

Vote 25

Environmental Affairs and Tourism

Budget summary

R million	2009/10				2010/11	2011/12
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	217.5	215.8	–	1.7	246.7	286.6
Environmental Quality and Protection	293.9	121.7	161.6	10.6	313.2	347.1
Marine and Coastal Management	583.6	232.9	205.0	145.7	933.5	987.5
Tourism	750.3	35.3	714.8	0.3	753.9	780.7
Biodiversity and Conservation	413.3	49.7	363.5	0.1	434.4	463.9
Sector Services and International Relations	1 222.1	160.6	1 061.2	0.3	1 202.3	1 281.6
Total expenditure estimates	3 480.8	816.0	2 506.1	158.8	3 884.1	4 147.5
Executive authority	Minister of Environmental Affairs and Tourism					
Accounting officer	Director-General of Environmental Affairs and Tourism					
Website address	www.deat.gov.za					

Aim

The aim of the Department of Environmental Affairs and Tourism is to lead sustainable development of South Africa's environment and tourism for a better life for all.

Programme purposes

Programme 1: Administration

Purpose: Provide strategic leadership, centralised administration and executive support, and corporate services.

Programme 2: Environmental Quality and Protection

Purpose: Protect and improve the quality and safety of the environment to give effect to the right of all South Africans to an environment that is not harmful to health and wellbeing.

Programme 3: Marine and Coastal Management

Purpose: Promote the conservation and sustainable use of marine and coastal resources to contribute to economic growth and poverty alleviation.

Programme 4: Tourism

Purpose: Create conditions for the sustainable tourism growth and development for the benefit of all South Africans.

Programme 5: Biodiversity and Conservation

Purpose: Promote the conservation and sustainable use of natural resources to contribute to economic growth and poverty alleviation.

Programme 6: Sector Services and International Relations

Purpose: Create conditions for effective corporate and cooperative governance, international cooperation, business performance and the implementation of poverty alleviation projects.

Strategic overview: 2005/06 – 2011/12

In line with its vision of creating an equitable society living in harmony with the natural environment, the department's key strategic priorities include: creating conditions for sustainable tourism growth and development; promoting the conservation and sustainable utilisation of natural resources; protecting and improving the quality and safety of the environment; promoting a global sustainable development agenda; and transforming the environment and tourism sectors. The department also prioritises poverty alleviation through implementing expanded public works programme projects in the environment and tourism sectors.

Sustainable tourism

The 2010 FIFA World Cup provides an ideal opportunity for raising awareness about South Africa as a tourist destination and securing repeat visitors based on the tourism experience during the event. Over the MTEF period, South Africa's reputation as a choice tourism destination will be strengthened by expanding the tourism product base, assuring the quality of tourism products and services, and creating adequate capacity to service the needs of the tourism industry.

Implementing the tourism broad based black economic empowerment (BEE) framework remains a priority, with 60 per cent of the 2014 targets to be met by 2011/12. This also applies to small, medium and micro enterprises (SMMEs). The department intends to enable 2 140 SMMEs to access transactional opportunities from established tourism enterprises between 2009/10 and 2011/12. International tourism marketing efforts are expected to result in significant growth in the number of tourism arrivals, from the current 9.1 million per year to 11.9 million by 2011/12.

Conservation and use of natural resources

Following Cabinet's approval of the Waste Management Bill in July 2008, the department aims to improve waste management practices in the country by providing 85 per cent of the current 580 unauthorised waste disposal sites with permits, provided they meet the standard requirements. Local government's waste management services will be improved by implementing a policy framework and capacity development initiatives. The recycling industry will be developed by implementing the regulations on plastic bags. Government's ability to identify and prosecute environmental transgressions will be strengthened by increasing the number of environmental inspectors at the national, provincial and local government level, and within South African National Parks.

The number of municipalities with poor ambient air quality will be significantly reduced over the medium term. The Air Quality Management Act (2008), which repealed the Atmospheric Pollution Prevention Act (1965), now regulates all industrial emissions, including particulates and other pollutants. The 2008 act introduced a specified limit for emissions per pollutant, and from September 2012, all industries will be expected to meet the new industrial emissions standards. Sulphur dioxide emissions, for example, will be 4 000 mg/m³ within three years from September 2009, and this will further be reduced to 400 mg/m³ by September 2017.

Long term mitigation scenarios for climate change were developed and presented to Cabinet in 2008. These scenarios provide a scientific base for climate change to be factored into future policies and plans for South Africa's growth and development. The department will lead the development of South Africa's multidisciplinary and multisectoral climate change response policy.

Service levels for the adjudication of environmental impact assessments will increase significantly from 80 per cent of all new applications being processed within the required statutory timeframe of 45 days for a basic assessment application in 2008/09 to 98 per cent in 2011/12. The department will also ensure that adequate systems and capacity are in place to meet the demand for environmental impact assessment adjudications across the country. To this end, general and sector specific procedural guidelines have been

completed to avoid delays of strategically important developments, such as water services and energy infrastructure.

The electricity response plan, aimed at accelerating the processing of environmental impact assessment applications for energy infrastructure, such as power stations, has also been completed. The department will collaborate with the Department of Minerals and Energy, Eskom and the Department of Public Enterprises to ensure adequate human resources for assessing and issuing records of decision.

