SOUTH AFRICAN INSTITUTE
OF RACE RELATIONS NPC

93rd ANNUAL REPORT

1 JANUARY TO 31 DECEMBER 2022

MAY 2023
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CHIEF EXECUTIVE’S REPORT TO MEMBERS
FOR THE ANNUAL GENERAL MEETING
OF MEMBERS OF THE IRR
ON MONDAY 12 JUNE 2023

Mr President, Members of the IRR and Members of Council, I have the pleasure of presenting this report to you. The attached annual financial statements cover the financial year ended 31 December 2022. The narrative report focuses on developments in 2022, with some limited comments on developments in early 2023.

For the IRR, 2022 was overshadowed by the death at the end of July of John Kane-Berman (1946-2022), the Institute’s formidable Chief Executive Officer from 1983 to 2014.

Many thousands of words of heartfelt and considered reflection were written in scores of tributes published in the days following Kane-Berman’s death, best known as JKB in the liberal community to which he was an outstanding and lifelong contributor and in which he was universally held in the highest esteem.

Fittingly, the first, and the most comprehensive, obituary – In Memoriam: John Kane-Berman 1946-2022 – was published on the morning after his death on the Daily Friend, an account of a remarkable South African that was framed by this essential truth about JKB, that he ‘devoted his life to vigorously opposing the race nationalism of apartheid’s ideologues and, at their defeat, the illiberal impulses of their successors’. (https://dailyfriend.co.za/2022/07/28/in-memoriam-john-kane-berman-1946-2022/)

As we wrote at the time, ‘Kane-Berman’s brave and unstinting commitment to the liberal cause inspired legions of South African liberals […] JKB sharpened the SAIRR’s focus, put it on a sound financial footing and set it on the path that turned it into the potent force that it is today.’

As tributes to JKB – and reflections on and memories of his life and work – began to pour in, the Daily Friend created an omnibus page – headed, simply, John Kane-Berman remembered – to give the very wide range of people who had known him or worked with him, or were influenced by his thinking and his courageous example, an opportunity to share their thoughts. (https://dailyfriend.co.za/2022/07/29/john-kane-berman-remembered/)

As the introductory passage put it, the scale and range of these tributes ‘Illuminate the high regard that former IRR chief executive John Kane-Berman earned in a lifetime devoted to fearlessly championing freedom and fairness’.

Notable among the tributes was the eulogy delivered by former IRR staffer Paul Pereira at Kane-Berman’s funeral at St George’s Church in Parktown, Johannesburg, on 4 August 2022.

Pereira, who served under JKB, acknowledged, in particular, Kane-Berman’s ‘courage of imagination’ in pursuit of the human rights of that noble being, the ‘free individual’.

The IRR is indebted to Pereira for collating all the tributes and reflections in the compilation, Tributes on the passing of John Stuart Kane-Berman, on the IRR website, and to Kane-Berman’s partner, Pierre Roestorf, for his part in generously sharing material that now forms part of the published memorial. (https://irr.org.za/reports/occasional-reports/files/jkb-tributes-collation.pdf)

The IRR was further saddened by the death in December of economist and noted liberal thinker Charles Simkins, head of research at the Helen Suzman Foundation from 2014-2022 and previously a vice-president of the IRR Council, chairman of the IRR board
of directors, and long-time member of the board. In our tribute on the Daily Friend, we wrote: ‘Simkins is remembered as an original, intellectually rigorous thinker, a gentle, humble man of good humour, and an honourable South African of great import who was at once a contributing spirit to the creation of a free society, and an advocate for the greatest vigilance in sustaining it.’ ([https://dailyfriend.co.za/2022/12/12/simkins-remembered-as-outstanding-liberal/](https://dailyfriend.co.za/2022/12/12/simkins-remembered-as-outstanding-liberal/))

Looking further afield, the global stage provided tragedy and high drama in 2022.

On 24 February 2022, Russia invaded neighbouring Ukraine, claiming a need to prevent encirclement by NATO and to protect the interests of Russian speakers, especially in Ukraine’s eastern Donbas region. The Russian government termed the invasion a ‘special military operation’ and further justified it with the argument that Ukraine was a hotbed of Nazism and needed to be ‘denazified’ and ‘demilitarised’.

Initial predictions by military experts that Ukraine, left to fend for itself in the face of the overwhelming might of the Russian military, would fold within a fortnight, turned out to be mistaken. The advance of a military column on the Ukrainian capital, Kyiv, was repelled. However, Russia’s war in the east and south was more successful, with up to 25% of Ukraine’s territory being conquered and occupied at the high water mark, a share that has since declined to about 15% as Ukraine has retaken some of its territory.

Contrary to expectations, western NATO members were united not just in condemnation of the invasion, but also in offering large-scale – and escalating – military support to Ukraine. Germany, which had turned to pacifism after its defeat in World War 2, unexpectedly decided to issue €100m in debt to fund the expansion of its military. The Greens party, in government as part of a three-way coalition, and long among the foremost advocates of pacifism in Germany, surprised many by turning hawkish overnight in supporting the supply of military hardware to Ukraine. Finland and Sweden abandoned their neutrality and, seeking cover in a military alliance, applied to join NATO.

The war in Ukraine is causing a great shuddering realignment in the world’s geopolitics. It also created new supply-side shocks in the global economy as sanctions were imposed on Russia and energy markets were disrupted. In a break with historical precedent, Russia was excluded from the global payment settlement service, SWIFT, while its foreign reserves held by Western central banks were frozen. This had the secondary effect of accelerating attempts by countries such as China to reduce their reliance on the US dollar in international trade, efforts which will play out over many years to come and could result in the dollar being dethroned as the reserve currency of the world in due course.

Despite considerable diplomatic pressure from Western nations, South Africa – like many other developing countries – was reluctant to align itself with the West and against Russia. To the considerable annoyance of some of its major trading partners – the EU and the United States – South Africa abstained from UN votes condemning the Russian invasion and its annexation of Ukrainian territories, and hosted a joint naval exercise with Russia and China on the 2023 anniversary of the invasion. The ANC Youth League sent a delegation to observe the sham referendum rubberstamping Russia’s annexation of Ukrainian provinces in September, describing it as ‘a beautiful, wonderful process’. The repercussions of this growing ‘geopolitical distance from the West’, as Hilary Joffe put it in Business Day, are still unfolding, but could in future make it more difficult for South Africa to access capital from the West and to maintain favourable access to some of its main export markets.

The other major geopolitical development of 2022 was the roaring comeback of inflation, dragging meteoric rises in interest rates in its wake. In western Europe and the US, a generation that had become accustomed to inflation rates around 2% and interest rates close to zero was overnight confronted with price rises around 7%-8% and interest rates on what felt like a permanent hiking cycle.
The reason central banks hike interest rates is to cool demand in the economy by reducing the demand for credit; lower demand is expected to translate into slower price increases. Rate hikes are also intended to influence inflation expectations by signalling to market participants that price rises will slow down soon. Otherwise there is a risk that inflation might become entrenched if market participants start increasing wages and prices in anticipation of future increases.

That is the common wisdom. However, the problem from the perspective of central banks is that even if interest rate hikes have their desired effect of bringing down inflation, the accompanying economic contraction may be longer lasting or sharper than intended. This is of particular concern because the loose money policies of the past decade and a half created a large asset price bubble. A sharp asset price contraction would reduce the value of collateral securing outstanding debt, causing a cascade of defaults to threaten the stability of the financial system. These concerns have heightened in early 2023, and we may well see a global recession with financial market instability in 2023-2024.

South Africa was not spared the effects of the global developments, recording an inflation rate of 6.9% for 2022, well outside the 3%-6% target range set by the South African Reserve Bank (SARB). The SARB consequently also hiked interest rates, more than doubling the repo rate from 3.5% in October 2021 to 7.75% in April 2023. Fuel, transport and food costs were some of the main drivers of South Africa's CPI inflation, disproportionately affecting lower income earners because they spend a greater share of their income on these and related goods and services.

In April 2023, a SARB insider suggested the bank did not expect inflation in South Africa to return to 4.5% - the midpoint of the target range – before Q3 2025. The economic outlook for South Africa for 2023 is bleak, with most growth forecasts in the 0.1% to 0.3% range, well below the 2% growth recorded in 2022. Load-shedding is the most visible reason for the low growth. Others include transport infrastructure breakdowns, government corruption and ineptitude, and a hostile policy environment. Exogenous factors that could play a role in 2023 and into 2024 include a global economy slowdown, lower demand for commodities, and a transition to risk-off sentiment that makes South Africa a less attractive investment destination. The risk of rising social unrest as a result of the rising cost of living and the lack of growth cannot be dismissed.

On the political front, the main development of 2022 was the continued and accelerating fading of the ANC's stature and reputation. The majority of the media, which had for many years been broadly supportive of the party, became increasingly vocal in its criticism, a trend which continued into 2023. The visible decline of the country's infrastructure, and the patent inability of the government to do anything about it, were becoming increasingly hard to overlook. 2022 was the year with the worst load-shedding on record, eclipsing the previous worst year – 2021 – by a factor of 4 if measured by the number of hours lost to load-shedding. 2023 is likely to be significantly worse.

Polling conducted throughout the year by the IRR and other organisations showed no signs of the ANC breaking out of the electoral doldrums in which the 2021 local government election deposited it. ANC support consistently tracked below 50%, with some surveys even finding sub-40% levels. In addition to the ineptitude around the handling of load-shedding, South Africans were also put off by the as yet unresolved scandal around the theft of a large amount of US dollars from President Ramaphosa's Phala Phala farm, which tarnished the president's image as the representative of the 'good ANC'.

Just before the ANC's elective conference in December 2022, the president was reportedly under such pressure to step down that only a spirited intervention by some of his closest allies prevented him from throwing in the towel. In the end, the president presented himself for election at the ANC conference and won comfortably, strengthening his position within the party.
Both the ANC’s policy conference in July and the elective conference in December showed a party that was united on ideology, but bereft of any new ideas, never mind any insights into how to resolve the many problems afflicting the country. The unity of party and state, as translated into practice through policies such as cadre deployment, is now turning into a liability for the ANC, as the party is increasingly (and correctly) being blamed for the failures of the state.

As for the opposition, they likely fluffed the chance they were given in the 2021 local government elections. In last year’s annual report we wrote: ‘If the wild dog parties manage to sustain their coalitions for the next three years, and impress voters with high levels of service delivery, this will create a strong platform from which to challenge the ANC in the 2024 national elections.’ Instead, the wild dog coalitions that took over the three large Gauteng metros of Johannesburg, Ekurhuleni and Tshwane failed to impress by improving service delivery and also failed to hold their coalitions together in the face of determined attempts by the ANC, EFF and assorted hangers-on to dislodge them. Many voters going to the polls in 2024 who might otherwise have considered voting for wild dog parties will now need more convincing to shift their votes.

Nonetheless, the rapidly changing political environment in 2022 means that the ANC’s hold over South Africa is weakening. Although it may not culminate in a change in government as early as 2024, the process has been set in motion and is probably irreversible at this stage, implying that South Africa could very well have a non-ANC government by 2029. The unmooring of the electorate – as well as the media and the intellectual classes – also means that people are casting about for ideas to better understand the situation of the country and what can be done to improve it. This creates scope for classically liberal ideas to gain greater traction, lending urgency to the IRR’s work. This is arguably the best time to be fighting for classically liberal ideas and solutions.

The IRR will continue to put forward liberal recommendations and reform proposals to get South Africa back on track, aimed particularly at the parties most likely to adopt them as policy, while at the same time continuing to oppose the harmful policies the government remains intent on introducing, including expropriation without compensation and more (and stricter) race laws.

We describe some key aspects of the IRR’s work in 2022 below, with more detailed breakdowns provided in the latter sections of the report.

Financially, 2022 was a tough year for the IRR. Although revenue increased marginally (up 2.5%, from R20 049 526 in 2021 to R20 556 758 in 2022), this was well below target and insufficient to cover the operating expenses (down 5.6% year-on-year, from R28 726 734 in 2021 to R27 103 254 in 2022). This was despite strong spending discipline that ensured that actual expenses were well contained, coming in at 101.3% of budgeted expenses. The resulting operating deficit was R6 546 496, an improvement of 24.6% on the deficit of R8 677 208 recorded in 2021. However, while income on investments of R8 241 835 in 2021 almost covered that year’s operating deficit, a loss on investments of R3 516 657 in 2022 exacerbated the deficit, resulting in an overall deficit of R10 063 153 in 2022 versus a deficit of R435 373 in 2021. The poor performance of the investments was linked to the downturn in the US stock markets, which recorded their worst year since 2008 in 2022, with the S&P500 losing almost 20% in value. For 2023, the IRR is budgeting to break even.

In terms of positioning, there were several substantial changes. The IRR underwent an image revamp, including a new logo, new website and new corporate design, developed in 2022 and introduced in February 2023. The CRA website also received a refresh. The FAN initiative was phased out and two new initiatives were launched: the Pledge to Vote campaign, aimed at encouraging South Africans to be politically active and cast their vote in 2024, and the Race Law project, a catalogue of racially indexed laws in South Africa that shows that there are still over 100 such laws on the statute books, almost 30 years after the democratic transition to nominal non-racialism.

The long-running IRR bursaries programme was also brought to an end in 2022 after almost 70 years, a difficult but necessary decision as it had been dwindling for years and
had reached the point where it was no longer sustainable. Between 1981 and 2022, a period that included the peak of the programme’s activities, bursaries to the value of R279 million were awarded to over 3 900 graduates. Nelson Mandela was among the early recipients of an IRR bursary. At the end of the programme, bursary funds that were still active were transferred to a specialist bursary provider, StudyTrust, marking the end of an era. The IRR expressed its gratitude to the members of the Bursary Selection Committee for their many years of dedicated service and adopted the committee's proposal to write a book commemorating the programme, which is in production. The long-standing Head of the Bursaries programme at the IRR, Mr Pule Motaung, who was also thanked for his dedicated service, has joined StudyTrust in a similar role.

In terms of public communication, our online newspaper, the Daily Friend, attracted 734 444 unique website visitors, who cumulatively read our articles 3.4 million times. The related Daily Friend Show, a half-hour podcast published both on podcast platforms and on YouTube, recorded 279 653 episode downloads and 947 500 YouTube views in 2022, with an estimated watch time of 148 900 hours. The programme was ranked 6th in the Apple Podcasts rankings in South Africa in the News Commentary section. The Two Crickets in a Thorn Tree podcast produced 33 episodes, each over an hour long, which were cumulatively downloaded 21 766 times. Big Daddy Liberty (BDL), produced in association with the IRR, had 114 735 subscribers across YouTube and Facebook at the end of 2022. BDL videos were viewed 1 359 902 times between January and the end of December. The Centre For Risk Analysis increased the number of its YouTube subscribers from 26 940 at the end of 2021 to over 39 300 by 31 December 2022, a gain of 45.8%. The videos were cumulatively viewed 2.4 million times in 2022.

In addition, the IRR made 17 policy submissions, placed 1 198 opinion pieces in the media, was cited 377 times, provided 356 interviews, issued 75 press releases, and published 19 papers and reports. Over and above these, the CRA published 185 videos, answered 177 queries, issued 45 Risk Alerts and 7 Client Notes, and published a further 27 papers and reports. Cumulatively, the IRR and CRA held 108 formal briefings and 333 meetings with policy makers and influencers.

Across all platforms, the number of subscribers to IRR communications stood at 577 614 at the end of 2022, as shown in the table below. The IRR’s presence on the platforms is designed to provide diverse target groups with access to information and liberal thought by making use of both traditional and modern media platforms. All of this is in support of liberal arguments in the great ideological struggle that is playing out in South Africa and across the rest of the world.

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<td>12 000</td>
<td>1 396</td>
<td>39 300</td>
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<td>883</td>
<td>1 753</td>
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<td><strong>Total</strong></td>
<td><strong>344 140</strong></td>
<td><strong>39 101</strong></td>
<td><strong>87 931</strong></td>
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<td><strong>19 636</strong></td>
<td><strong>577 614</strong></td>
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As South Africa enters an uncertain Third Age post 1994, the IRR will continue to promote classical liberal values such as individual freedom, free markets, and the rule of law. A free environment provides space for the contestation of ideas and allows potential solutions to our most challenging problems to proliferate. Civil society organisations like the IRR play a critical role in helping South Africa map out a course towards a better future in which all South Africans have a chance at building a free and prosperous life while being treated with respect and dignity. This is the goal the IRR will continue pursuing resolutely and fearlessly with the support of its staff, Friends and supporters across South Africa and abroad.
IRR Departments

IRR Policy Research and Projects

Objective: To influence the public debate through robust criticism of bad policy and put forward proposals for better policies; to act as a source of liberal ideas and orientation for the entire group.

