figures have also been adjusted.

18 NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES

	2008 R	2007 R
Surplus/(Deficit)	3,610,531	14,698,807
Non-Cash Movements		
Depreciation	13,411,402	10,441,641
Amortisation	1,070,475	340,541
Revaluation	(3,563,782)	(2,014,018)
(Surplus)/deficit on disposal of property, plant and equipment	(2,338)	(180,883)
Decrease/(increase) in inventories	(3,561,011)	(4,041,462)
Decrease/(increase) in receivables	(8,011,619)	2,534,914
Increase/(decrease) in donor funding	59,895,529	(569,525)
Increase/(decrease) in payables	13,395,272	5,208,352
Increase/(decrease) in provisions	(676,953)	(12,987)
Increase / (decrease) in current portion retirement obligation	67,056	49,785
	75,634,562	26,455,165

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19 CONTINGENT LIABILITIES

- 19.1 The South African Weather Service assists qualifying officials to obtain 100% housing loans from financial institution without a cash deposit. For this purpose agreements have been entered into with approved financial institutions to the effect that the South African Weather Service will guarantee a maximum of 20% of the housing loan for which a person qualifies. The maximum amount is based on the official's basic salary. The South African Weather Service guaranteed 59 loans at 11 financial institutions with 19 remaining. The maximum contingent liability amounts to R 332,540 (2007: R 551,835).
- 19.2 King and Botha v SAWS: This case relates to unfair dismissal. The matter was removed from trial and may be reinstated in the labour court. The estimated costs relating to this case at year end is R 200 000. They seek the court to find that SAWS was unfair; the estimated payment would be approximately R 600 000.
- 19.3 King v SAWS: PJ King instituted legal action against SAWS and claim intellectual property rights for software he developed whilst in the employ of SAWS; SAWS won the case but the matter has been taken on appeal. At year end the cost relating to this matter in the event of King winning the appeal is estimated at R 800 000.
- 19.4 King v SAWS: This case relates to outstanding leave pay. This matter is to proceed to trial. At year end the estimated costs relating to this case is R 100 000.
- 19.5 King v SAWS: This case relates to unfair dismissal at the CCMA. This matter is dependant on the labour court decision. At year end the estimated costs relating to this case is R 50 000.
- 19.6 SAWS v Face Languta: Face Languta developed an induction program for SAWS but failed to deliver 500 copies of the final product to SAWS. SAWS is seeking the copies from Face Languta and Face Languta is seeking an additional R 200 000 from SAWS. This matter is to go for Arbitration. The SAWS legal advisors believe that SAWS may be liable for the cost of litigation. The cost relating to this matter is estimated at R 300 000.
- 19.7 SAWS v I Time: SAWS initiated legal action against I Time Airlines for outstanding monies due for non payment of tariff fees to the value of R 2 874 053. The estimated cost is R 200 000

20 RISK MANAGEMENT

In the course of the entity's operations it is exposed to interest rate, foreign exchange, credit and liquidity risk. The entity has developed a comprehensive risk strategy in terms of TR 28.1 in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

The entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the entity's financial performance. The entity do not use derivative financial instruments to hedge risk exposures. Risk management is performed by management under policies approved by the executive committee. Management identifies, evaluates and hedges financial risks in close co-operation with the entity's operating units.

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Prudent liquidity risk management implies maintaining sufficient cash and obtaining the continued commitment from the Department of Environmental Affairs and Tourism for the government grant and the collection of the aviation income from respective airlines.

Due to the nature of the business, management maintains flexibility in funding by maintaining expenses below budget and continuously pursuing additional income via donor funding, information fees, letting of aircraft and the sale of Lightning Detection Networks.

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20 RISK MANAGEMENT (CONTINUED)

Interest rate risk

The entity manages its interest rate risk by obtaining competitive rates from approved financial institutions on a monthly basis. The entity policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on surplus (deficit). The entity's exposure to interest rate risk and the effective interest rates on financial instruments at the statement of financial position date are as follows:

	Floating rate		TOTAL R'000
	Amount R'000	Effective interest rate	
YTD 31 March 2008			
<i>Assets</i>			
Cash	99,998,524	9.26%	99,998,524
Accounts receivable	16,829,419	2.50%	16,829,419
Total financial assets	116,827,943	11.76%	116,827,943
Total financial assets	116,827,943	-	116,827,943
Total financial liabilities	93,725,298	-	93,725,298
	210,553,241	-	210,553,241

Credit risk

Financial assets, which potentially subject the entity to the risk of non performance by counter parties and thereby subject to credit concentrations of credit risk, consist mainly of cash and cash equivalents, investments and accounts receivable.