The strategy on the expansion of protected areas has been completed to ensure that all ecosystems and geographic areas are represented in the conservation estate. Effective management systems for the existing conservation and heritage estate will also be put in place. The department will ensure the protection of indigenous biodiversity from irregular exploitation through improving local indigenous knowledge and beneficiation. Regulations for bio-prospecting and alien invasive species have already been developed.

The department has also identified a need to attract infrastructure investment in the transfrontier conservation areas. To promote collaboration with transfrontier stakeholders, the department will support the Southern African Development Community (SADC) UniVisa project, which will facilitate the movement of tourists between countries in the region by reducing visa requirements during the 2010 FIFA World Cup.

South Africa's Antarctica research programme, based on the meteorological observation stations at Antarctica and Marion and Gough islands, is benefiting from the replacement of the old research base at Marion Island, and will receive a further boost when the research vessel and equipment are replaced.

The department will also promote marine fish farming to mitigate the impact of depleting global fish stocks, and establish pilot projects to test the viability of specific fish species for farming. The marine aquaculture policy framework has been established to ensure a standardised approach to fish farming.

Promoting the global agenda

Providing support to international negotiations and relations to promote South Africa's global sustainable development and tourism agenda remains a priority. The department continues to focus on mobilising bilateral and multilateral financial and technical resources in support of national and regional environment and tourism projects.

Transformation

Over the medium term, the department will continue to focus on creating employment and skills development opportunities for poor communities through implementing the environment and tourism expanded public works programme. This includes implementing the national youth programme and other poverty alleviation programmes for coastal communities.

Selected performance and operations indicators

Table 25.1 Environmental Affairs and Tourism

Indicator	Programme	Past			Current	Projected		
		2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
Percentage of all new national environmental impact management applications processed within stipulated timeframes	Environmental Quality and Protection	–	–	80	85	90	95	98
Number of unauthorised waste disposal sites per year		–	–	580	406	290	116	87
Total number of environmental management inspectors designated		300	700	750	950	1 000	1 200	1 500
Total number of ambient air quality monitoring stations established		–	6	11	18	24	30	36
Total number of annual relief voyages for South African research teams at Antarctica and Marion and Gough islands	Marine and Coastal Management	3	3	3	3	3	3	3

Table 25.1 Environmental Affairs and Tourism (continued)

Indicator	Programme	Past			Current	Projected		
		2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Total number of tourism SMMEs trained in tourism related business skills	Tourism	1 900	2 600	3 700	4 600	5 000	5 500	6 000
Number of new transactional business linkages facilitated between SMMEs and established business, through the Tourism Enterprise Partnership		–	–	550	605	665	725	750
Number of new tourist guides trained and registered		–	–	135	145	160	160	160
Number of new 2010 FIFA World Cup tourism ambassadors trained		–	–	–	2 500	2 500	–	–
Number of new bio-prospecting agreements concluded	Biodiversity and Conservation	–	–	–	–	5	10	10
Number of new cross-border tourist access facilities established within the transfrontier conservation areas		–	1	2	1	1	1	1
Number of new temporary jobs created through expanded public works programme projects	Sector Services and International Relations	15 994	13 887	29 277	14 000	27 563	27 712	29 356
Number of new permanent jobs created through expanded public works programme projects		301	459	430	200	409	439	236
Number of new person training days created		–	–	–	–	69 525	72 682	70 652

Expenditure estimates

Table 25.2 Environmental Affairs and Tourism

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R million								
1. Administration	144.2	167.3	193.1	194.1	194.1	217.5	246.7	286.6
2. Environmental Quality and Protection	185.3	199.2	241.5	270.1	270.1	293.9	313.2	347.1
3. Marine and Coastal Management	262.4	324.0	349.3	429.0	429.0	583.6	933.5	987.5
4. Tourism	427.2	547.2	612.5	690.8	690.8	750.3	753.9	780.7
5. Biodiversity and Conservation	283.2	279.6	359.8	396.6	396.6	413.3	434.4	463.9
6. Sector Services and International Relations	473.3	542.3	1 032.5	1 226.0	1 226.0	1 222.1	1 202.3	1 281.6
Total	1 775.7	2 059.7	2 788.8	3 206.6	3 206.6	3 480.8	3 884.1	4 147.5
Change to 2008 Budget estimate				144.9	144.9	33.9	121.4	533.3

Table 25.2 Environmental Affairs and Tourism (continued)