2022 saw a range of important developments, including the lifting of the State of Disaster from 5 April (although with the proposed transfer of significant powers into ordinary health regulations), the processing of the Expropriation Bill and the Land Court Bill, and a great deal of attention being given to the proposed National Health Insurance programme. In addition, both the State of the Nation Address and the South African Investment Conference focused attention on the country's perennial economic challenges.

The third quarter of the year (July to September) was characterised by renewed movement in respect of threats to property rights, as well as heightened concerns about the state of the country's infrastructure, with electricity shortages emerging as the Achilles' heel of the country's economy.

The final quarter of the year (October to December) was dominated above all by ongoing power cuts as the consequences of decades of misguided policies and outright corruption took hold.

Dr Anthea Jeffery ably took on the themes raised in the policy areas listed above, writing extensively on the Land Court Bill, the Expropriation Bill, BEE and Employment Equity, as well as constitutionalism.

In addition, she produced and presented several submissions to Parliament on pending legislation. These included a submission on the Land Court Bill to the Portfolio Committee on Justice and Correctional Services (oral presentation); a submission to the Department of Social Development, regarding the Amended Regulations of 2022 to the Social Assistance Act of 2004; a submission to the Department of Social Development, regarding the Social Relief of Distress Procedure Manual under the Social Assistance Act of 2004; and a presentation to the Portfolio Committee on Justice and Correctional Services on the Prevention and Combating of Hate Crimes and Hate Speech Bill (oral presentation). A submission regarding the Electoral Amendment Bill to the Portfolio Committee on Home Affairs was produced by Marius Roodt. Gabriel Crouse made a submission to the National Coronavirus Command Council, supporting the proposal to repeal National Health Act Regulations on the measures to contain the spread of Covid-19.

In addition, Dr Jeffery prepared a petition to the President, requesting that he refrain from signing into law the Employment Equity Amendment Bill of 2020 [B14B-2020].

Martin van Staden joined the IRR in October. He made an oral submission to Parliament on the Basic Education Laws Amendment Bill; updated the existing submission on the Land Court Bill; and produced a submission on the General Laws (Anti-Money Laundering and Combating of Terrorism Financing) Amendment Bill.

In addition, Van Staden launched the Race Law project, an index of legislation mandating racial discrimination in post-Union, and post-1994, South Africa. The goal is to expose this reality and inform the public and various constituencies of the extent of it.

Terence Corrigan produced a series of articles and interventions on property rights, investment, and South African foreign policy. In the latter part of the year, he devoted considerable attention to arguing for the professionalisation of the public service.

During the third quarter of the year, he addressed the Parliamentary Committee on Public Service and Administration in support of a Bill which sought to end cadre deployment.
Land and agrarian issues receded somewhat although the passage of the Expropriation Bill and Land Court Bill through Parliament placed them back in public view. We continued to stress the dangers inherent in the degradation of property rights. We wrote and commented extensively on the floods that hit KwaZulu-Natal, and their implications for agriculture. Corrigan spoke at a conference organised by the Free Market Foundation on the implications of land legislation for small business; an opinion piece was provided for publication based on his presentation.

Corrigan has also overseen an emerging informal partnership with the Department of Political Studies at the University of Free State, in which capacity he addressed a webinar on the topic of ‘decoloniality’, using the IRR’s previous work on Critical Race Theory as a basis. A further webinar was held on 20 April on the topic of liberalism in South Africa. A third was held on 18 August on the issue of ‘fake news’ and its implications for South African democracy.

Finally, in November, Corrigan was invited to an exclusive roundtable with senior policy officials from the G7 group of countries, along with the European Union. The IRR’s message was well received and we hope for further interaction in future.

The 157 opinion articles and letters, 30 interviews, 22 citations, 20 press releases, and 77 audio/visual clips produced by this department between 1 January and 31 December 2022 amounted to 306 media appearances, or just under one mention every day. Adding social media posts, the tally rises to 883, or just under 2.4 mentions a day.

Looking ahead, challenges to the country’s civil liberties remain a live issue. Beyond this, threats to property rights, including through the Expropriation Bill and the Land Court Bill, remain on the agenda.

**IRR reports and publications**

**FreeFACTS**

*FreeFACTS* is published monthly on the IRR’s website. Each issue looks at a particular aspect of policy and includes graphs and tables, presented in an easy-to-understand format.

**FreeFACTS on matric results: Good matric results again – but what future awaits? (January)**

This edition of *FreeFACTS* looked at matric results. It noted that while there had been an improvement in marks over the years, serious questions remained over whether the South African matric prepared young people for the world of work and further education. It also raised concerns over the number of learners making it from Grade One to matric.

**FreeFACTS on unemployment: Unemployment – the crisis continues (February)**

Unemployment was the focus of this edition. It laid out the stark unemployment numbers in South Africa; broken down by region, these showed that in some parts of the country, more than half of the people were jobless.

**FreeFACTS on investment: Investment is drying up (March)**

March’s monthly bulletin looked at the issue of investment in South Africa, both foreign and domestic. It argued that for South Africa to prosper the country had to attract investment, but this was not happening on a desirable scale.
FreeFACTS on inflation: SA inflation has been under control, but for how much longer? (April)
This edition of FreeFACTS looked at the rate of inflation in South Africa. It noted that while inflation was generally under control, there were factors that could impel prices to begin rising far above the Reserve Bank's inflation target rate.

FreeFACTS on tourism: Tourism numbers show impact of Covid (May)
Tourism was the focus of this month's edition. It showed how the numbers of tourists had plummeted as a result of the Covid-19 pandemic and the resultant lockdowns and travel bans.

FreeFACTS on politics: What portents can we see from local by-elections? (June)
In this FreeFACTS by-election results from around the country were studied. It was noted that the ANC was losing support rapidly and that coalition government would soon be the norm in South Africa.

FreeFACTS on living conditions: Some successes in post-apartheid South Africa – will they continue? (July)
This report examined living conditions in South Africa. It showed that while there had been real success since the end of apartheid in providing people with sanitation and electricity, among other services, this trend could now be reversing.

FreeFACTS on economic growth: South Africans continue to get poorer (August)
The South African economy was the focus of this FreeFACTS. It showed that not only was the South African economy smaller than it had been in the past, partly as a result of the Covid-19-related economic crisis, but that South Africans were also, on average, poorer than they had been in the past. It concluded by saying this trend was likely to continue, given the policies and trajectory of the government.

FreeFACTS on healthcare: South Africans get little health bang for their buck (September)
Healthcare was the focus of this edition of FreeFACTS. It noted that despite relatively high levels of expenditure on healthcare, South Africans still had fairly poor outcomes. This also raised questions around the feasibility of the National Health Insurance scheme.

FreeFACTS on democracy: The state of democracy in South Africa (October)
The state of democracy in South Africa was the focus of this issue. While acknowledging that South Africa did fairly well on global indices ranking countries on their democratic status, it warned of some concerning trends, including the declared willingness of many South Africans to give up democracy if it meant that law and order and jobs could be guaranteed.
FreeFACTS on cities: Cities key to SA prosperity (November)
This FreeFACTS looked at South Africa’s cities. It noted that they were outsize contributors to the economy and employment and that for South Africa to succeed its cities had to work.

FreeFACTS on trade: Go north! (December)
Trade was the focus of this issue. It argued that South Africa should focus on trade with its African neighbours to the north.

Submissions to Parliament and government departments
The IRR made the following submissions directly to politicians and lawmakers in pursuit of safeguarding South Africa’s future as a free and open society.

1. Submission to the Portfolio Committee on Home Affairs regarding the Electoral Amendment Bill, 23 February 2022
The Electoral Amendment Bill sought to bring South Africa’s electoral system into line with the requirements of a Constitutional Court ruling that required provision for independent candidates to contest elections.

The Bill in its existing form effectively proposed turning South Africa into nine multi-member constituencies (MMCs) in which independents could stand. For reasons set out in the submission, the net effect of this would be to advantage political parties with their machines and capacity to assume multiple seats. Thus, while independent candidates would be able to stand and possibly be elected, the system would still discriminate against them to the advantage of parties, while doing little to solve the problems in the current system.

The submission suggested withdrawing the Bill and adopting a form of a mixed-member proportional representation. It set out various proposals and recommended the model proposed by the Van Zyl Slabbert Commission. This would have divided South Africa into 69 multi-member constituencies which would each return between three and seven MPs. Some 300 MPs would be selected by this method, while 100 MPs would be selected by a compensatory proportional list.

2. Oral presentation to the Portfolio Committee on Justice on the Land Court Bill, 1 March 2022
The Land Court Bill provides for the establishment of a new Land Court to ‘deal with all land-related matters’, which will include expropriation cases under the new Expropriation Bill.

The Bill initially ousted the jurisdiction of the ordinary courts (but was subsequently revised to recognise Magistrates’ Court jurisdiction once more). The Bill allows for the appointment of two lay assessors, who would form a majority against the single judge when deciding questions of fact – such as the amount of compensation in expropriation cases. Assessors do not apparently require any qualifications to be so appointed.

The Bill allows the Land Court to ‘admit evidence, including oral evidence, [which might not be] admissible in any other court of law’ and assign whatever weight to that evidence it deems appropriate. This explicitly includes hearsay evidence. The IRR argued
that this would go against accepted legal principle and practice in South Africa, and undermine the rule of law.

The Bill initially created a Land Court of Appeal, but this initiative has since been abandoned. The Bill is clearly intended to expedite government's agenda of land redistribution, rather than to play a constructive role in land reform. The IRR pointed out that the protection of private property rights required impartial courts that recognised and respected private ownership. The Land Court Bill sought to upend this traditional understanding.

3. Submission to the Department of Social Development, regarding the Amended Regulations of 2022 to the Social Assistance Act of 2004, 11 March 2022

The Amended Regulations in terms of the Social Assistance Act make further provision for the Social Relief of Distress (SRD) grant.

In its submission, the IRR said the regulations were vague on the eligibility of persons for the SRD grant. They also appeared to empower the South African Social Security Agency (SASSA) to disregard the budget of its parent department, Social Development, which would be contrary to law. The regulations further contained insufficient guarantees of the independence of the so-called 'Independent Tribunal'. The regulations also effectively bestowed upon SASSA and the Minister of Social Development an unlimited discretion – through vague and ambiguous wording – to determine the value and duration of the grant.

Like most other policy proposals the IRR commented on this year, these important regulations were not accompanied by the requisite socio-economic impact assessment, despite its significant financial implications for government and the taxpayer, nor were they subject to adequate public participation.

The regulations sought to make the small ‘temporary’ grant a large permanent one via discretionary ministerial regulation. This scheme threatened South Africa's financial stability.

4. Submission to the Department of Social Development, regarding the Social Relief of Distress Procedure Manual under the Social Assistance Act of 2004, 23 March 2022

By contrast, the Social Relief of Distress Procedure Manual reaffirmed that the SRD grant was a temporary grant that must fit within available budgets. However, the IRR pointed out that the Manual was also inconsistent on who was eligible for the SRD grant, and ambiguous on the termination of the grant when funds were depleted. The Manual, like the abovementioned regulations, seemed to endorse the excessive discretionary powers of the Minister of Social Development to determine the value and duration of the grant, a power that could be utilised to make this temporary grant permanent.

5. Oral presentation to the Portfolio Committee on Justice and Correctional Services on the Prevention and Combating of Hate Crimes and Hate Speech Bill of 2018 [B9-2018], 29 March 2022

The Prevention and Combating of Hate Crimes and Hate Speech Bill, in its current form, was far more benign than it was in 2016. These improvements were largely due to pressure by the IRR and civil society. Nonetheless, problems and threats to freedom of expression remained.

The IRR argued that the Bill's definition of 'hate speech' was significantly wider than the expression the Constitution allowed government to regulate. Relying on the Qwelane judgment of the Constitutional Court, which seemingly allowed a wide definition of hate speech, was misguided as the Qwelane case dealt with civil liability whereas the Bill made hate speech a punishable crime. Potential criminal liability made it all the more vital
that the Bill’s definition of hate speech should be strictly in line with the Constitution. In addition, section 36(1) of the Constitution, which allowed limits to be placed on freedom of expression and other guaranteed rights, did not save the Bill as its provisions fell foul of section 36’s criteria.

The Bill’s ‘hate-crimes’ provisions also posed problems. In practice, they would make it more difficult for prosecutors to secure convictions as the State would have to prove a criminal’s hateful ‘motivation’ for committing a crime beyond a reasonable doubt. Perversely, the Bill’s wording also implied that a hateful motive, even if proven, would not count as an aggravating factor in determining sentence for the most serious crimes, such as rape and murder.

The hate speech provisions in the Bill were unconstitutional and ought to be abandoned. The hate crimes provisions were unwise and unnecessary as the common law already treated prejudice as an aggravating factor warranting a harsher sentence in appropriate instances.

6. Submission to the Department of Cooperative Governance and Traditional Affairs regarding the Proposed Disaster Management Act Regulations dated 29 March 2022, 1 April 2022

The proposed Regulations in terms of the Disaster Management Act provided for the persistence of various restrictions on social and commercial life for 30 days after the Covid-19 state of disaster ended. These included mask mandates, capping business and religious occupancy at 50% of available capacity, and vaccine passes. The IRR called for the damaging state of disaster to be ended in its entirety and for these additional proposed restrictions to be abandoned.

7. Submission to the National Treasury, regarding the draft Preferential Procurement Regulations 2022, 11 April 2022

The proposed Regulations under the Preferential Procurement Policy Framework Act sought to re-introduce valid regulations after the 2017 ones were struck down by the Constitutional Court.

The new regulations provided that organs of state must follow a formula that, on state tenders worth R50 million or more, awarded 10% of evaluation points to BEE compliance and 90% to price competition. In contracts valued under R50 million, the formula was 20 for BEE and 80 for price.

The regulations also sought to regulate the sale or lease of state assets, but the IRR argued that this was ultra vires the Act (which dealt solely with procurement by state entities).

Further, the regulations provided that tied scores between competing tenderers should be resolved in favour of those with the highest BEE score. This was also ultra vires the Act, which did not authorise tie-breaking in this manner.

The IRR reiterated its call for public procurement to proceed strictly on a value-for-money basis, with extraneous factors such as race discounted. BEE and its associated procurement rules had greatly harmed South Africa’s economy and been particularly damaging to poor people, who were compelled to rely on the increasingly defective goods and services the State provided.

8. Submission to the Portfolio Committee on Environment, Forestry and Fisheries regarding the Climate Change Bill of 2022 [B9 -2022], 27 May 2022

In this submission, the IRR warned against the likely negative effects of the Climate Change Bill of 2022, aimed at ensuring ‘a just transition to a low carbon economy’. Though it sought to bring about a host of unspecified interventions, its main focus was on empowering the State to impose binding ‘carbon budgets’ on companies responsible for carbon dioxide emissions.
The IRR pointed out that while the Bill aimed to bring about a major shift from coal-fired electricity generation to variable wind and solar power, it had no accompanying socio-economic impact assessment and failed to take account of the ‘full cost of electricity’ (FCOE).

According to Dr Lars Schernikau, an energy economist, FCOE incorporates ten important factors – most of which are omitted from other costing methods. If all ten are taken into account, then (as Schernikau concludes) ‘wind and solar are not cheaper than conventional power generation and in fact become more expensive the higher their penetration in the energy system’. A transition to ‘green’ energy thus brings higher energy costs and is particularly harmful to ‘poorer people and developing nations’.

The IRR argued that the Bill ignored such warnings. In addition, its emphasis on binding carbon budgets to reduce CO₂ emissions could compel the early closure of many of Eskom’s coal-fired power stations and leave the country largely dependent on intermittent wind and solar power unable to meet baseload needs. The bureaucratic complexity of the Bill would also compound existing pressures on an incompetent state.

Noted the IRR: ‘Since 1994, most South Africans have been badly affected by governmental failures in one form or another. Some have suffered lethal consequences. Yet a government which cannot get the basics right at any level now proposes to put in place a vast new planning, monitoring, and implementation machine aimed at achieving ambitious and often profoundly mistaken goals.

‘The Bill will not only over-burden a failing state but have many other adverse consequences too. Among other things, it is likely to exacerbate indoor pollution (the burning of wood and coal inside people’s homes) and lead to energy ‘starvation’. It will cripple the economy, worsen already astronomical unemployment rates, and make it harder to afford climate adaptation strategies with substantial value. [Hence,] it is unlikely that the Bill will help achieve a “just” transition.’

The Bill was also unconstitutional. It contradicted the separation of powers doctrine by empowering ministers, environmental MECs, and mayors to implement new rules by giving notice of them in the Gazette, without reference to Parliament. The Bill was moreover replete with vague words and concepts sure to be interpreted in different ways at different times, undermining the rule of law. In addition, it sought to oust the jurisdiction of the courts by allowing appeals solely to the environmental Minister or her provincial counterparts.