The entity manage to limit its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury through the approval of their investment policy in terms of Treasury Regulation. The entity's exposure is continuously monitored by the Accounting Authority.

The entity does not have any material exposure to any individual or counter-party. The entity's largest concentration of credit risk is limited mainly to the aviation industry. No events occurred in the industry during the financial year that may have an impact on the accounts receivable that has not been adequately provided for.

Due to the nature of the entity's financial instruments it is highly unlikely that the entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2008 R	2007 R
Trade receivables from Nationwide Airlines	608,363	-

On 29 April 2008 Nationwide Airlines announced that they decided to voluntarily cease all flight operations until further notice. Nationwide Airlines owed SAWS R 608,363 as at 31 March 2008 of which R 154,458 was paid in April 2008. SAWS management reviewed the recoverability of the amount and decided to impair the trade receivables.

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20 RISK MANAGEMENT (CONTINUED)

Foreign currency risk

The entity undertakes certain transactions denominated in foreign currencies, and is exposed to foreign exchange risk arising from fluctuations in foreign currencies. The entity does not hedge against its exposure to foreign exchange risk.

Foreign currency exposure at financial year-end relates to trade payables and is disclosed under note 12.

Summary:

	Foreign currency	Foreign currency	2008 R	2007 R
Euro payables	EUR 158,801	EUR 203,062	2,039,322	1,968,418
USD payables	USD 398,304	USD 5,529	3,263,703	40,181
GBP payables	GBP 40,787	GBP 60,000	668,271	855,586

Foreign currency sensitivity analysis

The entity is mainly exposed to the Euro and US dollar currencies.

The following table details the entity's sensitivity to a 5% increase and decrease in Rand against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at financial year-end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit where the Rand strengthens 5% against the relevant currency. For a 5% weakening of the Rand against the relevant currency, there would be an equal and opposite impact on the profit and the balances below would be negative.

	Euro Impact		USD Impact	
	2008 R	2007 R	2008 R	2007 R
Profit or loss	101,966	98,421	163,185	2,009

In management opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

21 RELATED PARTY TRANSACTIONS

Relationships

The listed related parties are public entities on the national level of government with the exception of Department of Environmental Affairs and Tourism being the parent department of the South African Weather Service.

Transactions

	2008 R	2007 R
Government Grant Department of Environmental Affairs and Tourism :	180,112,000	114,393,000
Purchases		
Air Traffic and navigation Services Company	861,831	383,286
Airports Company SA	1,622,455	1,361,332
Council for Scientific and Industrial Research	68,748	92,610
Eskom	36,199	31,592

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21 RELATED PARTY TRANSACTIONS (CONTINUED)

	2008 R	2007 R
SA Broadcasting Corporation Ltd	10,609	3,855
SA Bureau of Standards	782	14,036
SA Post Office	35,871	30,423
South African Airways	467,282	346,141
South African Revenue Services	16,244,568	13,948,934
Telkom	5,852,632	4,194,381
Sales		
Airports Company SA	57,311	1,265,437
Council for Scientific and Industrial Research	18,332	20,458
Denel Avia (Military)	1,506	1,832
Eskom	2,230,085	2,235,282
S.A Civil Aviation Authority	3,087	682
SA Bureau of Standards	-	174
SA National Roads Agency	-	1,540
Sanparks Garden Route Regional	11,186	11,992
South African Airforce	273,746	175,615
South African Airways	17,834,129	16,705,202
South African Police	17,537	11,150
Transnet	449,372	-
Transport Education and Training Authority	-	45,000
Water Research Commission	115,000	-
Balances		
Accounts payables		
Air Traffic and navigation Services Company	146,764	56,550
Airports Company SA	21,518	31,385
Council for Scientific and Industrial Research	-	11,505
Eskom	4,427	3,492
South African Airways	200,891	-
South African Revenue Services	1,235,550	1,074,939
Telkom	227,160	218,239
Accounts receivables		
Airports Company SA	57,311	144,433
Council for Scientific and Industrial Research	2,261	774
Denel Avia (Military)	654	-
Eskom	2,219,377	2,392
S.A Civil Aviation Authority	6,988	4,079
SA National Roads Agency	-	150
Sanparks Garden Route Regional	-	1,049
South African Airforce	169,655	40,365
South African Airways	3,443,354	2,749,509
South African Police	5,032	2,193
Transnet	256,108	-
Water Research Commission	115,000	-