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
Economic classification								
Current payments	511.7	543.8	663.9	765.2	765.2	816.0	916.8	1 040.4
Compensation of employees	209.7	262.5	342.2	413.2	413.2	432.8	477.0	514.4
Goods and services	301.9	281.1	321.5	352.0	352.0	383.2	439.7	525.9
<i>of which:</i>								
Administrative fees	0.5	1.2	0.6	0.4	0.4	0.6	0.7	0.8
Advertising	5.8	7.8	6.3	6.3	6.3	8.5	9.8	11.6
Assets less than R5 000	4.6	3.1	4.2	1.3	1.3	1.8	2.1	2.4
Audit costs: External	0.1	3.1	3.4	3.6	3.6	4.2	4.9	5.8
Bursaries (employees)	0.5	0.5	0.5	0.2	0.2	0.5	0.6	0.7
Catering: Departmental activities	0.9	1.7	2.1	2.1	2.1	2.9	3.3	3.9
Communication	6.9	8.0	7.6	8.9	8.9	12.5	14.4	16.9
Computer services	7.6	7.0	6.0	11.0	11.0	13.0	15.1	17.5
Consultants and professional services: Business and advisory services	175.4	112.6	127.6	114.0	114.0	108.5	124.5	146.7
Consultants and professional services: Legal costs	1.6	1.2	1.5	0.7	0.7	0.9	1.1	1.3
Contractors	3.5	5.6	8.6	12.4	12.4	19.1	22.3	24.7
Agency and support / outsourced services	4.1	2.1	2.3	0.1	0.1	0.2	0.3	0.3
Entertainment	0.7	0.6	0.2	0.1	0.1	0.2	0.2	0.2
Inventory: Food and food supplies	0.9	1.4	3.5	0.5	0.5	0.5	0.6	0.6
Inventory: Fuel, oil and gas	4.3	5.8	5.7	10.9	10.9	7.8	8.2	8.6
Inventory: Materials and supplies	0.2	0.9	1.7	0.6	0.6	0.7	0.7	0.8
Inventory: Other consumables	0.3	0.6	0.7	1.5	1.5	1.9	2.1	2.4
Inventory: Stationery and printing	3.4	4.1	4.8	6.0	6.0	7.7	8.8	10.4
Lease payments	5.8	33.1	37.6	49.8	49.8	61.3	71.5	83.5
Owned and leasehold property expenditure	0.0	4.1	1.0	1.0	1.0	1.2	1.4	1.6
Transport provided: Departmental activities	0.0	0.1	0.0	0.4	0.4	0.9	1.1	1.3
Travel and subsistence	52.4	53.8	60.1	78.9	78.9	72.1	84.7	106.4
Training and development	9.4	3.8	5.3	3.0	3.0	3.5	4.0	4.7
Operating expenditure	7.5	8.9	16.1	17.8	17.8	20.4	21.7	23.8
Venues and facilities	5.5	9.5	14.1	20.4	20.4	31.9	35.3	48.7
Financial transactions in assets and liabilities	0.2	0.2	0.2	–	–	–	–	–
Transfers and subsidies	1 207.8	1 506.0	2 114.5	2 427.3	2 427.3	2 506.1	2 484.4	2 588.7
Provinces and municipalities	0.6	0.2	–	–	–	–	–	–
Departmental agencies and accounts	806.6	1 042.2	1 373.7	1 565.8	1 565.8	1 638.4	1 538.8	1 610.7
Universities and technikons	–	–	0.3	–	–	–	–	–
Foreign governments and international organisations	6.0	12.4	–	9.0	9.0	9.0	9.0	9.0
Non-profit institutions	12.0	44.6	87.9	94.2	94.2	91.0	64.9	44.9
Households	382.7	406.6	652.6	758.3	758.3	767.6	871.7	924.1
Payments for capital assets	56.1	9.9	10.3	14.0	14.0	158.8	482.9	518.4
Buildings and other fixed structures	44.8	–	–	–	–	–	–	–
Machinery and equipment	10.8	7.0	10.1	13.7	13.7	158.4	482.5	518.0
Software and other intangible assets	0.5	2.9	0.2	0.3	0.3	0.3	0.4	0.4
Total	1 775.7	2 059.7	2 788.8	3 206.6	3 206.6	3 480.8	3 884.1	4 147.5

Expenditure trends

Between 2005/06 and 2008/09, expenditure increased from R1.8 billion to R3.2 billion at an average annual rate of 21.8 per cent. This was mainly due to increased expenditure in the *Sector Services and International Relations* programme for infrastructure development in the parks; the weather service; and poverty relief projects. Over the medium term, expenditure grows more moderately at an average annual rate of 9.4 per cent due to additional allocations for other large capital projects, such as the replacement of the polar supply vessel. Transfers and subsidies to departmental agencies and accounts, and to households, account for a significant portion of the total budget, constituting 76 per cent of the annual allocation in 2008/09 and 62 per cent in 2011/12.

New allocations to the baseline are R33.9 million in 2009/10, R121.4 million in 2010/11, and R533.3 million in 2011/12. These are to provide for inflation adjustments, baseline adjustments, research on climate change and the development of a national climate change policy, and Buyisa-e-Bag. In 2011/12, an additional R300 million is allocated for the polar research vessel, which accounts for the increase in payments for capital assets. R60 million is allocated for the extension of the South African National Parks infrastructure development programme.

Savings and reprioritisation

Cost containment measures over the medium term have been identified within the department, totalling R31.6 million, R38.5 million and R43.7 million in compensation of employees and goods and services.

Infrastructure spending

Marine and Coastal Management receives funding of R144.5 million in 2009/10, R467.3 million in 2010/11 and R501.5 million in 2011/12 for the acquisition of the polar research vessel to replace the SA Agulhas. This vessel will provide logistical support to the three research bases located at Antarctica, and Marion and Gough islands.

Infrastructure projects in the *Sector Services and International Relations* programme include the South African Weather Service replacing weather radars, and South African National Parks and iSimangaliso Wetland Park Authority upgrading tourism accommodation and facilities in preparation for the 2010 FIFA World Cup.