9. Petition to the President of the Republic of South Africa regarding the Employment Equity Amendment Bill of 2020 [B14B-2020], 1 June 2022

The IRR argued that the Employment Equity Amendment Bill sought to make ‘affirmative action’ in the private sector even more burdensome than had hitherto been the case.

The Bill’s only welcome provision was that the turnover qualification for having to comply with employment equity standards fell away, absolving small businesses with fewer than 50 employees from having to comply with state-imposed racial targets. This provision would, of course, also unfortunately create a perverse incentive for businesses to cap staff growth at a time when South Africa urgently required millions more jobs to be created.

The Bill empowered the Minister of Employment and Labour to set race quotas for ‘any national sector’ and any ‘occupational level’, ‘sub-sector’, or ‘regions’ within that sector. The Minister’s powers were largely unfettered. The previous discretion that allowed employers to set their own ‘numerical targets’ would in practice give way to ministerial diktat.

The Bill also provided that only those employers who complied with employment equity standards – including those set by the Minister at his whim – would be eligible for
contracts with the government. This would further restrict ‘value-for-money’ procurement by the State.

Since race-based employment equity measures helped only a relatively small black ‘elite’, the IRR called again for an end to race-based measures. These should be replaced by non-racial policies that encouraged investment, increased growth, and promoted upward mobility for the poor and truly disadvantaged.

10. Supplementary Submission to the Department of Social Development regarding the Draft Non-Profit Organisations Amendment Bill of 2021, 9 June 2022

This supplementary submission became necessary after it came to light that the Department of Social Development was seeking to amend the Nonprofit Organisations Act by means of a ‘two-stage process’. This process would bar the public from viewing all the envisaged changes at the same time and assessing their overall impact. The IRR thus called for a one-stage process.

The IRR reiterated its objections to clauses in the current Nonprofit Organisations Amendment Bill that make it compulsory for ‘foreign organisations’ to register with the State. This obligation undermined the right to freedom of association and international human rights law, the IRR argued, and was open to abuse.

11. Submission to the Portfolio Committee on Basic Education regarding the Basic Education Laws Amendment Bill of 2022 [B2 -2022], 15 June 2022

The IRR argued that the Basic Education Laws Amendment (BELA) Bill’s characterising feature was that it sought to wrest educational power away from parents and individual schools and give it to national and provincial education authorities. This, even though those authorities presided over one of the best-funded but worst-performing educational dispensations in the world.

The Bill would empower provincial heads of department to override the admission and language policies of public schools whenever this was deemed to be in the interests of ‘equality’, ‘equity’, and the ‘broader community’. Schools may be forced to teach in an additional language regardless of whether they had the capacity to do so. These changes were said to be necessary to ‘remedy discrimination against learners on a variety of grounds’. However, discrimination had not been an issue in any recent court case dealing with disputes over admission and language policies. The Bill’s impact assessment provided no evidence that discrimination was a problem needing to be remedied.

Heads of department were also empowered to procure materials for schools that were currently able to do this for themselves. These provisions risked subjecting well-performing public schools to the same inefficiency and corruption that plagued centralised procurement elsewhere.

The Bill further empowered heads of department to withdraw functions from school governing bodies and appoint others to take over these functions. Heads of department would likewise be empowered to dissolve governing bodies if they ‘ceased to perform [their] functions’. These were potentially draconian powers that needed to be closely controlled, not broadly granted.

The IRR pointed out that the law already allowed the Minister of Basic Education to grant subsidies to independent schools, but the BELA Bill would empower the Minister to attach any conditions to such subsidies she deemed fit. Such broad discretion also invited abuse.

The Bill also introduced major changes to home schooling in South Africa. Its aim was seemingly to restrict or end home schooling, rather than promote the best interests of the pupils whose parents would prefer them to be educated in this way. The new provisions would make parental compliance with the law expensive and burdensome, potentially reserving home education to a wealthy elite.
The BELA Bill’s dispute resolution provisions would also prevent quick access to the courts for aggrieved school governing bodies. As the IRR warned, having to comply with complex and time-consuming internal processes before litigation can be instituted could ‘leave schools and governing bodies in limbo for long periods, increasing the pressure on them to acquiesce in what the State demands’.

Introducing a Bill of this nature while the public education system continued to collapse was dangerous and irresponsible. Parents and elected governing bodies in individual schools were best equipped to make admission, language, procurement, and other decisions in the best interests of the pupils in their charge – and should not be stripped of important powers that had long been entrusted to them.

12. Submission to the National Coronavirus Command Council, supporting the proposal to repeal National Health Act Regulations on the critical control measures to contain the spread of Covid-19, 21 June 2022

This submission supported the lifting of the Covid lockdown. It argued that the population had achieved a high level of immunity through infection which would reduce the lethality of the pandemic; and that it was almost certain that the virus would exist for a long time to come. This needed to be managed. South Africa needed urgently to get its people back to work.

The submission also criticised some of the proposals in the regulations that had been promulgated under the National Health Act as being beyond the powers of the Minister.

The IRR said that the lockdown and remaining measures to control Covid should be lifted, and priority given to spurring economic activity; the Department of Health should within that framework introduce measures to deal with risks arising from the persistence of the virus.

13. Oral presentation to the Parliamentary Committee on Public Service and Administration in support of the Public Administration Laws General Amendment Bill [B 16-2021], 31 August 2022

The Amendment would prohibit political interference in the appointment of civil service officials and provide for criminal sanctions where such was established. Introduced by DA MPL Leon Schreiber, the Bill was framed as a measure to address the need for competence and professionalism within the State, an issue that the Committee had been much concerned with. At its root, the Bill attempted to introduce a legal proscription on cadre deployment, which had been flagged by the Zondo Commission.

The IRR spoke in support of the Bill, saying that without depoliticisation, professionalisation would not be possible, and the capacitation of the civil service to support a developmental agenda would be impossible.

The Committee ultimately opted not to send the Bill on for further processing, with the committee chairperson declaring that there was ‘nothing wrong’ with cadre deployment, only in its deficient application.

14. Submission to the Department of Justice and Correctional Services, regarding the Unlawful Entry on Premises Bill of 2022, 16 September 2022

The submission argued that the Unlawful Entry on Premises Bill was both potentially beneficial, and potentially harmful, to the protection of private property rights in South Africa.

Among its potentially beneficial provisions were clauses that required the police to remove trespassers ‘without delay’ and empowered them to arrest those who nevertheless refused to leave, even if they had ‘already erected any form of housing on the premises and already occupy the erected housing’.

The harmful clauses included a requirement that owners must ‘announce’ themselves to intruders on their property. This could place owners’ lives in jeopardy. The Bill also
required that owners should inform the police of the presence of trespassers ‘without delay’. This too could be dangerous to owners. It was also impractical when the police often failed to answer phone calls to police stations and even to the national emergency line.

The Bill also implied that trespassers may be able to invoke a subjective defence – that they ‘believed that they had title or an interest in the premises’ – to protect themselves from conviction. Giving legal weight to such beliefs could incentivise land invasions.

The IRR called for all potential threats to property rights in the Bill to be removed.


As part of its efforts to avoid South Africa being ‘greylisted’ by the international Financial Action Task Force, the government introduced the General Laws (Anti-Money Laundering and Combating of Terrorism Financing) Amendment Bill.

The Bill proposed to make the registration of nonprofit organisations (NPOs) compulsory. It would also have compelled them to comply with various standards which were set out in the Bill and likely to be supplemented by the regulations flowing from it. This would subject the continued existence of important civil society organisations, including corruption and transparency watchdogs, to the discretionary powers of ministers and bureaucrats.

The IRR noted that it had a long history of defending the independence of civil society organisations. It played a key part in drafting the current Nonprofit Organisations Act, which (rightly) imposed very few restrictions on civil society. As a result of public pressure coordinated by the IRR, the government abandoned the NPO provisions in the General Laws Amendment Bill.

16. Submission to the Select Committee on Security and Justice (National Council of Provinces), regarding the Land Court Bill of 2021 [B11B-2021], 11 November 2022

In 2021 the IRR made a submission on the Bill to the portfolio committee on justice and correctional services in the National Assembly. The Bill was subsequently adopted by the National Assembly and sent on, in modified form, to the National Council of Provinces (NCOP) for its endorsement. The IRR's 2022 submission was thus made to the NCOP's select committee on security and justice.

As the IRR reiterated in its updated submission, many commentators on the Expropriation Bill had tried to downplay its damaging provisions by stressing that the state’s decisions on ‘nil’ or other compensation, if not agreed with owners, would have to be ‘approved or decided’ by the courts.

However, the government planned to limit the jurisdiction of the ordinary courts by setting up a new Land Court to decide on the compensation, if any, to be paid. Many of the judges appointed to the Land Court would be new to the bench and lacking in judicial experience.

In addition, where two people were appointed as ‘lay assessors’ to help decide a dispute, they would be empowered to overrule the presiding judge on all questions of fact. Decisions on the amount of compensation to be paid were likely to be tagged as questions of fact to be decided by these potentially partisan assessors.

Whether the criteria for the payment of ‘nil’ compensation under the Expropriation Bill had been met – for example, whether owners had ‘abandoned’ their land and buildings by ‘failing to exercise control’ over them – may also be regarded as questions of fact to be decided in the same way. In addition, the Land Court would be authorised to admit hearsay and other evidence normally excluded as unreliable.
17. Submission to the National Council of Provinces regarding the Electoral Amendment Bill of 2022 [B1-2022], 9 November 2022

This submission was a slightly updated version of the submission made to the National Assembly in February. (See above)

Occasional reports

Occasional reports are analyses of topical themes or policy issues germane to any of the priorities of the IRR. They do not form part of a regular series, but are authored and published as and when appropriate.

Special report on youth unemployment in South Africa (May)

South Africa had the highest unemployment rate recorded anywhere on the planet when this report was published. In the winter of 2022 the Not in Employment Education or Training (NEET) rate for people aged 24-34 was 56%. There were likely countries with higher rates of unemployment, but they did not keep records. The report suggested that it was a mistake to think that unemployment in this group was cyclical, implying that it would reduce as a matter of course. The number of South Africans unemployed for longer than a year – the so-called long-term unemployed – was approaching 80% as a share of all the unemployed, implying a structural rather than a cyclical unemployment problem. The causes of long-term unemployment were identified as including the world’s worst education system on a ‘bang-for-buck’ basis; the setting of a national minimum wage at a level equivalent to the median wage; and ever-stricter racial discrimination in the labour market.

U.S. Midterms: the coming Red Wave? (November)

Released shortly before the United States Midterms, this report gave an overview of the United States government and the workings of its election cycles, so as to explain the meaning of ‘Midterms’.

The report explained the current balance of power and environment facing the major political parties. It examined the polling up to that point, and the value of polling in general, its flaws and strengths. Finally, it examined the political consequences of the mid-term elections on the remaining years of the Biden administration.

The Road to Electoral Reform (November)

This report looked at the issue of electoral reform in South Africa. It analysed the Electoral Amendment Bill and highlighted the serious problems with the proposed legislation. It provided an overview of the path to the current situation with the Bill. It also proposed an alternative draft Electoral Amendment Bill.
Race Law: An Index of Legislated Colour Discrimination in South Africa (December)

This project aims to expose the reality of racialist law-making in modern South Africa and to inform the public, commercial sector, and foreign investors and businesses of the extent of race law that must be complied with.

Many abroad believe South Africa left the phenomenon of legislated racialism behind in 1994 and embraced the non-racialist promise of its new Constitution. South Africans know this not to be the case: the democratic Parliament, supported by executive regulations and the judgments of the superior courts, has continued to propose and adopt legislation that creates legal discrimination on the basis of race or skin colour. The Race Law initiative (www.racelaw.co.za), edited by Martin van Staden, with its flagship Index of Race Law, was launched to record historical and current racial legislation. The initiative is a continuation of IRR research and advocacy during the apartheid era on the laws affecting race relations. In future, the initiative will additionally record executive regulations, judgments of the courts, and legislation and regulations at the provincial and municipal levels that have a bearing on race.

South Africa Survey (IRR) / Socio-Economic Survey of South Africa (CRA)

The annual Survey provides quantitative data on all the most important aspects of South Africa, including the economy, government finances, living standards, healthcare, crime, education, and demographics. At over 800 pages of tables and graphs, there is no more comprehensive a statistical reference guide to the country. It is an indispensable guide for any individual or organisation with interests in South Africa.

The 2023 edition was published in March 2023 as two different versions: the South Africa Survey under the banner of the IRR, and the Socio-Economic Survey of South Africa under the banner of the CRA. Fourteen chapters were featured, as listed below. These were also published as stand-alone PDF and Excel reports:

- Demographics
- The Economy
- Public Finance
- Employment
- Assets and Incomes
- Business and Infrastructure
- Industrial Relations
- Education
- Health
- Social Security
- Living Conditions
- Communications
- Crime and Security
- Politics and Government
IRR Media

Objective: To publicise the research and advocacy of the IRR and strengthen the argument, and public support, for liberal ideas in society and the economy.

The year under review provided ample opportunity for the IRR to demonstrate its ability to respond quickly and intelligently to controversies and crises which so crisply illustrated the pitfalls and penalties of nearly 30 years of ANC policy-making.

The key themes – the cynical exploitation of race to obscure the failure of race-based measures either to help disadvantaged or disempowered people or to create a fairer society; the ideological obsession with redistributionist policy rather than policy that enhances opportunity and the scope for growth; and the moral and intellectual rot that the ANC’s adherence to these approaches has guaranteed across a vast and ravenous state and elsewhere in society – came to the fore in, among others, the Dis-Chem saga, the steadily mounting crisis at Eskom, the handling of the Phala Phala allegations, the drive against property rights, the continuing emphasis on racial preferencing, and the machinations surrounding former president Jacob Zuma.

In all of these cases, the IRR was able to respond adroitly, not merely in being critical but in using each episode as an opportunity to make the case for an alternative policy approach that would serve the objective of creating a better society – and, as we repeatedly argued, foster a different, constructive national conversation.

Having joined the media team in August 2022 as director of communications, Hermann Pretorius devoted his attention to developing new elements of the IRR’s communications strategy.

The immediate priority was aligned closely with the rebranding of the IRR and the redesign of the IRR’s website and focused on establishing a more structured and efficient approach to the IRR’s public output. Distinct from IRR campaigns, the media strategy would aim at promoting IRR research and opinion output, whereas campaigns generated more deliberate focused pressure for specific policy changes and decisions.

The structuring of an IRR media strategy hinged on elevating the IRR’s credibility and visibility in the news media and social media, as well as on establishing a strategy framework for IRR research publications, starting in 2023. This would entail assigning specific months to specific issues of policy on which the IRR would seek to engage effectively in the battle of ideas.

Using this framework, the IRR media team would seek to sustain media and public attention on the potentially game-changing policy work within the IRR over many years, and whose relevance increased the closer the country came to a change of government and a reorientation of thinking about what policies would best serve the task of creating a freer, fairer, and prospering society.

Public knowledge of and support for the IRR’s far-reaching policy proposals would hinge on the effectiveness of the media strategy.

As flagged in last year’s annual report, the growth rate of the IRR’s media output flattened in 2022, with the number of published opinion pieces totalling 1 155 (down slightly from the 1 334 recorded in 2021). Over and above that number, the IRR was cited 348 in the media, gave 290 interviews, issued 98 press releases and released 547 audio/video clips. Cumulatively, this means the IRR appeared in the media 2 438 times, or around 6.6 times per day. Add the 4 815 social media posts, and the number rises to over 19 appearances per day. These totals include figures reported separately under Campaigns, Big Daddy Liberty and the Daily Friend, but exclude CRA and FAN output. Maintaining or even increasing this high visibility will require the steady application of the IRR team’s energy, commitment and brain power.
IRR Campaigns

Objective: Generate political pressure through campaigns and petitions, as well as support for the Friends crowdfunding initiative.

Activity report

In the week straddling September-October the National Assembly passed the Expropriation Bill and the Land Court Bill at a speed that experienced MPs said they had never seen before. The IRR had already identified the nexus between these two Bills, new counter-spoliation jurisprudence under the Prevention of Illegal Eviction (PIE) Act, and the Unlawful Entering on Premises Bill, as providing a de facto path to legitimised land invasions.

Early in September the Campaigns team identified the significance of a Biden-Ramaphosa meeting. We also wrote to every member of the Parliamentary Committee looking to finalise the Expropriation Bill, warning of the consequences of the law being passed. This pressure was enough to disrupt the process at what was supposed to be the committee's last meeting to pass the Expropriation Without Compensation (EWC) language into its final form.

A letter campaign that started at this time facilitated a meeting with the U.S. Embassy that afforded an opportunity to model and handicap the case for firm warnings on illiberal property and race policies. Correspondence with the Presidency also secured, inter alia, a promise to consider the IRR's arguments against the constitutionality of the Expropriation Bill before its passage. This should be cautiously considered in the context of, for example, buying time.