During the year under review members of the Board and employees were required to disclose their interest in any contracts that SAWS is entering into with an outside party. As a result the SAWS did not enter into the transactions with related parties.

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22 MATERIAL LOSSES

No material losses through criminal conduct, irregular, unauthorised, fruitless and wasteful expenditure was incurred during the year ended 31 March 2008.

23 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Cost or Valuation	2008		
	Cost	Accumulated Depreciation	Net Book Value
Motor vehicles	748,354	(563,426)	184,928

The assets classified as held for sale includes motor vehicles that will be sold after the reporting period of the entity.

Management decided during the financial year to dispose of the SAWWS owned old motor vehicle fleet and entered into an operating lease agreement with ABSA vehicle management solutions (Pty) Ltd in November 2007. Prospective buyers were contacted and quotations were received, disposal of the motor vehicle fleet will be concluded within the first six months of the next financial year.

24 EVENTS AFTER THE REPORTING PERIOD

On 29 April 2008 Nationwide Airlines announced that they decided to voluntarily cease all flight operations until further notice. Nationwide Airlines owed SAWWS R 608,363 as at 31 March 2008 of which R 154,458 was paid in April 2008. SAWWS management reviewed the recoverability of the amount and decided to impair the trade receivables.

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25 EXECUTIVE MEMBER'S REMUNERATION:

Executive management 2008

Name	Status	Salary	Performance Bonus	Medical & UIF	Pension	Travel Allowance	Cellphone Allowance	Lump-sum and Leave Pay	Total
		R	R	R	R	R	R	R	R
Dr L Makuleni	Appointed Apr 07	1,264,615	-	1,448	-	120,000	-	-	1,386,063
Ms H Grobler	-	646,938	93,492	25,053	-	42,000	-	-	807,483
Dr J Mphepya	-	724,733	80,825	26,672	4,203	110,000	-	-	946,433
Mr G Schulze	-	455,860	78,487	24,568	45,534	114,972	3,492	-	722,913
Ms S Bokwe	Appointed Jun 07	561,326	-	14,047	-	75,842	10,500	-	661,715
Ms M Makoela	Appointed Sep 07	304,113	-	8,739	-	25,445	7,350	-	345,647
Ms E Sibanda	Resigned May 07	90,230	-	233	-	6,000	-	577,380	673,843
		4,047,815	252,804	100,760	49,737	494,259	21,342	577,380	5,544,097

Executive management 2007

Name	Status	Salary	Performance Bonus	Medical & UIF	Pension	Travel Allowance	Acting Allowance	Lump-sum and Leave Pay	Total
		R	R	R	R	R	R	R	R
Tashe BN	Resigned Jan 07	611,313	66,251	11,920	-	36,000	-	31,255	756,739
Mphepya J	-	545,351	100,650	17,411	25,217	60,000	33,927	-	782,556
Grobler H	-	625,800	39,375	1,379	-	42,000	-	-	708,554
Schulze GC	-	424,660	34,174	18,403	47,092	114,972	-	-	639,301
Sibanda E	-	541,380	20,426	1,379	-	36,000	-	-	599,185
Less LD	Dismissed Jul 06	78,742	-	3,849	11,773	28,576	-	-	122,940
		2,827,246	260,876	54,341	84,082	317,548	33,927	31,255	3,609,275