Departmental receipts

The department receives revenue mainly from environmental impact assessments. Over the MTEF period, revenue is expected to grow at an average annual rate of 10.6 per cent, from R654 000 in 2009/10 to R800 000 in 2011/2012.

Table 25.3 Departmental receipts

	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand								
Departmental receipts	2 850	4 863	4 735	4 412	4 412	654	751	800
Sales of goods and services produced by department	249	247	327	500	500	534	626	670
Transfers received	–	–	362	362	362	–	–	–
Fines, penalties and forfeits	–	–	2	–	–	–	–	–
Interest, dividends and rent on land	38	52	81	100	100	120	125	130
Sales of capital assets	400	–	161	–	–	–	–	–
Financial transactions in assets and liabilities	2 163	4 564	3 802	3 450	3 450	–	–	–
Total	2 850	4 863	4 735	4 412	4 412	654	751	800

Programme 1: Administration

Table 25.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R million							
Minister ¹	0.9	0.9	1.0	1.6	1.7	1.8	1.9
Deputy Minister ¹	0.6	0.7	0.8	1.3	1.4	1.5	1.6
Director-General	1.8	2.0	2.8	1.9	3.2	3.5	3.8
Ministry	19.2	19.0	23.3	20.5	27.0	31.3	35.7
Corporate Affairs	1.3	0.8	1.3	3.5	4.4	4.9	4.3
Communications	30.3	19.9	21.2	17.4	20.8	24.5	27.9
Internal Audit	0.8	1.8	2.3	2.1	2.5	3.1	3.7
Office of the Chief Financial Officer	11.1	16.2	18.8	19.5	24.9	27.7	34.7
Information Technology and Administration	31.7	37.1	42.4	50.2	42.5	48.8	63.3
Property Management	29.5	31.3	38.9	38.4	43.2	48.1	51.8
Human Resources and Transformation	14.0	33.7	33.6	30.4	35.2	39.1	43.5
Legal Services	2.8	3.9	6.8	7.4	10.6	12.3	14.5
Total	144.2	167.3	193.1	194.1	217.5	246.7	286.6
Change to 2008 Budget estimate				(4.3)	8.4	19.9	45.5

1. From 2008/09, the current payments relating to the total remuneration package of political office bearers are shown, before this only salary and car allowances are included. Administrative and other subprogramme expenditure may in addition include payments for capital as well as transfers and subsidies.

Economic classification

	136.8	160.3	188.7	192.6	215.8	244.9	284.7
Current payments							
Compensation of employees	46.2	44.9	78.4	80.7	88.2	96.9	111.5
Goods and services	90.4	115.3	110.3	111.9	127.6	147.9	173.2
of which:							
Administrative fees	0.3	0.7	0.2	0.1	0.1	0.2	0.2
Advertising	2.5	4.1	2.3	2.3	2.7	3.2	3.7
Assets less than R5 000	1.4	1.3	1.3	0.7	0.8	0.9	1.1
Audit costs: External	–	3.1	3.4	3.6	4.2	4.9	5.8
Catering: Departmental activities	0.6	0.7	0.8	0.8	1.0	1.1	1.3
Communication	5.7	6.6	5.5	5.7	6.8	7.9	9.2
Computer services	7.2	5.3	4.8	8.0	9.5	11.1	12.9
Consultants and professional services: Business and advisory services	26.1	20.7	25.8	9.8	8.7	8.6	10.4
Consultants and professional services: Legal costs	0.1	0.3	0.5	0.3	0.3	0.4	0.4
Contractors	2.6	4.1	4.2	5.9	7.1	8.2	9.6
Agency and support / outsourced services	1.1	1.6	2.3	0.0	0.0	0.0	0.0
Entertainment	0.6	0.4	0.1	0.1	0.1	0.1	0.1
Inventory: Fuel, oil and gas	0.3	0.3	0.4	0.6	0.7	0.8	1.0
Inventory: Other consumables	0.2	0.3	0.3	0.5	0.7	0.8	0.9
Inventory: Stationery and printing	1.9	1.8	1.8	1.9	2.2	2.6	3.0
Lease payments	3.9	31.5	31.2	47.6	56.7	66.3	77.2
Owned and leasehold property expenditure	–	4.0	0.9	0.9	1.1	1.2	1.4
Travel and subsistence	20.8	18.7	17.3	18.4	18.9	22.6	26.8
Training and development	8.7	2.9	2.2	0.5	0.6	0.7	0.8
Operating expenditure	4.1	2.2	2.4	1.8	2.2	2.5	2.9
Venues and facilities	1.8	4.0	1.9	2.4	2.9	3.4	4.0
Financial transactions in assets and liabilities	0.2	0.1	0.0	–	–	–	–

Table 25.4 Administration (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Transfers and subsidies	0.7	1.2	0.3	–	–	–	–
Provinces and municipalities	0.2	0.0	–	–	–	–	–
Households	0.5	1.2	0.3	–	–	–	–
Payments for capital assets	6.8	5.8	4.2	1.5	1.7	1.8	1.9
Machinery and equipment	6.3	3.0	4.0	1.3	1.7	1.8	1.9
Software and other intangible assets	0.5	2.7	0.1	0.2	0.0	0.0	0.0
Total	144.2	167.3	193.1	194.1	217.5	246.7	286.6

Expenditure trends

Expenditure in the *Administration* programme increased at an average annual rate of 10.4 per cent from R144.2 million in 2005/06 to R194.1 million in 2008/09, and is expected to increase to R286.6 million in 2011/12, an average annual rate of 13.9 per cent over the medium term.