In October, the Campaigns team made specific calls to Finance Minister Enoch Godongwana to use his powers to remove the BEE requirements for state procurement, a perpetuation of the year-long campaign to identify this action as a key requirement of implementing the State Capture Commission Report's recommendations. This was done in two ways. BEE language was excised from the Preferential Procurement Policy Framework Act (PPPFA), and the Minister made apparent passing references to our correspondence, including the assertion that the onus was now on organs of state to try and take the maximum value-for-money gaps. This led to further meetings to try and persuade mayors to implement non-racial procurement policies.

Campaigns flagged what it sympathetically labelled a drafting error, one which technically incentivises on a direct mathematical scale, that the fiscus pay more for less – ‘the most expensive bid always wins on price’ – in the new PPPFA regulations. This appeared to militate against undue optimism in movements from within Treasury. Identifying it, and communicating this point with Treasury, also added to the kind of paper-trail building that forms part of pressure campaigns.

Campaigns were also directed at the Dis-Chem scandal, including renewed pressure on President Cyril Ramaphosa to veto the Employment Equity Amendment Bill (EEB) because of this expression of its impact. Campaigns finished the year calling for an early election, identifying a basic flaw in the Phala Phala expert report, favouring Ramaphosa, and investigating the Cape Town high court archives to discover major complicity in misleading defence of the President against impeachment charges, including by members of the Democratic Alliance (DA). A PAIA application was filed with the Acting Public Protector to disclose the 31 questions that were asked by the Public Protector's Office at the start of the investigation, or alternatively to explain why they were being withheld despite longstanding requests to make them public to facilitate transparency.

In addition to the above we were invited to speak at the Afrikaner Africa Initiative conference, which led to a late invitation to speak at a conference attended by several ambassadors from EU countries and EU delegates to promote IRR values.
The overall activity for the year was characterised by campaigns against unlawful expropriation, and race law, and for limited, reason-responsive government.

Campaigns continued to fail to meet financial targets, which was recognised as a growing problem.

Below is a table that shows cumulative Friends statistics for 2022:

<table>
<thead>
<tr>
<th>Friends Initiative</th>
<th>Sign-ups – Year to date 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carry forward net amount of Friends at 31 December prior year</td>
<td>18 993</td>
</tr>
<tr>
<td>New Friends 1st quarter</td>
<td>402</td>
</tr>
<tr>
<td>Plus reinstatement of previously cancelled Friends</td>
<td>142</td>
</tr>
<tr>
<td>Less cancelled Friends 1st quarter</td>
<td>329</td>
</tr>
<tr>
<td></td>
<td>19 218</td>
</tr>
<tr>
<td>New Friends 2nd quarter</td>
<td>367</td>
</tr>
<tr>
<td>Plus reinstatement of previously cancelled Friends</td>
<td>94</td>
</tr>
<tr>
<td>Less cancelled Friends 2nd quarter</td>
<td>301</td>
</tr>
<tr>
<td></td>
<td>19 378</td>
</tr>
<tr>
<td>New Friends 3rd quarter</td>
<td>300</td>
</tr>
<tr>
<td>Plus reinstatement of previously cancelled Friends</td>
<td>254</td>
</tr>
<tr>
<td>Less cancelled Friends 3rd quarter</td>
<td>467</td>
</tr>
<tr>
<td></td>
<td>19 465</td>
</tr>
<tr>
<td>New Friends 4th quarter</td>
<td>292</td>
</tr>
<tr>
<td>Plus reinstatement of previously cancelled Friends</td>
<td>61</td>
</tr>
<tr>
<td>Less cancelled Friends 4th quarter</td>
<td>182</td>
</tr>
<tr>
<td></td>
<td>19 636</td>
</tr>
<tr>
<td>Total debit orders presented end December 2022</td>
<td>12 046</td>
</tr>
<tr>
<td>Total debit orders returned</td>
<td>825</td>
</tr>
<tr>
<td>Active number of Friends end December 2022</td>
<td>11 221</td>
</tr>
</tbody>
</table>

Floating Friends therefore are: 8 415

Net sign-up growth of Friends per working day 1st quarter 3.5
Net sign-up growth of Friends per working day 2nd quarter 2.7
Net sign-up growth of Friends per working day 3rd quarter 1.3
Net sign-up growth of Friends per working day 4th quarter 3.35

Value average per Friends donation R75.16

IRR Bursaries

Objective: To administer bursary funds in accordance with the funders’ conditions; to assist tertiary students in funding their studies.

The IRR Bursaries programme looks back on a long and distinguished history. The IRR began administering the Isaacs Foundation Bursary Fund in 1953. Between 1981 and 2022, at the peak of the IRR’s bursary programme’s activity, bursaries to the value of R279 million were awarded to 3 900 graduates, and Nelson Mandela was among the early recipients of an IRR bursary. But the programme had been facing increasing challenges in recent years as funds declined and more students were able to obtain state funding through the National Student Financial Aid Scheme (NSFAS) or private funding from other organisations. The decision was therefore made during 2022 to wind the programme down, and it officially ended with effect from 31 December 2022. All commitments towards students and universities were honoured and paid in full, and remaining active Bursary funds were transferred to a long-established and reputable bursaries administrator with the agreement of the respective trustees or funders. The remaining inactive funds are being handled in accordance with their respective founding provisions, based on a legal opinion obtained for that purpose. A book commemorating the history of the programme was commissioned and is in production.
IRR Platforms

**The Daily Friend**

*Objective: The aim of the Daily Friend is to promote liberal ideas and liberalism broadly through its writers, as well as provide a platform that other media groups may not.*

The redesigned *Daily Friend* website was launched in April 2022 and received positive feedback. However, the number of *Daily Friend* readers for 2022 was slightly down compared to the preceding year. In 2022 there were nearly 750,000 unique visitors (effectively, individual readers) to the *Daily Friend*, compared to just over 900,000 users in 2021.

There was also a slight decline in the number of pageviews (effectively, the number of articles read). In 2022 there were just over 3.4 million pageviews while in 2021 there had been 3.8 million.

However, there was growing evidence that more people returned to the *Daily Friend*. While the ratio of pageviews to users in 2021 was just over 4, in 2022 it had risen to almost 5. This indicated that people returned to the site, read more articles on it, and used it as a regular news source.

A further indication of how the *Daily Friend* was attracting readers was in the number of people commenting on *Daily Friend* articles. Data from Disqus – the commenting programme used on the *Daily Friend* – clearly showed that readers were more engaged.

As Disqus was only installed on the *Daily Friend* in April 2021, a strict like-for-like comparison of 2021 with 2022 was not possible. However, between May and December 2021 the number of cumulative comments on the *Daily Friend* was just below 17,000, with the number of reactions to various articles being just below 32,500. For the same period in 2022 the number of comments was nearly 17,500 while the number of reactions was nearly 40,000. This indicated that engagement levels were growing.

The steadily increasing number of people who considered themselves part of the *Daily Friend* community showed that there was a strong base of readers which could be used as a launchpad to further disseminate ideas from the IRR. Such readers could become inadvertent proselytisers for the organisation and the broader cause of liberalism.

The second metric demonstrating a strong *Daily Friend* community was the measure of ‘most read’ articles. Of the 20 articles that had the highest number of pageviews between 1 January 2021 and 31 December 2022, 13 were published in 2022, with four of the five most-read articles for that period having been published in 2022.

The most popular article was a news article, written by ‘Staff Writer,’ on problems at Eskom. It had over 25,000 views. The fact that a news article performed well indicated that people used the *Daily Friend* as a primary source of news (in addition to commentary) and that *Daily Friend* articles were widely shared by readers.

The second most popular article published between January and December 2022 was a piece by Jonathan Katzenellenbogen on Busisiwe Mavuso, Chief Executive Officer of Business Leadership South Africa, standing up to Eskom, which had earned over 22,000 views by the end of the year.

There was a very slight decline in overall output. The number of opinion pieces, news pieces, videos, and cartoons (podcasts are covered separately) was 1,744 in 2022, compared to 1,809 in 2021. Nevertheless, output remained steady, with at least one piece of original written opinion content being published per day (on some days this was as high as four pieces of original opinion content).
There was consistent growth on social media for the Daily Friend. By the end of 2022, over 65 000 people had ‘liked’ the Daily Friend Facebook page. The ‘reach’ of the Facebook page (the number of people who saw at least one post from the Daily Friend on Facebook over that period) was significantly higher in 2022. ‘Reach’ for the first three quarters of 2022 was nearly 2.5 million, compared to 1.9 million recorded in 2021.

Furthermore, a number of Daily Friend posts went ‘viral’ to some degree in 2022, helping to boost our reach and engagement metrics. An article by Andrew Kenny criticising the ANC was shared over 2 000 times on Facebook. Two cartoons by David Doubell were shared over 1 000 times on Facebook in 2022.

The Jonathan Katzenellenbogen article on Busi Mavuso, mentioned earlier, had a reach of over half a million and was shared over 1 000 times.

The number of people receiving the daily email from the Daily Friend – flagging content, and, on Sundays, a selection of the week’s best content – was just above 70 000 in 2022. This was fewer than the number for 2021, as people unsubscribed, or were removed if they had not opened their email for some time. However, the ‘open rate’ of the email (the percentage of people opening the email) was generally just below 30%, accepted as an excellent rate in terms of email marketing and reflecting the strong content that the Daily Friend continued to produce.

Furthermore, there were signs of the Daily Friend increasingly being read by influential South Africans. For example, two senior DA politicians submitted ‘right-of-reply’ pieces to the Daily Friend in reaction to articles published on the platform. Mayor of Cape Town Geordin Hill-Lewis responded to an article by Andrew Kenny on Cape Town and its energy needs, while DA MP Dean Macpherson responded to an article by Ivo Vegter on the regulation of online gambling.

The Daily Friend found itself in the sights of Iqbal Survé and a number of papers at his Independent Group. Following criticism of Survé by Ed Herbst, a piece critical of the Daily Friend was published on a number of platforms controlled by the Independent Group. The piece made claims and assertions such as: ‘The IRR has gradually moved to the right in recent times, leaning closer towards the DA, and abandoning its defence of human rights in favour of defending property rights’ and ‘the institution’s rightward shift and its leaning closer towards the DA and its policies cannot be ignored’. This was a clear sign of the Daily Friend’s being heard and read not just by allies, but also by those that we disagree with. The attack by the Independent Group clearly indicated our opponents’ acknowledgement of the Daily Friend’s influence.

From January to December 2022, the Daily Friend published 604 op-eds, 1 031 new items, 69 cartoons, and 40 videos, for a total of 1 744 items of output. (These figures are included in the totals reported in the Media section.)

The Daily Friend Show

Objective: Fight the battle of ideas through news analysis in the podcast and YouTube space.

The Daily Friend Show is a half-hour long podcast broadcast every Monday to Thursday, with Nicholas Lorimer hosting two guests, normally IRR staffers. It is released on YouTube and various podcast hosting platforms. There are also occasional specials.

This year saw solid growth in the channel in all metrics. On YouTube, the number of subscribers exceeded 10 000 for the first time, totalling 10 682 at the end of the year. The average views per episode grew from 3 056 in 2021 to 5 293 in 2022, generating 947 500 total views from an estimated 150 000 unique viewers. The total watch time was 148 900 hours, up from the 116 900 hours recorded in 2021. Show videos were viewed
25 259 times on Facebook and 3 645 times on Twitter, while the audio podcasts were downloaded 279 653 times over the course of the year. The show ranked 6th on average in the news commentary section and 25th in the news section. The total number of views or listens across YouTube, Facebook, Twitter, iono.fm came to 1 256 057 between 1 January and 31 December 2022.

**Two Crickets in a Thorn Tree**

*Objective: Tackle the battle of ideas from unexpected directions and help establish the IRR as a gateway to understanding the world beyond SA.*

The Two Crickets podcast is released on a less strict schedule and is co-hosted by Nicholas Lorimer and Gabriel Crouse. It is normally just over an hour-and-a-half long. This podcast remains a much more niche project than other IRR media products. As a result, it has a much smaller audience, but – it seems from anecdotal evidence – one that is much more engaged. This podcast relies much more on the personality of the hosts than other IRR podcasts and as a result it provides a more intimate listening experience. This is likely why the audience is more engaged than on other IRR podcasts. In 2022, 33 episodes of the podcast were produced, which were downloaded 21 766 times and attracted an estimated 10 000 unique listeners.

**Liberal Club**

*Objective: Foster discussion and learning within the IRR and the liberal community. Forge contacts with liberals across the world.*

The Liberal Club is a weekly discussion group which hosts speakers on a variety of topics. Speakers range from IRR staff members to local and international experts. Speakers usually speak for around 20-30 minutes and then club attendees ask questions of the speaker for another 50 minutes or so. Topics discussed in 2022 ranged from South Africa's prospects in the oil and gas industry to the future of the Catholic church, diamond mining, black holes and U.S. politics. There were 41 discussion sessions in 2022 (35 in 2021) with a variety of internal and external speakers on a wide range of topics.
<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Speaker</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 January</td>
<td>Objectivism</td>
<td>Chris Hattingh</td>
<td>Deputy head of campaigns</td>
</tr>
<tr>
<td>1 February</td>
<td>Book club</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>8 February</td>
<td>Bifurcation of media audiences</td>
<td>Kanthan Pillay</td>
<td>Independent columnist</td>
</tr>
<tr>
<td>15 February</td>
<td>Electoral Amendment Act</td>
<td>Marius Roodt</td>
<td>TDF deputy editor</td>
</tr>
<tr>
<td>22 February</td>
<td>Hate Speech</td>
<td>Gabriel Crouse</td>
<td>IRR head of campaigns</td>
</tr>
<tr>
<td>1 March</td>
<td>Where is SA oil and gas today? Prospects and future risks</td>
<td>Niall Kramer</td>
<td>Executive director SAOGA</td>
</tr>
<tr>
<td>8 March</td>
<td>The Constitutional Imperative: Police decentralisation in South Africa</td>
<td>David Bruce</td>
<td>Independent researcher</td>
</tr>
<tr>
<td>15 March</td>
<td>South Africa’s youth and global supply chains</td>
<td>Shawn Hagedorn</td>
<td>Independent consultant</td>
</tr>
<tr>
<td>28 March</td>
<td>De Futuro Ecclesiae Catholicae, a discussion of the future of the Catholic Church</td>
<td>Terence Corrigan</td>
<td>Project manager IRR</td>
</tr>
<tr>
<td>2 April</td>
<td>China</td>
<td>Allan Edwards</td>
<td>Senior Trade Commissioner of Canada's Trade Office</td>
</tr>
<tr>
<td>19 April</td>
<td>What social justice looks like in a high fee-paying private school</td>
<td>Cathy Capon</td>
<td>Teacher</td>
</tr>
<tr>
<td>26 April</td>
<td>The ideological agenda behind environmental protests</td>
<td>Ivo Vegter</td>
<td>Daily Friend writer</td>
</tr>
<tr>
<td>3 May</td>
<td>High time, on the issue of marijuana legalisation</td>
<td>Gabriel Crouse</td>
<td>IRR head of campaigns</td>
</tr>
<tr>
<td>10 May</td>
<td>Swallowing the Bitcoin orange pill</td>
<td>Stuart Hayward</td>
<td>Advocate</td>
</tr>
<tr>
<td>17 May</td>
<td>Current voter perceptions of politics and political parties</td>
<td>Frans Cronje</td>
<td>Former IRR CEO</td>
</tr>
<tr>
<td>24 May</td>
<td>Steroids in elite sport and schools</td>
<td>Bheki Mahlobo</td>
<td>CRA analyst</td>
</tr>
<tr>
<td>31 May</td>
<td>The Zion Christian Church, Thomas Sowell and Gwen Ngwenya brought me to Classical Liberalism</td>
<td>Tiego Thotse</td>
<td>FAN operations and advocacy manager</td>
</tr>
<tr>
<td>7 June</td>
<td>History of SARZA and the recent deployment to KZN to assist with the flooding</td>
<td>Ivor Rimmer and Grant Tyson</td>
<td>Search and Rescue South Africa (SARZA)</td>
</tr>
<tr>
<td>14 June</td>
<td>Freedom of Movement, or; How I Learned to Stop Worrying and Love Open Borders</td>
<td>Martin van Staden</td>
<td>IRR council member</td>
</tr>
<tr>
<td>21 June</td>
<td>Free expression and its enemies in a time of disinformation and division</td>
<td>Anton Harber</td>
<td>Veteran journalist</td>
</tr>
<tr>
<td>28 June</td>
<td>Mining</td>
<td>Hulme Scholes</td>
<td>Mining lawyer</td>
</tr>
<tr>
<td>12 July</td>
<td>Why Cyril Hugged me: SA’s Journalism Transformation agenda</td>
<td>Paddi Clay</td>
<td>Experienced journalist</td>
</tr>
<tr>
<td>19 July</td>
<td>Electoral Reform – Are we sleep-walking to a constitutional crisis?</td>
<td>Michael Atkins</td>
<td>Elections activist</td>
</tr>
<tr>
<td>26 July</td>
<td>U.S. midterms</td>
<td>Kevin Colglazier</td>
<td>Financial expert</td>
</tr>
</tbody>
</table>
The Big Daddy Liberty channel on YouTube was created by Sihle Ngobese in June 2018 and primarily addresses conservative-leaning liberals. Since November 2020, the IRR has been cooperating with and supporting BDL under a service agreement. Cooperation between the IRR and Mr Ngobese remains close. The following table provides an overview of some of the key BDL metrics.