Board Members

Name	Status	2008			2007
		Fees R	Travel R	Total R	Total R
Prof G B Brundrit		41,600	1,222	42,822	39,435
Mr V P Maluleke		59,206	5,784	64,990	128,641
Ms N P Maqubela		122,666	8,297	130,963	127,728
Rev L Mbetse		72,152	5,321	77,473	31,224
Ms M M Mokuena		64,392	2,992	67,384	-
Mr T W Msomi		46,087	2,271	48,358	90,630
Mr R G Nicholls		55,269	2,245	57,514	97,978
Ms S Rensburg		110,170	11,969	122,139	102,836
Mr I W Robinson		97,065	9,344	106,409	92,944
Ms L Sangweni-Siddo	Resigned	-	-	-	8,800
Dr L Makuleni	Resigned Dec 2006	-	-	-	32,748
		668,607	49,445	718,052	752,964

Acronyms

ACSA	Airports Company of South Africa
AFS	Audited Financial Statement
AG	Auditor General
AMDAR	Aircraft Meteorological Data Relay
AOD	Aero Optical Depth
ARS	Automatic Rain Station
ATNS	Air Traffic and Navigation Service
AWOS	Aviation Weather Observation System
AWS	Automatic Weather Station
BSc	Bachelor of Science
CAeM	Commission for Aeronautical Meteorology
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
CRM	Customer Relationship Management
DEAT	Department of Environmental Affairs and Tourism
DWAF	Department of Water Affairs and Forestry
EE	Employment Equity
EMC	Executive Management Committee
ENE	Estimate of National Expenditure
EUMETSAT	European Organisation for the Exploitation of Meteorological Satellites
EWOS	Electronic Weather Observing System
GAAP	Generally Accepted Accounting Principle
GAW	Global Atmosphere Watch
GEO	Group on Earth Observations
GPIB	General Purpose Interface Bus
GPS	Global Positioning System
GPRS	General Packet Radio Service
HCM	Human Capital Management
IAS	International Accounting Standard
ICAO	International Civil Aviation Organization
ICT	Information Communication Technology
IFATCA	International Federation of Air Traffic Controllers Association
IFRS	International Financial Reporting Standards
IPWVG	International Precipitation Working Group
ISO	International Standards Organisation
KMS	Knowledge Management Strategy
LDN	Lightning Detection Network
MASA	Meteorological Association of Southern Africa
MANCO	Management Committee
MSc	Master of Science



METARS	Meteorological Aerodrome Reports
METSYS	Meteorological Systems
MMS	Multimedia Messaging System
MOU	Memorandum of Understanding
MSG	Meteosat Second Generation
NCCC	National Committee on Climate Change
NCAR	National Centre for Atmospheric Research (United States)
NDMC	National Disaster Management Centre
NFC	National Forecasting Centre
NINJO	Brand name for a Forecaster Workstation
NMS	National Meteorological Service
NOAA	National Oceanic and Atmospheric Administration
NRF	National Research Fund
NT	National Treasury
NWP	Numerical Weather Prediction
NWRN	National Weather RADAR Network
PFMA	Public Finance Management Act
PR	Permanent Representative
QC	Quality Control
QPE	Quantitative Precipitation Estimate
RDAS	RADAR Data Acquisition System
RADAR	Radio Detection and Ranging
SAAF	South African Air Force
SAAQIS	South African Air Quality Information System
SABC	South African Broadcasting Corporation
SACAA	South African Civil Aviation Authority
SADC	Southern African Development Community
SANPARKS	South African National Parks
SCM	Supply Chain Management
SM	Senior manager
SUMO	Software for the Utilisation of MeteoSat in Outlook activities
TAF	The Aerodrome Forecast
TETA SETA	Transport Education and Training Authority; Sector Education and Training Authority
TOR	Terms of reference
TQM	Total Quality Management
VCP	Voluntary Cooperation Programme
VPN	Virtual Private Network
WMO	World Meteorological Organization
WRC	Water Research Commission







South African Weather Service

Our logo represents the movement of weather systems and their interaction with the earth, sun and atmosphere. It also creates a fresh, dynamic visual appearance that identifies us as a proud South African organisation.

The concept behind the logo:

The red-brown represents the earth from which all growth and life originates.

The green symbolises sustainability and life.

The dark blue represents the atmosphere which is a source of weather and climate.

The light blue represents water which is our main source of life.

The yellow circle represents the African sun.

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