The devolution of funds for accommodation from the Department of Public Works (from April 2006) is one of the main reasons for the increase in this programme. Over the medium term, the department receives R43.2 million, R48.1 million and R51.8 million.

Over the MTEF period, the *Administration* programme receives allocations of R4 million, R6.5 million and R10.5 million for implementing the master systems plan, a comprehensive IT systems plan required for the delivery of departmental services.

Programme 2: Environmental Quality and Protection

- *Environmental Quality and Protection Management* provides for the administration of the overall programme activities.
- *Regulatory Services* ensures that compliance with all environmental legislation is effectively monitored and that enforcement measures are taken against cases of non-compliance.
- *Pollution and Waste Management* aims to reduce the impact of waste on safety, health and the environment, and encourage cleaner industrial production, waste minimisation and recycling.
- *Environmental Impact Management* ensures that the possible negative impacts of significant new developments are avoided, mitigated or managed to bring about an environment that is not harmful to the health and wellbeing of current and future generations.
- *Air Quality Management and Climate Change* ensures that the possible negative impacts of air pollution on air and atmospheric quality are avoided, mitigated or managed.
- *Buyisa-e-Bag*, a section 21 company, has been established to facilitate the recycling of plastic bags through buy-back centres and to promote the use of recycled plastic in accordance with the regulations on plastic bags.
- *South African Weather Service* makes transfer payments to the public entity responsible for meteorological services.

Funding in the first five subprogrammes is mainly used for salaries, and other personnel related costs, while funds in the last three subprogrammes is disbursed on the basis of approved business plans and service level agreements between the department and the entities.

Objectives and measures

- Minimise non-compliance with environmental legislation by increasing the number of environmental management inspectors in all spheres of government from 750 in 2007/08 to 1 500 in 2011/12.
- Prevent and reduce pollution by:
 - reducing the number of unauthorised waste disposal sites by 85 per cent in 2011/12

- training officials in 91 municipalities to facilitate universal access to basic waste management services by 2009/10.
- Increase the turnaround time for processing basic national environmental impact assessment applications from 80 per cent of new applications processed within 45 days in 2007/08 to 98 per cent in 2012.
- Improve air and atmospheric quality by:
 - reducing the number of metropolitan and district municipalities with ambient air quality problems by 90 per cent in 2011/12, by ensuring alignment of municipal ambient air quality management plans with national norms and standards through an annual review of these plans
 - increasing the number of ambient air quality monitoring stations that provide information to the South African Air Quality Information System from 18 in 2008/09 to 36 in 2011/12.
- Establish a coherent approach to climate change response for South Africa by developing a climate change response policy by 2011/12.

Service delivery and spending focus

The number of unauthorised waste disposal sites reduced by 8 per cent in the first three quarters of 2008/09. Since 2008/09, training for environmental management inspectors has been offered by the University of Pretoria and the University of South Africa, and approximately 975 inspectors have been trained and designated. About 250 officials were trained in the administration of environmental impact assessments and 85 per cent of all new national applications were processed within prescribed timeframes.

In 2008, guidelines were also put in place for the Eskom electricity response plan.

An air quality management plan for the Vaal Triangle air-shed priority area was developed in 2007/08. 6 ambient air quality monitoring stations are operational in the area. The Highveld area in Mpumalanga was declared the second national priority area. 5 ambient air quality monitoring stations are operational in this area. Air quality management planning and atmospheric emission licensing manuals were published, and 300 officials from all spheres of government were trained on their use. Registration certificates of industries responsible for 80 per cent of the national industrial emissions were reviewed to ensure alignment and compliance with the statutory requirements.

Over the MTEF period, the department's spending focus will be directed towards the monitoring of compliance, ensuring environmental law enforcement, building capacity across all spheres of government, and designating and registering environmental management inspectors on the national register. Policy development, waste minimisation interventions, and authorisation of permits for waste disposal sites will also be key areas of focus. In addition, the department intends to: process national environmental impact assessment applications and develop the necessary capacity to predetermine the potential use of specific environments; monitor and manage air quality, and ensure that information is readily available for informed decision making; support local government with air quality management planning and capacity building; and develop a climate change response policy.

Expenditure estimates

Table 25.5 Environmental Quality and Protection

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R million							
Environmental Quality and Protection Management	5.2	4.7	5.6	7.9	6.5	6.9	7.3
Regulatory Services	12.7	13.1	17.6	18.7	19.5	24.9	32.2
Pollution and Waste Management	15.4	12.0	19.7	28.3	28.3	29.6	39.9
Environmental Impact Management	18.0	29.8	31.6	35.1	39.4	40.3	41.8
Air Quality Management and Climate Change	18.3	25.2	26.9	35.1	39.7	45.9	47.5
Buyisa-e-Bag	12.0	–	20.0	20.0	30.0	35.0	40.0
South African Weather Service	103.7	114.4	120.1	124.9	130.5	130.5	138.4
Total	185.3	199.2	241.5	270.1	293.9	313.2	347.1
Change to 2008 Budget estimate				1.2	15.5	25.4	42.0