### The Liberal Club external speakers 2022

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Speaker</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 August</td>
<td>Have we reached peak woke?</td>
<td>Toby Young</td>
<td>Head of the Free Speech Union</td>
</tr>
<tr>
<td>16 August</td>
<td>July 2021 unrest and consequences for mining</td>
<td>Hulme Scholes</td>
<td>Mining lawyer</td>
</tr>
<tr>
<td>23 August</td>
<td>Pro-Life vs Pro-Choice: Pro-Principle</td>
<td>Elena Garadja and Gabriel Crouse</td>
<td>Philosopher and IRR head of campaigns</td>
</tr>
<tr>
<td>30 August</td>
<td>Diamond mining in South Africa</td>
<td>John Bristow</td>
<td>Mining expert</td>
</tr>
<tr>
<td>13 September</td>
<td>Trade/off - the future of the global economy in the era of stimulus and inflation</td>
<td>John Endres</td>
<td>IRR CEO</td>
</tr>
<tr>
<td>20 September</td>
<td>How did the jailbird fly away? Zuma, the sick joke, and the law</td>
<td>Martin Brassey</td>
<td>Senior Counsel</td>
</tr>
<tr>
<td>27 September</td>
<td>Kasinomics: The resurgent informal economy</td>
<td>GG Alcock</td>
<td>Writer and Entrepreneur</td>
</tr>
<tr>
<td>4 October</td>
<td>The black hole at the centre of the galaxy</td>
<td>Dr Silke Britzen</td>
<td>Physicist</td>
</tr>
<tr>
<td>11 October</td>
<td>Why Namibia is now of great global strategic importance</td>
<td>Dr Frans Cronje</td>
<td>Analyst</td>
</tr>
<tr>
<td>18 October</td>
<td>Why Religious Freedom is a Democratic Imperative</td>
<td>Daniela Ellerbeck</td>
<td>Head of FOR SA's legal department</td>
</tr>
<tr>
<td>8 November</td>
<td>New Dawn?</td>
<td>Gabriel Crouse</td>
<td>Head of Campaigns</td>
</tr>
<tr>
<td>15 November</td>
<td>Making coalitions work in SA</td>
<td>Athol Trollip</td>
<td>ActionSA Eastern Cape leader</td>
</tr>
<tr>
<td>22 November</td>
<td>KZN for King and country…but which country?</td>
<td>Sihle Ngobese</td>
<td>Big Daddy Liberty</td>
</tr>
<tr>
<td>29 November</td>
<td>U.S. midterms</td>
<td>Kevin Coiglazier</td>
<td>Financial expert</td>
</tr>
</tbody>
</table>

### Big Daddy Liberty metrics

<table>
<thead>
<tr>
<th>Platform</th>
<th>Metric</th>
<th>Jan-Dec 2022</th>
<th>At 30 Dec 2022</th>
<th>Jan-Dec 2021</th>
<th>At 30 Dec 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>YouTube</td>
<td>Number of videos posted</td>
<td>210</td>
<td>–</td>
<td>158</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>Number of views</td>
<td>816 446</td>
<td>–</td>
<td>634 317</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>Channel subscribers</td>
<td>–</td>
<td>37 949</td>
<td>–</td>
<td>34 000</td>
</tr>
<tr>
<td>Facebook</td>
<td>Number of videos posted</td>
<td>236</td>
<td>–</td>
<td>167</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>Number of views</td>
<td>543 456</td>
<td>–</td>
<td>979 220</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>Page likes</td>
<td>–</td>
<td>76 786</td>
<td>–</td>
<td>85 342</td>
</tr>
</tbody>
</table>
Educate Don’t Indoctrinate (Edonti)

Objective: Provide a resource for parents and teachers to acquaint themselves with the principles of Critical Race Theory and to offer advice and assistance as to how to manage it.

When we started the website in August 2021, we had hoped that it would be a resource particularly for parents whose children were being exposed increasingly to Critical Race and Gender Theories in schools.

The problem was most acute in private schools and notwithstanding the seeming aim of the programmes being to achieve ‘Diversity Equity and Inclusion’, the nature of the underlying ideology is intended to achieve the opposite.

The programmes are generally adversarial and alienating of minority children. Due to the enthusiastic and forceful way in which these issues become part of syllabuses, and because of how proponents meet opposition to these ideas with aggression, parents are reluctant to challenge this dogma.

Although we have consulted confidentially with various parents we have been unable to get parents to join together to challenge the schools with sufficient strength. Accordingly, the core purpose of the site is to provide information on the issue, along with articles and videos about the subject. We upload these items to Facebook, Twitter and LinkedIn. The latter two platforms get a modest response, but Facebook has been significantly more successful.

Edonti has published 13 videos and 55 articles, reached 46 206 people and earned 8 428 post engagements on Facebook. We reduced expenditure on advertising to put more resources into the Free Speech Union of South Africa, which is discussed below.

Free Speech Union SA (FSU SA)

Objective: The Free Speech Union promotes freedom of speech and opinion, and stands up for anyone who is, or risks being, penalised for exercising these rights whether in the workplace or the public square.
We have modelled this initiative on the FSU in Britain, started by journalist Toby Young. The FSU UK has had considerable successes in dealing with free-speech infringements at universities and workplaces. The Free Speech Union South Africa is not structured exactly like FSU UK. It is not a union at this stage, but has a working relationship with FSU UK and they agreed to give us access to their resources and advice. The initiative has already attracted funding in the region of R170 000.

We launched a website at www.freespeech.org.za and post articles on our site, Facebook, Twitter and LinkedIn. In the period from 1 July 2022, the FSU SA page reached 126 000 people and accumulated 14 600 followers. We wrote and/or uploaded 15 articles or similar and posted a link to a seminar.

During 2022 the FSU wrote to education MEC in the Western Cape David Maynier to warn him about the free-speech infringements that were likely to occur if certain consultants got into Fish Hoek High School to implement Critical Race Theory to deal with alleged racism. We received no response. Then the issue blew up over the disastrous intervention of a very woke consultant. This got Sara Gon onto Vuyo Mvoko’s night time TV programme “The Watch Dog” on 10 November 2022 (https://freespeech.org.za/news/video-the-watchdog-sabc-with-vuyo-mvoko-10-november-2022).

On 11 January Gon participated in a webinar with Toby Young of FSU UK and Jonathan Ayling of FSU New Zealand. It was an hour long and the participants talked about hate speech. The speech link was uploaded to https://freespeech.org.za/news/in-conversation-fsu-international.

Freedom Advocacy Network (FAN)

Objective: FAN empowers, builds, and connects people to become advocates for freedom.

FAN was launched on 1 June 2021 but didn’t gain the desired traction outside of social media. The unit was therefore scaled down and remaining staff were redeployed to bolster other IRR projects. The FAN #PledgeToVote campaign was absorbed into the IRR. The campaign website went live on 7 February 2023, with campaign activities commencing thereafter. The FAN podcast was replaced with a new podcast hosted by Philasande Shongwe and broadcast via the Daily Friend. It is aired twice a month in long-form one-on-one interview format, engaging in topics around economics and South African politics.

Centre For Risk Analysis

Objective: To provide strategic advice and scenario planning services to institutions and individuals with the broader objective of generating revenue for the IRR and contributing to the public policy debate.

The Centre For Risk Analysis (CRA) helps business and government leaders plan for a future South Africa and identify policies that will create a more prosperous society. It provides its clients with strategic intelligence and scenario planning services to help them navigate South Africa’s economic, social, policy and political landscape, using in-person briefings, reports, videos and podcasts to provide in-depth analysis on domestic and international trends.

The rate of sales across both the Premium and Individual categories was not where we wished it to be. Overall, we ended the year with R4.6 million in banked sales, against a target of R6.8 million.

The strategic intelligence briefing remained popular with clients, as did the CRA’s weekly Risk Alert. The CRA’s main briefing, Towards South Africa’s Tipping Point, was seen
by most clients in the course of the year. A second strategic intelligence briefing, *Trade/Off*, which focused more on global finance and flash points, was formulated in the second half of the year, and presented to select clients. These briefings and Alerts were primarily delivered by John Endres and Chris Hattingh.

New analyst Makone Maja joined the CRA team in 2022, contributing chapters for the *Socio-Economic Survey* and making contributions to CRA briefings, as well as to *Risk Alerts*.

In September 2022 we introduced a new product – *Client Notes* – which is published on an ad hoc basis. These follow a similar format to the weekly *Risk Alert* but are focused on a single topic (e.g. healthcare, emerging markets, EWC, by-elections). This allows for more in-depth analysis on a single issue without losing the benefit of concision.

The CRA YouTube channel continued to grow, reaching 4.3 million views over the lifetime of the channel. Over 39,000 people subscribed to the channel. We earned just over R85,500 in advertising revenue for 2022 on the strength of 185 videos uploaded, which generated 2.4 million views during 2022. With the departure of David Ansara to the Free Market Foundation from January 2023, the CRA team met and agreed to retain the CRA YouTube platform, with the audience that Ansara created over the last few years. The CRA team, with Chris Hattingh as host on videos, would aim to put out at least one 10-minute video on the channel per week, with space for ad hoc videos as and when required. Viewership figures on the videos have remained high since the beginning of the year and the switch to a weekly format.

From January to December 2022, the CRA generated 20 radio/podcast appearances, 13 video/television appearances, 28 opinion pieces, 19 letters, 61 media citations or text interviews, and 2 press releases.

During 2022, the CRA also published the following reports and documents:

**Fast Stats**

*Fast Stats* is a monthly report which updates subscribers on over 200 indicators for South Africa, providing data-driven insights into current political and economic trends. Twelve editions of *Fast Stats* were published in 2022.

**Fast Stats January 2022**

Key takeaways:

- The **Leading Business Indicator** in October 2021 was up 0.1%, compared to September 2021.
- The **headline inflation** rate for December 2021 was 5.9%, compared to 3.1% in December 2020.
- The average **gold price** per ounce in 2021 was $1,800, compared to $1,771 in 2020.
- The average **crude oil price** (Brent/barrel) in 2021 was $70.67.
- South Africa recorded a **merchandise trade surplus** of R412.5 billion for January-November 2021.

**Fast Stats February 2022**

Key takeaways:

- The **Sacci Business Confidence Index** in January was up 2.1 points, compared to December 2021.
- The growth in **money supply** in December 2021 was 5.71%, compared to 6.36% in November 2021.
- The average **platinum price** per ounce in January was $991, compared to $1,087 in January 2021.
- The average crude oil price (Brent/barrel) in January was $86.22.
- Total **vehicles sold** were up 19.5% in January, compared to January 2021.
Fast Stats March 2022
Key takeaways:

- The RMB/BER Business Confidence Index for 1Q 2022 was up 3 points, compared to 4Q 2021.
- The average crude oil price (Brent/barrel) in February was $97.01.
- South Africa recorded a merchandise trade surplus of R3.6 billion in January.
- Total vehicles sold were up 18.8% for January-February, compared to January-February 2021.
- The volume of mining production in January was up 0.1%, compared to January 2021.

Fast Stats April 2022
Key takeaways:

- The Sacci Business Confidence Index in March was down 1.3 points, compared to February.
- The growth in money supply in February was 6.44%, compared to 5.65% in January.
- The headline inflation rate for March 2022 was 5.9%, compared to 3.2% in March 2021.
- Equities net purchases/sales by foreigners for January-March reached R27.2 billion.
- The average gold price per ounce in March was $1 857, compared to $1 835 in February 2021. The average platinum price per ounce was $950 compared to $1 835 in June 2021.
- The average gold price per ounce in April was $960, compared to $1 207 for the same period.

Fast Stats May 2022
Key takeaways:

- The Leading Business Indicator in February was down 0.1%, compared to January.
- The headline inflation rate for April 2022 was 5.9%, compared to 4.4% in April 2021.
- The average platinum price per ounce in April was $960, compared to $1 207 in April 2021.
- The average crude oil price (Brent/barrel) in April was $104.28.
- South Africa recorded a merchandise trade surplus of R62.1 billion for January-March.

Fast Stats June 2022
Key takeaways:

- The Sacci Business Confidence Index in May was down 4.4 points, compared to April.
- The growth in money supply in April was 7.50%, compared to 8.43% in March.
- The average gold price per ounce in May was $1 850, compared to $1 849 in May 2021.
- The average crude oil price (Brent/barrel) in May was $113.12.
- Total vehicles sold were up 12.2% for January-May, compared to January-May 2021.

Fast Stats July 2022
Key takeaways:

- The Leading Business Indicator in April was down 0.3%, compared to March.
- The average platinum price per ounce was $950 in June, compared to $1 118 in June 2021.
- The average crude oil price (Brent/barrel) in June was $122.78.
- South Africa recorded a merchandise trade surplus of R105.9 billion for January-May.
- Total vehicles sold were up 11.4% for January-June, compared to January-June 2021.
Fast Stats August 2022
Key takeaways:
- The headline inflation rate for July 2022 was 7.8%, compared to 4.6% in July 2021.
- Equities net purchases/sales by foreigners for January-July 2022 reached -R43.0 billion.
- The average crude oil price (Brent/barrel) in July was $111.63.
- Vehicles exported were up 2.5% for January-July compared to January-July 2021.
- The volume of mining production was down 7.5% for January-June, compared to January-June 2021.

Fast Stats September 2022
Key takeaways:
- The Leading Business Indicator in July was down 1.0%, compared to June.
- Equities net purchases/sales by foreigners for January-August reached -R50.9 billion.
- The growth in money supply in July was 8.15%, compared to 8.33% in June.
- The average platinum price per ounce in August was $903.
- Tractors sold were up 17.3% for January-August, compared to January-August 2021.

Fast Stats October 2022
Key takeaways:
- The Sacci Business Confidence Index for September was up 5.3 points, compared to August.
- The average gold price per ounce in September was $1683.
- The average crude oil price (Brent/barrel) in September was $90.43.
- South Africa recorded a merchandise trade surplus of R163.4 billion for January-August.
- Vehicles exported were up 14.4% for January-September, compared to January-September 2021.

Fast Stats November 2022
Key takeaways:
- The growth in money supply in September was 8.75%, compared to 8.15% in August.
- Equities net purchases/sales by foreigners for January-October reached -R71.9 billion.
- The average platinum price per ounce in October was $916.
- South Africa recorded a merchandise trade surplus of R175.4 billion for January-September.
- Total vehicles sold were up 13.1% for January-October 2022, compared to January-October 2021.

Fast Stats December 2022
Key takeaways:
- The Leading Business Indicator in September was up 1.4%, compared to August.
- The Sacci Business Confidence Index in November was up 1.5 points, compared to October.
- The headline inflation rate for November 2022 was 7.4%, compared to 5.5% in July 2021.
- The average gold price per ounce in November was $1 726.
- The average crude oil price (Brent/barrel) in November was $91.90.
Macro Review

The Macro Review is a monthly report providing in-depth assessments of the trends shaping specific current social, economic, and political risks in South Africa. Twelve editions were published in 2022.

South Africa’s Quality of Life (January)
This edition tracked South Africa’s progress in improving the quality of life of its residents, drawing comparisons between the country’s nine provinces as well as the different race groups.

Budget 2022 and Beyond: The calm before the storm? (February)
This edition unpacked the trends and key policy risks emerging from the 2022/23 National Budget delivered by the Minister of Finance, Enoch Godongwana, on 23 February 2022.

SA’s Education and Skills Mismatch (March)
This edition looked at South Africa’s broader education system, providing an assessment of quality and output over time.

SA’s Investment Conundrum (April)
This edition tracked foreign investment trends in South Africa, as well as South African investment offshore over the short, medium, and long term.

Siege Economy: SA Trade (May)
This edition utilised South African trade indicators to lift the lid on the country’s trade landscape and analysed the risks that would impact the country’s future exports and imports.

Dark days for South Africa (June)
This edition looked at South Africa’s electricity generation capacity and how disruptions had impacted the country’s economic performance.
Municipal Malaise (July)
This edition reviewed the state of municipalities in South Africa, focusing on the political and socio-economic implications of persistent local government failures.

South Africa's Crime Epidemic (August)
This edition looked at South Africa's national crime trends, the cost of violence, and the increase in private anti-crime strategies, raising a case for decentralised policing.