Table 25.5 Environmental Quality and Protection (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Economic classification							
Current payments	68.7	73.8	97.5	113.2	121.7	134.9	154.7
Compensation of employees	21.0	27.5	41.1	53.2	55.4	58.6	65.5
Goods and services	47.7	46.3	56.4	60.0	66.3	76.3	89.3
of which:							
Advertising	1.1	2.1	1.0	2.0	2.1	2.5	2.9
Assets less than R5 000	0.6	0.8	0.9	0.2	0.2	0.2	0.2
Catering: Departmental activities	0.2	0.2	0.3	0.4	0.5	0.5	0.6
Communication	0.2	0.2	0.3	0.4	0.5	0.6	0.6
Computer services	0.0	1.4	0.9	1.9	2.1	2.4	2.8
Consultants and professional services: Business and advisory services	33.0	25.4	32.7	32.2	36.1	41.5	48.6
Consultants and professional services: Legal costs	1.3	0.9	0.3	0.1	0.1	0.2	0.2
Contractors	0.1	0.2	0.9	0.1	0.1	0.1	0.1
Inventory: Stationery and printing	0.5	1.0	0.8	0.8	0.9	1.0	1.2
Lease payments	0.3	0.2	0.2	0.4	0.4	0.5	0.5
Travel and subsistence	6.9	8.5	11.1	15.5	16.8	19.4	22.7
Training and development	0.1	0.6	2.8	1.2	1.3	1.5	1.8
Operating expenditure	0.9	1.7	1.5	1.4	1.5	1.8	2.1
Venues and facilities	2.4	2.4	2.6	3.0	3.3	3.8	4.4
Financial transactions in assets and liabilities	0.0	0.0	0.0	–	–	–	–
Transfers and subsidies	115.7	123.4	141.9	146.0	161.6	166.6	179.4
Provinces and municipalities	0.1	0.0	–	–	–	–	–
Departmental agencies and accounts	103.7	114.4	120.1	124.9	130.5	130.5	138.4
Foreign governments and international organisations	–	8.0	–	–	–	–	–
Non-profit institutions	12.0	0.8	21.1	21.1	31.1	36.1	41.1
Households	–	0.2	0.6	–	–	–	–
Payments for capital assets	0.8	2.0	2.2	10.9	10.6	11.8	12.9
Machinery and equipment	0.8	2.0	2.2	10.8	10.3	11.4	12.6
Software and other intangible assets	–	–	0.0	0.1	0.3	0.4	0.4
Total	185.3	199.2	241.5	270.1	293.9	313.2	347.1

Details of selected transfers and subsidies

Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	103.7	114.4	120.1	124.9	130.5	130.5	138.4
South African Weather Service	103.7	114.4	120.1	124.9	130.5	130.5	138.4
Foreign governments and international organisations							
Current	–	8.0	–	–	–	–	–
Foreign governments	–	8.0	–	–	–	–	–
Non-profit institutions							
Current	12.0	0.8	21.1	21.1	31.1	36.1	41.1
Buyisa-e-Bag	12.0	–	20.0	20.0	30.0	35.0	40.0
South African Climate Action Network	–	0.8	0.6	–	–	–	–
National Associations for Clean Air	–	–	0.5	0.6	0.6	0.6	0.6
National Off-Road Workshop	–	–	–	0.5	0.5	0.5	0.5

Expenditure trends

Expenditure grew steadily from R185.3 million in 2005/06 to R270.1 million in 2008/09 at an average annual rate of 13.4 per cent, and continues to rise at an average annual rate of 8.7 per cent to reach R347.1 million in 2011/12.

The *Air Quality Management and Climate Change* subprogramme receives an additional R55 million over the MTEF period for purchasing air quality monitoring equipment (R15 million, R20 million, and R20 million).

These allocations will result in a baseline growth at an average annual rate of 10.6 per cent over the medium term.

Section 21 company, Buyisa-e-Bag, receives an additional R45 million over the MTEF period to implement recycling projects (R10 million, R15 million, and R20 million).

Expenditure in the *Regulatory Services* subprogramme increases from R19.5 million in 2009/10 to R32.2 million in 2011/12 to strengthen compliance and enforcement capacity, thus driving growth in compensation of employees and associated goods and services, as well as capital expenditure.

Programme 3: Marine and Coastal Management

- *Administrative Support Services* provides for the administration of the overall programme activities.
- *Antarctic Supply Vessel* provides sea transport for research at the meteorological observation stations at Antarctica and Marion and Gough islands. Funding is provided for operating the vessel.
- *Antarctic and Island Research* manages the South African national Antarctic programme and the three bases located at Antarctica and Marion and Gough islands. Funding is mainly used for maintenance and logistical support.
- *Marine Living Resources Fund* makes transfers to the public entity responsible for the management and sustainable use of marine and coastal resources to supplement the revenue received. Funding is based on the approved business plan of the entity.

Objectives and measures

- Provide for South Africa's research needs at Antarctica and Marion and Gough islands by providing 3 sea voyages per year to the research teams.
- Maintain high quality research output from Antarctica and the islands by establishing new bases at Prince Edward and Gough islands by 2010/11, and by replacing the SA Agulhas research vessel by 2011/12.

Service delivery and spending focus

All relief voyages to Antarctica and the islands have been carried out successfully, and the replacement of the Marion Island research base is complete.

Expenditure estimates

Table 25.6 Marine and Coastal Management

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R million							
Administrative Support Services	76.5	89.2	117.0	151.7	155.0	172.5	182.1
Antarctic Supply Vessel	15.8	22.3	10.5	34.0	181.5	504.2	539.0
Antarctic and Island Research	76.8	49.5	74.0	48.0	42.1	46.6	48.2
Marine Living Resources Fund	93.3	163.1	147.8	195.4	205.0	210.2	218.3
Total	262.4	324.0	349.3	429.0	583.6	933.5	987.5
Change to 2008 Budget estimate				32.3	13.6	46.2	324.1

Table 25.6 Marine and Coastal Management (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Economic classification							
Current payments	121.5	160.8	200.8	233.0	232.9	254.9	266.5
Compensation of employees	87.0	102.4	127.6	170.6	170.1	190.3	199.8
Goods and services	34.5	58.4	73.2	62.5	62.8	64.5	66.7
<i>of which:</i>							
<i>Assets less than R5 000</i>	<i>0.4</i>	<i>0.1</i>	<i>0.4</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>
<i>Communication</i>	<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>1.1</i>	<i>1.2</i>	<i>1.2</i>	<i>1.3</i>
<i>Consultants and professional services: Business and advisory services</i>	<i>25.3</i>	<i>48.1</i>	<i>54.7</i>	<i>35.5</i>	<i>39.4</i>	<i>40.7</i>	<i>42.3</i>
<i>Contractors</i>	<i>0.2</i>	<i>0.3</i>	<i>1.3</i>	<i>0.7</i>	<i>0.8</i>	<i>0.8</i>	<i>0.9</i>
<i>Agency and support / outsourced services</i>	<i>2.0</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>
<i>Inventory: Food and food supplies</i>	<i>0.9</i>	<i>1.4</i>	<i>3.5</i>	<i>0.5</i>	<i>0.5</i>	<i>0.5</i>	<i>0.6</i>
<i>Inventory: Fuel, oil and gas</i>	<i>4.0</i>	<i>5.5</i>	<i>5.3</i>	<i>10.3</i>	<i>7.1</i>	<i>7.3</i>	<i>7.6</i>
<i>Inventory: Materials and supplies</i>	<i>0.0</i>	<i>0.6</i>	<i>1.3</i>	<i>0.5</i>	<i>0.5</i>	<i>0.5</i>	<i>0.5</i>
<i>Inventory: Other consumables</i>	<i>0.1</i>	<i>0.1</i>	<i>0.2</i>	<i>0.6</i>	<i>0.6</i>	<i>0.7</i>	<i>0.7</i>
<i>Lease payments</i>	<i>0.0</i>	<i>0.0</i>	<i>4.2</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>Travel and subsistence</i>	<i>0.9</i>	<i>1.1</i>	<i>1.2</i>	<i>1.0</i>	<i>1.1</i>	<i>1.1</i>	<i>1.2</i>
<i>Operating expenditure</i>	<i>0.5</i>	<i>0.6</i>	<i>0.5</i>	<i>11.7</i>	<i>10.9</i>	<i>10.8</i>	<i>10.9</i>
Financial transactions in assets and liabilities	–	–	0.0	–	–	–	–
Transfers and subsidies	93.6	163.1	148.2	195.4	205.0	210.0	218.3
Provinces and municipalities	0.2	0.1	–	–	–	–	–
Departmental agencies and accounts	93.3	163.1	147.8	195.4	205.0	210.0	218.3
Households	–	–	0.4	–	–	–	–
Payments for capital assets	47.3	0.1	0.3	0.7	145.7	468.6	502.8
Buildings and other fixed structures	44.8	–	–	–	–	–	–
Machinery and equipment	2.5	0.1	0.3	0.7	145.7	468.6	502.8
Total	262.4	324.0	349.3	429.0	583.6	933.5	987.5

Details of selected transfers and subsidies

Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	46.0	101.1	126.6	195.4	205.0	210.0	218.3
Marine Living Resources Fund	46.0	101.1	126.6	195.4	205.0	210.0	218.3
Capital	47.3	61.9	21.2	–	–	–	–
Marine Living Resources Fund	47.3	61.9	21.2	–	–	–	–

Expenditure trends

Expenditure is expected to increase at an average annual rate of 32 per cent over the MTEF period, from R429 million in 2008/09 to R987.5 million in 2011/12. The reason for this is the anticipated increase in expenditure in the *Antarctic Supply Vessel* subprogramme, at an average annual rate of 151.2 per cent over the medium term, due to the additional allocation of R1.1 billion for replacing the polar vessel.

Public entities

Marine Living Resources Fund

Strategic Overview: 2005/06 – 2011/12

The Marine Living Resources Fund (MLRF) was established in terms of section 10 of the Marine Living Resources Act (1998) to manage the development and sustainable use of South Africa's marine and coastal resources and to protect the integrity and quality of the country's marine and coastal ecosystem.