Out Of A Job: SA's Great Crisis (September)
This edition looked at South Africa's unabating unemployment crisis, notably the risks associated with high levels of youth unemployment, and the overall harmful effects of the country's labour policies.

South Africa's Elusive Demographic Dividend (October)
This edition provided an overview of demographic trends, highlighting key trends such as the gradual increase in dependency on the employed.

Welfare State: Social grants in South Africa (November)
This edition provided an overview of South Africa's welfare system, emphasising that taxpayers were far outnumbered by grant recipients and the unemployed.

South Africa in Brief (December)
This edition looked at South Africa across a range of political, economic, and social indicators, tracking the country's successes and failures since the dawn of democracy.

Strategic Intelligence Report
These reports provide CRA users with a deep-dive analysis of the current macro socio-political and economic environment in South Africa, together with scenarios on how that environment will change over the next decade.
Coalition Country (November)
This report examined how coalitions were increasingly becoming a permanent feature of South African political life, and how the 2024 election could play out.

Things Fall Apart (December)
This edition examined developments in South Africa, including the social and economic forces influencing the trajectory of the country.

Risk Alert
Every Monday morning, the CRA discusses the key events and trends in South Africa and the world. In no more than two pages (and under ten minutes of audio) we provide weekly cutting-edge strategic intelligence for CRA clients. Forty-five editions of the Risk Alert were published in 2022.

Client Note
These notes, usually between two and three pages long, are published on an ad hoc basis, focusing on a single topic (e.g., healthcare, emerging markets, property rights, by-elections). Seven editions of the Client Note were published in 2022.

Socio-Economic Survey of South Africa (CRA) / South Africa Survey (IRR)
The annual Socio-Economic Survey of South Africa (published as the South Africa Survey by the IRR) provides primary data on the economy, government finances, living standards, healthcare, crime, education, and demographics. The 2023 edition was published in March 2023, running to over 800 pages of tables and graphics. Fourteen chapters were featured, as listed below. These were also published as stand-alone PDF and Excel reports:
• Demographics
• The Economy
• Public Finance
• Employment
• Assets and Incomes
• Business and Infrastructure
• Industrial Relations
• Education
• Health
• Social Security
• Living Conditions
• Communications
• Crime and Security
• Politics and Government
IRR Head Office

Group media presence 1 January to 31 December 2022 – selected stats

- Opinion pieces 1 198 (1 349 end Dec 2021)
- Citations 377 (577 end Dec 2021)
- Interviews 356 (406 end Dec 2021)
- Press releases 75 (95 end Dec 2021)
- Video/audio clips (adding FAN, CRA) 835 (703 end Dec 2021)
- Social media posts (TDF, IRR only) 4 815 (4 965 end Dec 2021)
- IRR Twitter followers 33 780 (33 186 end Dec 2021)
- IRR Facebook likes 106 304 (104 780 end Dec 2021)
- Daily Friend Twitter followers 3 925 (3 213 end Dec 2021)
- Daily Friend Facebook net likes 65 065 (62 208 end Dec 2021)
- Daily Friend Instagram net likes 883 (541 end Dec 2021)
- Unique visitors to the Daily Friend website 734 444 (901 506 end Dec 2021)
- Daily Friend site articles read 3.4m (3.8m end Dec 2021)
- Daily Friend e-mail newsletter subscribers 71 269 (119 298 end Dec 2021)
- Big Daddy Liberty videos views (YouTube) 816 446 (634 317 end Dec 2021)
- Big Daddy Liberty video views (Facebook) 543 456 (979 220 end Dec 2021)
- Big Daddy Liberty YouTube subscribers 37 949 (34 000 end Dec 2021)
- Big Daddy Liberty Facebook followers 76 786 (85 342 end Dec 2021)

Reports released 1 January to 31 December 2022

- IRR publications: FreeFacts 12
  @Liberty 0
  Policy submissions 17
  Other (occasional incl. SAS) 7 36

- CRA publications: Fast Stats 12
  Macro Review 12
  Strategic Intelligence Report 2
  Socio-Economic Survey 1
  S-E Survey Chapters (3+11) 14 41

- Total reports and publications: 77 (64 end Dec 2021)

Group events 1 January to 31 December 2022

- 108 formal briefings IRR and CRA combined (140 end December 2021)
- 441 meetings with policy makers and influencers (includes above briefings) (509 end December 2021)
Deaths of Mr John Kane-Berman, Professor Charles Simkins, and Mr Ian Cruikshanks

The IRR marked the end of an era as John Kane-Berman, CEO from 1983-2014, passed away on 27 July 2022 after a short illness (see page 10). It is also with great sadness that we have to report the death of economist Professor Charles Simkins on 8 December 2022 (see page 10), and of Ian Cruickshanks, the IRR's Chief Economist from November 2013, on 12 March 2022. We released a tribute to Mr Cruickshanks on the Daily Friend on 16 March 2022, titled 'Veteran IRR analyst Cruickshanks dies'.

Governance and compliance

• The 2022 meeting of the Council was held online on 4 June 2022.

• The 2022 annual general meeting of voting members was held online on 6 June 2022.

Elections

Vice Presidents and Honorary Life Members: Council elected three new Vice Presidents and five new Honorary Life Members via round robin.

New Board and election of Board Chairman: At the Council meeting on 4 June 2022, a new Board was nominated, and subsequently elected at the AGM of Members on 6 June 2022. At its first ensuing meeting, the Board re-elected Mr Roger Crawford as its Chairman for another year.

Investment Advisory Panel: We established an Investment Advisory Panel, which is not a statutory committee, after the Investment Committee became dormant in 2021. This panel is tasked with giving advice on allocations of the IRR's investments.

Resignations

Mr Martin van Staden resigned from Council on 2 October 2022 in light of his appointment as Deputy Head of Policy Research.

Bursary Selection Committee

The IRR bursary programme came to an end with effect from 31 December 2022. A book commemorating the history of the programme was commissioned and is in production, and the members of the bursary selection committee were thanked for their diligent and dedicated service over many years.

Finance and administration

Finance

The crowdfunding environment remains extremely challenging, even though it is still the IRR's preferred method of fundraising and continues to contribute the bulk of the organisation's income. While continuing to seek ways to improve crowdfunding, the IRR will also focus on cost discipline and on identifying alternative sources of funding.

The financial statements for 2022 which follow show that the IRR secured income from projects, donors and sales of R20 556 758 in 2022, a marginal increase of 2.5% from the R20 049 526 in 2021. Operating expenses were down 5.6% year-on-year, from R28 726 734 in 2021 to R27 103 254 in 2022. The resulting operating deficit was R6 546 496 in 2022, an improvement of 24.6% on the deficit of R8 677 208 recorded in 2021. However, while income on investments of R8 241 835 in 2021 almost covered that year’s operating deficit, a loss on investments of R3 516 657 in 2022 exacerbated the deficit, resulting in an overall deficit of R10 063 153 in 2022 versus a deficit of R4 373 373 in 2021. The poor performance of the investments was linked to the downturn in the U.S. stock markets, which recorded their worst year since 2008 in 2022, with the S&P500 losing almost 20% in value. For 2023, the IRR is budgeting to break even.
Staff

During 2022, five persons joined the IRR staff and seven left. We contracted two people and ended one contract. We added four interns, while two left. At the end of 2022 we counted 25 staff, seven people on contract, and two interns. We counted a total of 34 personnel (permanent staff, staff on contract and interns) at the end of 2022, as well as ten contributors throughout the year.

Mr Sihle Ngobese's service agreement was extended to end October 2023.

Two members of staff celebrated long-service awards: Alfred Nkungu, 35 years, and Tamara Dimant, 30 years of service.

Thanks

I thank the people and organisations that support our efforts to create a freer and more prosperous South Africa. The IRR's successes are the result of their support, as well as the hard work, courage and dedication of my colleagues, who hold the liberal line in the face of all manner of challenges. I am immensely grateful to them. We will continue forthrightly and unapologetically to advocate classically liberal ideas. It is those ideas – and the policies based on them – that will drive the economic growth that will create the opportunity for South Africans to free themselves from a future of dependency and deprivation.

Johannesburg
May 2023

J P Endres
SOUTH AFRICAN INSTITUTE
OF RACE RELATIONS NPC

ANNUAL FINANCIAL STATEMENTS
for the year ended 31st December 2022

COMPANY REGISTRATION NUMBER: 1937/010068/08
NON-PROFIT REGISTRATION NUMBER: 000-709-NPO
PUBLIC BENEFIT ORGANISATION NUMBER: 930006115

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The annual financial statements set out on pages 55-68 were drawn up by R D le Roux BCom (Acc), audited as required by the Companies Act, and have been approved by the Board of Directors.
SOUTH AFRICAN INSTITUTE
OF RACE RELATIONS NPC

ANNUAL FINANCIAL STATEMENTS
for the year ended 31st December 2022

COMPANY INFORMATION

Country of incorporation: South Africa

Registration numbers:
- Company registration number: 1937/010068/08
- Non-Profit registration number: 000-709-NPO
- Public Benefit Organisation number: 930006115

Nature of business: Research and bursary administration

Postal address:
P O Box 291722
Melville
2109 Johannesburg

Registered address:
222 Smit Street
Braamfontein
2000 Johannesburg
(Virtual Office)

Auditors: BDO South Africa Inc., Chartered Accountants (SA), Registered Auditors

Bankers: First National Bank

Council Office Bearers:
- R Lamberti: President
- R D Crawford: Vice President
- P Leon: Vice President (Elected 16/3/2022)
- P Majozi: Vice President (Elected 16/3/2022)
- T Nolutshungu: Vice President (Elected 16/3/2022)

Non-Executive Directors:
- R D Crawford: Chairman of Board of Directors
- A Patel: Audit Committee Chairman
- P Leon: Honorary Legal Adviser
- W C Bishop
- A Cadman
- J A Elgie
- P Majozi
- D F P Taylor

Executive Director: J P Endres

Company Secretary: R D le Roux

Business address: 222 Smit Street, Braamfontein, 2000 Johannesburg
Postal address: P O Box 291722, Melville, 2109 Johannesburg
CORPORATE GOVERNANCE

The South African Institute of Race Relations NPC (the Institute) applies the principles set out in the King Report on Governance for South Africa 2009 (King IV) except for those principles that are inappropriate because of its nature and limited size. Exceptions are explained below.

Board of Directors

The Institute is controlled by the Board, which meets quarterly. The roles of Chairman and Chief Executive do not vest in the same person. Directors are appointed annually and re-appointment is not automatic. New members of the Board are appropriately inducted and the Board and its committees are evaluated annually. Membership of the Board is set out on page 52 of the annual financial statements. The Board is assisted by the Audit, Remuneration, and Social and Ethics Committees, whose members are listed on page 4.

Audit Committee

The Audit Committee, which is not a statutory committee but established by a decision of the Board, assists the Board by reviewing the annual financial statements and obtaining assurance from management, supplemented by external audit, regarding the effectiveness of internal controls, the management of risk, and compliance with relevant laws and regulations. The small size of the Institute’s administrative structures makes it unnecessary to establish formal risk management or an internal audit function. The Committee satisfies itself regarding the effectiveness of the Institute’s finance function. The Committee, consisting of 3 independent non-executive directors, meets at least twice a year.

Remuneration Committee

The Remuneration Committee is responsible for determining the remuneration of executive management and recommending overall remuneration policies to the Board. The Committee consists of no fewer than 3 independent non-executive directors appointed by the Board. The remuneration of the Chief Executive and the Prescribed Officer is disclosed. The Committee reported during the year to the Board and to the Annual General Meeting of Members.

Social and Ethics Committee

To advise the Board on social and ethical matters in accordance with the Companies Act, the Board appointed a Social and Ethics Committee. The Committee reported during the year to the Annual General Meeting of Members and the Board.

Company Secretary

All directors have unlimited access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed.

Financial control

The Institute maintains accounting and administrative control systems designed to provide reasonable assurance that assets are safeguarded and that transactions are appropriately executed and recorded. These controls include proper delegation of responsibilities, effective accounting procedures, and adequate segregation of duties, which are monitored regularly.

Sustainability

The main object of the Institute is to promote democracy, human rights, development, and reconciliation between the various peoples of South Africa through the conduct and publication of relevant political and socio-economic research and the provision of bursaries on the basis of merit and need. Note: the bursary programme was discontinued from 31 December 2022. The sustainability of the Institute itself depends on careful management of its financial resources as reflected in its annual financial statements. The effect of the Institute’s operations on the physical environment is immaterial and is not separately dealt with in this report.

Code of ethics

The South African Institute of Race Relations conducts its activities in accordance with the principles of excellence, integrity, human dignity, and fairness.
DIRECTORS’ RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Institute as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Institute and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures, and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Institute and all employees are required to maintain the highest ethical standards in ensuring the Institute’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Institute is on identifying, assessing, managing, and monitoring all known forms of risk across the Institute. While operating risk cannot be fully eliminated, the Institute endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems, and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Institute’s cash-flow forecast for the year to 31st December 2023 and, in the light of this review and the current financial position, they are satisfied that the Institute has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Institute’s annual financial statements. The annual financial statements have been examined by the Institute’s external auditors and their report is presented on page 53-54.

The annual financial statements set out on pages 55-68, which have been prepared on a going concern basis, as well as the Directors’ report presented on pages 51 and 52, were approved by the Board, and were signed on its behalf by:

J P Endres

A Patel
CERTIFICATE BY THE COMPANY SECRETARY

In accordance with the provisions of section 88(2)(e) of the Companies Act, I certify that to the best of my knowledge and belief, the company has filed for the financial year ended 31st December 2022 all such returns and notices as are required of a non-profit company in terms of the said Act, and all such returns and notices appear to be true, correct and up to date.

R D le Roux

DIRECTORS’ REPORT

The directors submit their report for the year ended 31st December 2022.

Review of the Institute’s business and operations
The main purpose of the Institute is to promote democracy, development, human rights, and reconciliation across the colour line. We seek to attain these objectives by conducting and publishing relevant research and policy analysis and by providing bursaries on the basis of merit and need.

The operating results and state of affairs of the Institute are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Going concern
The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations, and commitments will occur in the ordinary course of business.

Dividends
The Institute is a non-profit organisation. It has no shareholders and is not permitted by its memorandum of incorporation to distribute profits to its members.

Auditors
The directors recommend that BDO South Africa Incorporated be appointed to office as auditors in accordance with Section 90 of the Companies Act of South Africa. Ana Phillips is the designated director.

Secretary
R D le Roux served as secretary of the Institute for the year ended 31st December 2022.
**Directors**
The directors of the Institute during the year and to the date of this report are as follows:

**Non-Executive Directors**
- R D Crawford  
  Chairman of the Board of Directors  
- A Patel  
  Audit Committee Chairman  
- P Leon  
  Honorary Legal Adviser  
- W C Bishop  
- A Cadman  
- J A Elgie  
- P Majozi  
- D F P Taylor

**Executive Director**
- J P Endres

**Remuneration policy**
The Remuneration Committee operates in terms of a charter approved by the Board. All members are non-executive directors. The committee meets in time to approve remuneration adjustments normally due on 1st October each year. Salaries of senior management are determined by the committee in consultation with the Chief Executive. The Chief Executive's own salary is determined by the committee in his absence. Salaries of other staff members are decided by the Chief Executive after consulting the committee and his senior colleagues. All salary adjustments are performance-based, while also taking into account affordability and increased responsibility. Remuneration consists entirely of a fixed salary except in the case of a few individuals whose remuneration is partly dependent on success in marketing Institute services or raising funds for special projects (excluding the Chief Executive and Head of Finance).

The Chief Executive is authorised to grant salary increases during the year at his discretion, except where it involves senior management, in which case he obtains permission from the Chairman of the committee.

**Report of the Audit Committee**
The Audit Committee has three members, all of whom are independent non-executive directors of the Institute. The committee has met twice since the previous Annual General Meeting of Members and has performed the following functions:

- Recommended BDO South Africa Inc. as auditors and Ana Phillips as the designated director for the 2022 financial year;
- Satisfied itself that the auditors are independent;
- Approved the annual financial statements of the Institute for 2022, prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs), and recommended them to the Board for approval;
- Satisfied itself, based on information received from management and the auditors, that the internal control of the Institute is adequate, that the accounting policies followed are appropriate and that the audit was properly carried out.
- The Audit Committee evaluates and considers the risks facing the Institute of Race Relations from time to time.
Independent Auditor’s Report
To the members of
South African Institute of Race Relations NPC

Opinion
We have audited the financial statements of South African Institute of Race Relations NPC (the company), which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of South African Institute of Race Relations NPC as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors’ Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The directors are responsible for the other information. The other information comprises the information included in the document titled “South African Institute of Race Relations NPC Financial Statements for the year ended 31 December 2022”, which includes the Directors’ Report as required by the Companies Act of South Africa and the supplementary information. The other information does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements
The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the directors are responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO South Africa Inc.
Registered Auditors

Director
Registered Auditor

23 May 2023

Wanderers Office Park
52 Corlett Drive
Illovo, 2196
# STATEMENT OF FINANCIAL POSITION

as at 31st December 2022

<table>
<thead>
<tr>
<th>Notes</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>2</td>
<td>814 058</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>3</td>
<td>533 164</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>1 347 222</td>
</tr>
<tr>
<td>Investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Bursary</td>
<td>18.1</td>
<td>7 795 008</td>
</tr>
<tr>
<td>Other Institute investments</td>
<td>18.2</td>
<td>15 738 643</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>23 533 651</td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>5</td>
<td>1 036 470</td>
</tr>
<tr>
<td>Cash resources</td>
<td>6</td>
<td>155 149</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>1 191 619</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td>26 072 492</td>
</tr>
</tbody>
</table>

| **FUNDS AND LIABILITIES** |        |        |
| Funds and reserves |        |        |
| Accumulated funds | | 13 171 365 | 23 234 518 |
| **Total** | | 13 171 365 | 23 234 518 |
| Special funds |        |        |
| – Bursary | 16/17 | 7 795 008 | 14 615 013 |
| **Total** | | 7 795 008 | 14 615 013 |
| Non current liabilities |        |        |
| Instalment lease | 9 | – | 81 636 |
| **Total** | | – | 81 636 |
| Current liabilities |        |        |
| Finance leases | 8 | – | 55 462 |
| Instalment lease | 9 | 85 166 | 80 686 |
| Income received in advance | | 1 753 932 | 1 779 111 |
| Trade and other payables | 7 | 3 267 021 | 4 919 313 |
| **Total** | | 5 106 119 | 6 834 572 |
| **Total Funds and Liabilities** | | 26 072 492 | 44 765 739 |
### STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31st December 2022

<table>
<thead>
<tr>
<th>Notes</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration fees received</td>
<td>243 503</td>
<td>276 873</td>
</tr>
<tr>
<td>Grants and donations</td>
<td>16 291 573</td>
<td>15 564 453</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>4 010 679</td>
<td>4 197 692</td>
</tr>
<tr>
<td>Publication sales</td>
<td>11 003</td>
<td>10 508</td>
</tr>
<tr>
<td><strong>Total INCOME</strong></td>
<td><strong>20 556 758</strong></td>
<td><strong>20 049 526</strong></td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation</td>
<td>3</td>
<td>439 330</td>
</tr>
<tr>
<td>Auditors’ remuneration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Fees for the audit</td>
<td>12</td>
<td>334 745</td>
</tr>
<tr>
<td>Bad debts (recovered)/provided</td>
<td></td>
<td>(337 414)</td>
</tr>
<tr>
<td>Outsourced contributors</td>
<td>4 654 939</td>
<td>5 669 960</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2</td>
<td>311 375</td>
</tr>
<tr>
<td>Finance cost</td>
<td>11</td>
<td>18 839</td>
</tr>
<tr>
<td>Legal costs</td>
<td></td>
<td>38 273</td>
</tr>
<tr>
<td>Loss on disposal of plant and equipment</td>
<td>11 264</td>
<td>152 466</td>
</tr>
<tr>
<td>Overheads and administration</td>
<td>2 181 164</td>
<td>1 861 724</td>
</tr>
<tr>
<td>Personnel</td>
<td>18 250 090</td>
<td>17 556 956</td>
</tr>
<tr>
<td>Postage</td>
<td>8 247</td>
<td>12 195</td>
</tr>
<tr>
<td>Printing</td>
<td>34 563</td>
<td>12 938</td>
</tr>
<tr>
<td>Rent and utilities</td>
<td>180 039</td>
<td>732 077</td>
</tr>
<tr>
<td>Survey/Polling cost</td>
<td></td>
<td>–</td>
</tr>
<tr>
<td>Telecommunications and social media</td>
<td>818 987</td>
<td>892 404</td>
</tr>
<tr>
<td>Travel</td>
<td>158 813</td>
<td>104 468</td>
</tr>
<tr>
<td><strong>Total EXPENSES</strong></td>
<td><strong>27 103 254</strong></td>
<td><strong>28 726 734</strong></td>
</tr>
<tr>
<td><strong>OPERATING DEFICIT FOR THE YEAR</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(6 546 496)</td>
<td>(8 677 208)</td>
</tr>
<tr>
<td><strong>INCOME FROM INVESTMENTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realised (loss)/gain on disposal of investments</td>
<td>(2 544 793)</td>
<td>596 939</td>
</tr>
<tr>
<td>Unrealised (loss)/gain on investments</td>
<td>(1 167 711)</td>
<td>7 592 416</td>
</tr>
<tr>
<td>Interest received</td>
<td>195 847</td>
<td>52 480</td>
</tr>
<tr>
<td><strong>Net (loss)/income from investments</strong></td>
<td><strong>(3 516 657)</strong></td>
<td><strong>8 241 835</strong></td>
</tr>
<tr>
<td><strong>DEFICIT FOR THE YEAR</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>(10 063 153)</strong></td>
<td><strong>(435 373)</strong></td>
</tr>
</tbody>
</table>
**STATEMENT OF CHANGES IN EQUITY**

for the year ended 31st December 2022

<table>
<thead>
<tr>
<th>Description</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1st January 2021</td>
<td>R 23 669 891</td>
<td>(R 435 373)</td>
</tr>
<tr>
<td>Deficit for the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 31st December 2021</td>
<td>R 23 234 518</td>
<td></td>
</tr>
<tr>
<td>Balance at 1st January 2022</td>
<td>R 23 234 518</td>
<td>(R 10 063 153)</td>
</tr>
<tr>
<td>Deficit for the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 31st December 2022</td>
<td>R 13 171 365</td>
<td></td>
</tr>
</tbody>
</table>

**STATEMENT OF CASH FLOWS**

for the year ended 31st December 2022

<table>
<thead>
<tr>
<th>Description</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deficit for the year</td>
<td>(R 10 063 153)</td>
<td>(R 435 373)</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation/Amortisation</td>
<td>750 705</td>
<td>737 365</td>
</tr>
<tr>
<td>Interest received</td>
<td>(195 847)</td>
<td>(52 480)</td>
</tr>
<tr>
<td>Fair value (gain)/loss on investment</td>
<td>3 712 504</td>
<td>(8 189 355)</td>
</tr>
<tr>
<td>Loss on disposal of plant and equipment</td>
<td>11 264</td>
<td>152 466</td>
</tr>
<tr>
<td>(Decrease)/increase sales prepaid</td>
<td>(25 179)</td>
<td>591 187</td>
</tr>
<tr>
<td>Finance costs</td>
<td>18 839</td>
<td>38 372</td>
</tr>
<tr>
<td>Movement in working capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– decrease/(increase) in trade and other receivables</td>
<td>948 937</td>
<td>604 343</td>
</tr>
<tr>
<td>– (decrease)/increase in trade and other payables</td>
<td>(1 652 292)</td>
<td>1 418 050</td>
</tr>
<tr>
<td>Sub total</td>
<td>(6 494 222)</td>
<td>(5 135 425)</td>
</tr>
<tr>
<td>Interest received</td>
<td>195 847</td>
<td>52 480</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(18 839)</td>
<td>(38 372)</td>
</tr>
<tr>
<td>Net cash outflow from operating activities</td>
<td>(6 317 214)</td>
<td>(5 121 317)</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sale of shares</td>
<td>4 530 081</td>
<td>5 200 000</td>
</tr>
<tr>
<td>Acquisition of plant equipment and other intangible assets</td>
<td>(739 784)</td>
<td>(714 111)</td>
</tr>
<tr>
<td>Net cash generated/(utilised)</td>
<td>3 790 297</td>
<td>4 485 889</td>
</tr>
<tr>
<td>Net cash flow from financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments of finance lease arrangements</td>
<td>(105 208)</td>
<td>(370 512)</td>
</tr>
<tr>
<td>Net cash utilised for the year</td>
<td>(2 632 125)</td>
<td>(1 005 939)</td>
</tr>
<tr>
<td>Cash resources at beginning of the year</td>
<td>2 787 274</td>
<td>3 793 213</td>
</tr>
<tr>
<td>Cash resources at end of the year</td>
<td>155 149</td>
<td>2 787 274</td>
</tr>
</tbody>
</table>
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31st December 2022

1. ACCOUNTING POLICIES

Basis of preparation
The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below.

These annual financial statements are presented in South African Rands, the currency of South Africa and the country in which the Institute is incorporated.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty
In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Although these estimates are based on management’s best knowledge of current events and actions, actual results ultimately may differ from those estimates.

Financial assets measured at cost and amortised cost
The Institute assesses its financial assets measured at cost and amortised cost for impairment at each reporting period date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Institute makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment of financial assets measured at cost and amortised cost is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting period date that correlate with defaults on the portfolio.

Impairment testing
The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values. These calculations require the use of estimates and assumptions. It is reasonably possible that the residual value assumption may change which may then affect the estimations and require a material adjustment to the carrying value of tangible assets.

The Institute reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets.

Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, including political stability, sponsor contributions and demand for research as produced by the Institute, together with economic factors such as exchange rates, inflation, and interest rates.

Taxation
The Institute is a Public Benefit Organisation in terms of section 30 (cN) of the Income Tax Act No. 58 of 1962, (‘the Act’) and the receipts and accruals are exempt from Income Tax in terms of Section 10(1) (cN) of the Act.

Fair value measurement
The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the company is the price at reporting date.
NOTES (continued)

Useful lives of depreciable assets
Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

1.2 Furniture and equipment
Library books are not depreciated. Library books are stated at cost and the archives, which are housed at the University of the Witwatersrand, are carried at no cost. Other assets are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis to write off the depreciable value of each asset over its estimated useful life as follows:

- Furniture and equipment: 3–6 years
- Motor vehicles: 5 years

The depreciable value is the cost less the residual value. The residual values and useful lives are reviewed at each reporting date and adjusted if appropriate. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (thus impairment losses are recognised).

Gains and losses on disposals of plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

1.3 Accumulated Funds
All reserves are reflected under accumulated funds.

1.4 Impairment
The Institute assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Institute estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, a recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual assets, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of the fair value less cost to sell and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The reduction is an impairment loss and is charged to profit and loss.

1.5 Contingencies and commitments
Transactions are classified as contingencies where the Institute's obligations depend on uncertain future events. Items are classified as commitments where the Institute commits itself to future transactions with external parties.

1.6 Financial instruments
Initial recognition
The Institute classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the agreement.

Financial assets and financial liabilities are recognised on the Institute's statement of financial position when the Institute becomes party to the contractual provisions of the instrument.

Financial instruments at amortised cost
Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include accounts receivable, accounts payable, and instalment sale agreement liabilities. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.
NOTES (continued)

Investments
Investments are stated at fair value. For Bursary Funds, the increase or decrease in fair value is
capitalised. For the Institute, the increase or decrease is recognised as a fair value adjustment through
profit and loss in the Statement of Comprehensive Income.

Special Funds
Funds specifically designated by donors may, at the discretion of the Institute, be retained and
invested by the Institute pending disbursement.

Bursary Funds and Special Research Projects
The Funds and Projects administered by the Institute are disclosed in these financial statements in Note
17/18.

1.7 Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments
that are readily convertible to a known amount of cash and are subject to an insignificant risk of
change in value. These are initially and subsequently recorded at fair value.

1.8 Revenue
Revenue from the supply of services is recognised when all the following conditions have been
satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Institute;
- and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably,
revenue associated with the transaction is recognised by reference to the stage of completion of
the transaction at the end of the reporting period. The outcome of a transaction can be estimated
reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Institute;
- the stage of completion of the transaction at the end of the reporting period can be measured
  reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured
  reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably,
revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration receivable and represents the amounts
receivable for goods and services provided in the normal course of business, net of trade discounts
and valued added tax.

Interest income is recognised on an accrual basis, using the effective interest rate method. Dividends
received are recognised when the right to receive payment is established.

Membership fees and subscriptions
Membership fees are recognised in the accounting period in which members renew their membership,
while subscription fees are recognised in the accounting period in which services to subscribers are
rendered.
For subscription fees collected in advance, the revenue is deferred to income received in advance in
the statement of financial position.

Donations and grants
Donations and grants are brought to account on a cash-received basis except where they cover more
than one year, in which case they are brought into income over the period.
NOTES (continued)

1.9 Leases
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 leases
Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Finance leases
Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property, or if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The lease payments are apportioned between the finance charge and reduction in outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of return over the remaining balance of the liability.

1.10 Investment policy
Investment income consists of net realised surpluses and deficits on the sale of investments, net unrealised surpluses and deficits on the valuation of investments at fair value, interest, and dividends. Realised and unrealised surpluses and deficits are recognised in the profit or loss.

1.11 Short-term employee benefits
The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

The accrual for employee entitlements to annual leave represents the amount which the Institute has a present obligation to pay as a result of employees' service provided up to the reporting date. The accrual has been calculated at undiscounted amounts based on current salary rates.

1.12 Finance costs
Finance costs are recognised as an expense in the period in which they are incurred.

1.13 Trade and other payables
Trade and other payables are recognised at amortised costs. Where there is no discount or it is immaterial, trade payables with no stated interest rate are measured at original invoice amount.

1.14 Trade and other receivables
Impairment of trade and other receivables required the consideration of the impairment indicators, namely significant financial difficulties of the debtor, or delinquency in payments.
NOTES (continued)

2. PLANT AND EQUIPMENT

<table>
<thead>
<tr>
<th></th>
<th>Furniture and equipment</th>
<th>Motor vehicles</th>
<th>Library</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$R$</td>
<td>$R$</td>
<td>$R$</td>
<td>$R$</td>
</tr>
<tr>
<td>Year ended 31st December 2022</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening net carrying amount</td>
<td>382 887</td>
<td>248 670</td>
<td>404 000</td>
<td>1 035 557</td>
</tr>
<tr>
<td>Additions</td>
<td>128 550</td>
<td>–</td>
<td>–</td>
<td>128 550</td>
</tr>
<tr>
<td>Disposals</td>
<td>(38 673)</td>
<td>–</td>
<td>–</td>
<td>(38 673)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(264 930)</td>
<td>(46 445)</td>
<td>–</td>
<td>(311 375)</td>
</tr>
<tr>
<td>Closing net carrying amount</td>
<td>207 834</td>
<td>202 225</td>
<td>404 000</td>
<td>814 059</td>
</tr>
<tr>
<td>Year ended 31st December 2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening net carrying amount</td>
<td>814 525</td>
<td>295 114</td>
<td>404 000</td>
<td>1 513 639</td>
</tr>
<tr>
<td>Additions</td>
<td>145 745</td>
<td>–</td>
<td>–</td>
<td>145 745</td>
</tr>
<tr>
<td>Disposals</td>
<td>(93 567)</td>
<td>–</td>
<td>–</td>
<td>(93 567)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(483 816)</td>
<td>(46 444)</td>
<td>–</td>
<td>(530 260)</td>
</tr>
<tr>
<td>Closing net carrying amount</td>
<td>382 887</td>
<td>248 670</td>
<td>404 000</td>
<td>1 035 557</td>
</tr>
</tbody>
</table>

Year ended 31st December 2022

|                      | $R$                     | $R$            | $R$     | $R$   |
|----------------------|-------------------------|                |         |       |
| Cost                 | 899 306                 | 580 973        | 404 000 | 3 225 211 |
| Accumulated depreciation | (684 472)              | (378 748)      | –       | (2 411 152) |
| Closing net carrying amount | 207 834                | 202 225        | 404 000 | 814 059 |

3. INTANGIBLE ASSETS – WEBSITE DEVELOPMENT AND COMPUTER SOFTWARE

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year ended 31st December 2022</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening net carrying amount</td>
<td>361 260</td>
<td>83 375</td>
</tr>
<tr>
<td>Additions</td>
<td>611 234</td>
<td>568 365</td>
</tr>
<tr>
<td>Disposals</td>
<td>–</td>
<td>(83 375)</td>
</tr>
<tr>
<td>Amortisation</td>
<td>(439 330)</td>
<td>(207 105)</td>
</tr>
<tr>
<td></td>
<td>533 164</td>
<td>361 260</td>
</tr>
</tbody>
</table>

Year ended 31st December 2022

|                      | $R$                     | $R$            | $R$     | $R$   |
|----------------------|-------------------------|                |         |       |
| Cost                 | 1 179 599               | 568 365        | –       | 3 135 334 |
| Accumulated depreciation | (646 435)              | (207 105)      | –       | (2 099 777) |
|                      | 533 164                | 361 260        | –       |       |

4. RELATED PARTIES

Board of Directors:

Full details of all the directors of the Institute are set out under the Report of the Directors on page 52 of this annual report. With the exception of one executive director, whose remuneration is set out in Note 13, there have been no transactions with the executive and non-executive directors of the Institute.
### NOTES (continued)

#### 5. TRADE AND OTHER RECEIVABLES

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables</td>
<td>733 614</td>
<td>1 515 920</td>
</tr>
<tr>
<td>Receiver of Revenue – VAT</td>
<td>87 516</td>
<td>212 607</td>
</tr>
<tr>
<td>Staff debtors</td>
<td>215 339</td>
<td>256 880</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1 036 470</strong></td>
<td><strong>1 985 407</strong></td>
</tr>
</tbody>
</table>

#### 6. CASH RESOURCES

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current account</td>
<td>150 192</td>
<td>172 849</td>
</tr>
<tr>
<td>Call account</td>
<td>4 957</td>
<td>2 614 425</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>155 149</strong></td>
<td><strong>2 787 274</strong></td>
</tr>
</tbody>
</table>

#### 7. TRADE AND OTHER PAYABLES

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables</td>
<td>2 384 488</td>
<td>4 094 915</td>
</tr>
<tr>
<td>Accrual for leave pay</td>
<td>882 533</td>
<td>824 398</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3 267 021</strong></td>
<td><strong>4 919 313</strong></td>
</tr>
</tbody>
</table>

#### 8. FINANCE LEASES

The Institute had certain financial leases on office equipment. These leases were paid up in April 2022. The bulk of the equipment was returned to the supplier as per the agreement.

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Office equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum lease payments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– within a year</td>
<td>– 56 078</td>
<td>– 56 078</td>
</tr>
<tr>
<td>Less future lease charges</td>
<td>– (616)</td>
<td>– (616)</td>
</tr>
<tr>
<td>Present value of minimum lease payment</td>
<td>– 55 462</td>
<td>– 55 462</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>– 55 462</td>
<td>– 55 462</td>
</tr>
</tbody>
</table>

#### 9. INSTALMENT SALE

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Motor vehicle</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum instalment payments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- within a year</td>
<td>85 166</td>
<td>80 686</td>
</tr>
<tr>
<td>- within second to fourth year</td>
<td>– 97 387</td>
<td>– 97 387</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>85 166</strong></td>
<td><strong>178 073</strong></td>
</tr>
<tr>
<td>Less future lease charges</td>
<td>(15 752)</td>
<td>(15 752)</td>
</tr>
<tr>
<td>Present value of minimum lease payment</td>
<td><strong>85 166</strong></td>
<td><strong>162 321</strong></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>85 166</td>
<td>80 686</td>
</tr>
<tr>
<td>Non current liabilities</td>
<td>– 81 635</td>
<td>– 81 635</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>85 166</strong></td>
<td><strong>162 321</strong></td>
</tr>
</tbody>
</table>
### NOTES (continued)

#### 10. FINANCE COST

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance lease charges</td>
<td>18 839</td>
<td>38 372</td>
</tr>
<tr>
<td></td>
<td><strong>18 839</strong></td>
<td><strong>38 372</strong></td>
</tr>
</tbody>
</table>

#### 11. AUDITOR’S REMUNERATION

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>For audit services rendered</td>
<td>334 745</td>
<td>316 281</td>
</tr>
<tr>
<td></td>
<td><strong>334 745</strong></td>
<td><strong>316 281</strong></td>
</tr>
</tbody>
</table>

Audit fees paid in the 2022 financial year to BDO South Africa Inc are for the audit of the 2021 financial year. The 2022 audit fees to BDO South Africa Inc will be paid in 2023 and will reflect as such in the financial statements.

#### 12. DIRECTORS’ REMUNERATION

The director’s emoluments in connection with the affairs of the Institute, emoluments were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>J Endres – Salary (appointed as CEO on 1/12/2021)</td>
<td>1 995 120</td>
<td>1 469 509</td>
</tr>
<tr>
<td></td>
<td><strong>1 995 120</strong></td>
<td><strong>1 469 509</strong></td>
</tr>
</tbody>
</table>

#### 12.1 PRESCRIBED OFFICERS’ REMUNERATION

The prescribed officer’s emoluments in connection with the affairs of the Institute were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>RD Le Roux – Salary</td>
<td>1 297 634</td>
<td>1 259 763</td>
</tr>
<tr>
<td></td>
<td><strong>1 297 634</strong></td>
<td><strong>1 259 763</strong></td>
</tr>
</tbody>
</table>

#### 13. TAXATION

The Institute is exempt from tax in terms of Section 10(1) (cN) of the Income Tax Act No: 58 of 1962 (the Act) for the period under review.
14. RETIREMENT BENEFITS

Defined contribution plan

Two staff members are currently covered by an umbrella fund under the SA Welfare Consolidated Investment Portfolio (2021: three staff members). The Company is under no obligation to cover any unfunded benefits.

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>The total contribution to such schemes</td>
<td>145 373</td>
<td>156 063</td>
</tr>
</tbody>
</table>

15. CAPITAL EXPENDITURE

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>Authorised but not yet contracted for</td>
<td>850 000</td>
<td>648 000</td>
</tr>
</tbody>
</table>

The future capital expenditure is for computer equipment and software and will be funded out of cash resources.

16. SPECIAL FUNDS

BURSARIES

**INCOME**

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>Donations and grants</td>
<td>–</td>
<td>364 442</td>
</tr>
<tr>
<td>Interest</td>
<td>203 574</td>
<td>43 387</td>
</tr>
<tr>
<td>Dividends</td>
<td>265 977</td>
<td>320 297</td>
</tr>
<tr>
<td>Realised – Surplus on trading of investments</td>
<td>–</td>
<td>307 405</td>
</tr>
<tr>
<td>Unrealised – Surplus on investments</td>
<td>–</td>
<td>1 725 765</td>
</tr>
<tr>
<td></td>
<td>469 551</td>
<td>2 761 296</td>
</tr>
</tbody>
</table>

**EXPENSES**

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>Administration fees and running costs</td>
<td>464 855</td>
<td>353 012</td>
</tr>
<tr>
<td>Bursaries and grants</td>
<td>1 891 819</td>
<td>1 773 480</td>
</tr>
<tr>
<td>StudyTrust* (Refer to note below)</td>
<td>3 895 218</td>
<td>–</td>
</tr>
<tr>
<td>Unrealised – Loss on investments</td>
<td>573 322</td>
<td>–</td>
</tr>
<tr>
<td>Realised – Loss on investments</td>
<td>464 343</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>7 289 556</td>
<td>2 126 492</td>
</tr>
</tbody>
</table>

**SURPLUS FOR THE YEAR**

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>(6 820 005)</td>
<td>634 804</td>
<td></td>
</tr>
<tr>
<td>Accumulated funds at beginning of year</td>
<td>14 615 013</td>
<td>13 980 209</td>
</tr>
</tbody>
</table>

**NET ACCUMULATED FUNDS**

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>7 795 008</td>
<td>14 615 013</td>
<td></td>
</tr>
</tbody>
</table>

A list of the balances of the Special Funds administered by the Institute appears in Note 17 and the related investments are set out in Note 18.

*The Institute started phasing out the IRR’s Bursaries programme during 2022 in accordance with the Board’s decision and transferred funds to a well-established specialist bursary administrator, the StudyTrust. The remainder of the funds will be incorporated into the Institute’s working capital.
### 17. SPECIAL FUNDS

<table>
<thead>
<tr>
<th>Bursary Fund</th>
<th>Capital R</th>
<th>Amounts held for Bursary awards R</th>
<th>2022 R</th>
<th>2021 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amcham Fund</td>
<td>–</td>
<td>1 090 333</td>
<td>1 090 333</td>
<td>1 161 136</td>
</tr>
<tr>
<td>Clive Beck Education Trust</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>324 947</td>
</tr>
<tr>
<td>Durban Thekwini Bursary Fund</td>
<td>–</td>
<td>42 748</td>
<td>42 748</td>
<td>42 701</td>
</tr>
<tr>
<td>Giannopoulos Bequest</td>
<td>322 000</td>
<td>254 157</td>
<td>576 157</td>
<td>735 613</td>
</tr>
<tr>
<td>Horace Coaker Fund</td>
<td>500</td>
<td>1 294 307</td>
<td>1 294 807</td>
<td>1 336 622</td>
</tr>
<tr>
<td>Hungjao Bequest</td>
<td>821 831</td>
<td>349 671</td>
<td>1 171 502</td>
<td>1 287 412</td>
</tr>
<tr>
<td>Isaacson Foundation Bursary Fund</td>
<td>– 973 459</td>
<td>973 459</td>
<td>1 237 545</td>
<td></td>
</tr>
<tr>
<td>Johnson and Johnson Medical Bursary Fund</td>
<td>– –</td>
<td>–</td>
<td>131 641</td>
<td></td>
</tr>
<tr>
<td>Luthuli Memorial Foundation Fund</td>
<td>107 883 57 276</td>
<td>165 159</td>
<td>165 159</td>
<td></td>
</tr>
<tr>
<td>Oppenheimer Memorial Trust</td>
<td>–</td>
<td>360 229</td>
<td>360 229</td>
<td>1 602 853</td>
</tr>
<tr>
<td>Reginald Smith Memorial Trust</td>
<td>10 000 4 762</td>
<td>14 762</td>
<td>14 608</td>
<td></td>
</tr>
<tr>
<td>Robert Shapiro Trust</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>3 909 272</td>
</tr>
<tr>
<td>Senior Bursary Fund</td>
<td>50 000</td>
<td>33 988</td>
<td>83 988</td>
<td>83 988</td>
</tr>
<tr>
<td>Shirley Simons Fund</td>
<td>772 778</td>
<td>1 249 087</td>
<td>2 021 865</td>
<td>2 581 515</td>
</tr>
<tr>
<td><strong>TOTAL BURSARY FUNDS</strong></td>
<td><strong>2 084 992</strong></td>
<td><strong>5 710 016</strong></td>
<td><strong>7 795 008</strong></td>
<td><strong>14 615 013</strong></td>
</tr>
</tbody>
</table>
NOTES (continued)

18. INVESTMENTS

18.1 Bursary funds (Note 17)

<table>
<thead>
<tr>
<th>Equities and other investments</th>
<th>2022 Qty</th>
<th>2022 R</th>
<th>2021 Qty</th>
<th>2021 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed investments (Note 19)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash deposits</td>
<td>7 795 008</td>
<td></td>
<td>3 652 927</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>7 795 008</td>
<td></td>
<td>14 615 013</td>
</tr>
</tbody>
</table>

18.2 Other Institute investments

<table>
<thead>
<tr>
<th>Listed investments (Note 20)</th>
<th>2022 Qty</th>
<th>2022 R</th>
<th>2021 Qty</th>
<th>2021 R</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>15 738 643</td>
<td></td>
<td>23 981 228</td>
<td></td>
</tr>
<tr>
<td>TOTAL INVESTMENTS</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>23 533 651</td>
<td></td>
<td>38 596 241</td>
<td></td>
</tr>
</tbody>
</table>

19. LISTED INVESTMENTS OF BURSARY FUNDS

<table>
<thead>
<tr>
<th>Chemicals, Oils and Plastics</th>
<th>2022 Qty</th>
<th>2022 R</th>
<th>2021 Qty</th>
<th>2021 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sasol Limited</td>
<td></td>
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<tr>
<td>Clothing and Accessories</td>
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<td></td>
</tr>
<tr>
<td>Compagnie Financière Richemont SA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compagnie Financière Richemont Warrant Receipts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial banks</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard Bank Group Limited</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internet and Staples Retailing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prosus N.V. - N ordinary</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metals and Mining</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anglo American Plc</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil, Gas and Consumable Fuels</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thugela Resources Limited</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paper</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Mondi Plc</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Speciality Retail</td>
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<td></td>
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<tr>
<td>Mr Price Group Limited</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tobacco</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>British American Tobacco Plc ADR's</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10 962 086</td>
</tr>
</tbody>
</table>

All investments were liquidated to be transferred to StudyTrust and the Institute. Until the completion of the transfers the funds are kept in a call account at First National Bank Ltd.

The fair values of listed investments are based on the quoted market price at the reporting period date.
### NOTES (continued)

#### 20. LISTED INVESTMENTS OF OTHER FUNDS

<table>
<thead>
<tr>
<th>Currency</th>
<th>Foreign Value 2022</th>
<th>2022 Qty</th>
<th>2022 R</th>
<th>Foreign Value 2021</th>
<th>2021 Qty</th>
<th>2021 R</th>
<th>2021 Qty</th>
<th>2021 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alphabet Inc</td>
<td>USD 44 365</td>
<td>500</td>
<td>753 101</td>
<td>289 359</td>
<td>1 000</td>
<td>4 620 515</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apple Inc</td>
<td>USD 38 979</td>
<td>300</td>
<td>661 673</td>
<td>177 570</td>
<td>1 000</td>
<td>2 835 456</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Berkshire Hathaway Class 'B'</td>
<td>USD 61 780</td>
<td>200</td>
<td>1 048 722</td>
<td>194 350</td>
<td>650</td>
<td>3 103 401</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISHS Gold $</td>
<td>USD 53 168</td>
<td>1 500</td>
<td>902 524</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Intel Corporation</td>
<td>USD 25 109</td>
<td>950</td>
<td>426 220</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Johnson &amp; Johnson Common stock</td>
<td>USD 37 097</td>
<td>210</td>
<td>629 717</td>
<td>–</td>
<td>–</td>
<td>–</td>
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<tr>
<td>JP Morgan Chase &amp; Co. Common stock</td>
<td>USD 41 571</td>
<td>310</td>
<td>705 672</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
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</tr>
<tr>
<td>Microsoft Corporation</td>
<td>USD 59 955</td>
<td>250</td>
<td>1 017 743</td>
<td>252 240</td>
<td>750</td>
<td>4 027 795</td>
<td></td>
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</tr>
<tr>
<td>Nestlé</td>
<td>CHF 57 963</td>
<td>500</td>
<td>983 938</td>
<td>167 744</td>
<td>1 200</td>
<td>2 678 570</td>
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<td></td>
</tr>
<tr>
<td>Pfizer Inc</td>
<td>USD 51 240</td>
<td>1 000</td>
<td>869 805</td>
<td>177 150</td>
<td>3 000</td>
<td>2 828 750</td>
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<tr>
<td>Roche Holdings AG</td>
<td>CHF 31 432</td>
<td>100</td>
<td>533 571</td>
<td>170 489</td>
<td>410</td>
<td>2 722 411</td>
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<tr>
<td>Cash held for foreign investments</td>
<td>USD 108 283</td>
<td>1 838 116</td>
<td>72 915</td>
<td>–</td>
<td>1 164 313</td>
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<tr>
<td>Cash held for foreign investments JPY</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>1</td>
<td>17</td>
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</tr>
<tr>
<td>Cash held for foreign investments CHF</td>
<td>144 588</td>
<td>2 454 418</td>
<td>–</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash held for local investments ZAR</td>
<td>–</td>
<td>2 813 443</td>
<td>–</td>
<td>–</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Bitcoin</td>
<td>USD 5 890</td>
<td>0.345393</td>
<td>99 980</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

The fair values of listed investments are based on the quoted market price at the reporting period date, and translated into South African Rand at the exchange rate as at 31 December 2022.

The exchange rates used at the year end 2022: ZAR/USD 16.9736; USD/CHF 0.92341; USD/JPY 0.012869.

The exchange rates used at the previous year end 2021: ZAR/USD 15.9681; USD/CHF 1.13143; USD/JPY 0.00869.

#### 22. GOING CONCERN

The directors have satisfied themselves that the company has sufficient resources to meet its cash requirements. The directors are not aware of any material changes that may adversely impact the company. The directors are also not aware of any material noncompliance with statutory or regulatory requirements or any pending charges to legislation which may affect the company.

#### 23. EVENTS AFTER THE REPORTING DATE

Other than as disclosed above, there has been no material change in facts or circumstances between the date of the annual financial statements and the date of this report that has significantly affected, or may significantly affect, the Company's operations or its state of affairs in future financial years.
John Kane-Berman, born on the eve of apartheid, devoted his life to vigorously opposing the race nationalism of apartheid’s ideologues. At their defeat, he continued to oppose the illiberal impulses of their successors.

His conviction in the power of ideas was central to his long association with the IRR. It remains a profound and lasting influence on the liberal cause, and the continuing efforts to achieve a fairer, prospering South Africa.

As Chief Executive of the IRR from 1983 to 2014, he was a fearless proponent of liberalism before, during and after South Africa’s democratic transition. He sharpened the IRR’s focus, put it on a sound financial footing and set the organisation on the path that turned it into the potent force it is today.

The IRR salutes John Kane-Berman and mourns his death. A collation of comprehensive tributes and reflections can be found on the Daily Friend website.