The fund's activities can be divided into four programmes:

- *Research, Antarctica and Islands* provides advice on the sustainable use of marine and coastal resources. Key activities include: conducting routine research surveys in all the major fisheries and providing advice on total allowable catch and total allowable effort for the major commercial fish species; conducting research assessments of marine biodiversity and ecosystems aimed at monitoring ecosystem health; and compiling reports on the physical environment of the oceans.
- *Integrated Coastal Management* manages a variety of human impacts on the coastal environment through regulating activities along the coastline. Key activities include: developing and implementing a legislative and policy framework for the protection and regulation of South Africa's coastal zone; promoting the growth of marine aquaculture in South Africa; identifying, designating and managing marine protected areas and estuaries; managing marine pollution from land based sources; and managing and regulating non-consumptive use of marine resources, including boat based whale watching and white shark cage diving activities.
- *Marine Resource Management* regulates the use of marine resources through administering fishing rights, permits and licenses. Key activities include: developing and implementing a policy framework for allocating and managing long term fishing rights in 20 commercial fishery sectors; facilitating and managing the transfer of commercial fishing rights; conserving and protecting seals, seabirds and shorebirds; and developing a policy and management framework for the subsistence fisheries sector. Other activities include: monitoring fish stocks to prevent overexploitation or negative impacts on the integrity of marine ecosystems and developing management strategies to rebuild depleted fish stocks.
- *Monitoring, Control and Surveillance* aims to prevent and reduce illegal marine activities. Key activities include: monitoring and inspecting land fish at slipways, harbours and fish processing establishments; monitoring the movement of fishing vessels and conducting routine vessel inspections at sea; and developing and implementing special operations in collaboration with other law enforcement partners, such as the South African Police Service and the National Prosecuting Authority.

The Marine Living Resources Fund will ensure equitable and sustainable use of marine and coastal resources to contribute to economic development by: administering fishing rights, permits and licences in identified fisheries sectors; conducting performance reviews for 40 per cent of commercial fishery sectors annually from 2009/10; allocating rights in one additional sector within the large pelagic sector; processing 100 per cent of commercial rights transfer applications; allocating rights in two non-consumptive sectors (boat based whale watching and white shark cage diving); and finalising the subsistence rights policy in 2009/10.

To build a sound scientific base for the effective management of natural resources, the fund will conduct research on: the feasibility of two new experimental fisheries, octopus and white mussels, in 2009/10; catch or effort limits in 21 fishery sectors; and the feasibility of three marine aquaculture species, scallop, finfish and urchin. Three marine aquaculture pilot projects will be launched and two regulatory guidelines for marine aquaculture (zoning and ranching) will be developed by 2009/10.

Over the medium term, the Marine Living Resources Fund will manage ecosystems and species requiring protection by: implementing abalone and hake species recovery plans; developing management plans and memorandums of understanding for 20 marine protected areas; designating one new marine protected area; developing management plans for five existing and six new estuaries; implementing the Integrated Coastal Management Act by establishing five provincial coastal committees; finalising two national plans of action;

promoting an ecosystem approach to fisheries (seabirds and sharks); and developing an oil spill contingency plan.

Moreover, the fund will ensure efficient monitoring, control and surveillance of marine resources by conducting annual inspections of 40 per cent of landing in the hake, rock lobster, squid and abalone fishery sectors, 10 per cent of rights holders in the hake, rock lobster and squid sectors, 10 per cent of vessels of rights holders in these three sectors, and maintaining formal partnerships with five other law enforcement agencies, as well as undertaking two SADC patrols.

Selected performance and operations indicators

Table 25.7 Marine Living Resources Fund

Indicator	Programme	Past			Current	Projections		
		2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
Number of aquaculture (fish farming) pilot projects launched	Integrated Coastal Management	–	–	–	2	3	–	–
Number of marine aquaculture pilot projects operational	Integrated Coastal Management	–	–	–	–	2	5	–

Service delivery and spending focus

The surveys on total allowable catch and total allowable estimate, which included line fish, tuna pole, tuna and swordfish long line, net fish, oysters, south coast rock lobster, west coast rock lobster and white mussel, were completed in 2008/09.

The Integrated Coastal Management Bill was approved by both Houses of Parliament in 2008. The boat based whale watching and white shark cage diving policies were gazetted in April 2008 and the rights allocation process is scheduled to be finalised by July 2009. The declaration of the Still Bay marine protected area has been gazetted for public comment. A feasibility study has been completed on the potential sites for marine aquaculture pilot projects. The national programme of action to control and reduce marine and coastal pollution and related degradation was launched in Durban in October 2008 during National Marine Week.

The allocation and management of long term rights in 20 commercial fishery sectors were completed during 2007/08, and all appeals were finalised in 2008. The transfer of commercial fishing rights and the draft subsistence and small scale fisheries policies have also been finalised.

Following the closure of the wild abalone fishery sector in February 2008 to allow for adequate recovery, abalone recovery and enforcement monitoring plans have been developed.

Over 80 per cent of the individuals prosecuted by the Marine Living Resources Fund for various transgressions were convicted.

Over the medium term, the fund will focus on administering fishing rights, permits and licences, and launching aquaculture projects. It will also oversee the monitoring, control and surveillance of marine resources.

Expenditure Estimates

Table 25.8 Marine Living Resources Fund: Programme information

R million	Audited outcome			Revised estimate	Medium-term estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Administration	68.5	45.6	62.1	46.3	47.4	48.9	50.2
Marine Resource Management	34.7	12.4	9.4	20.8	21.3	21.9	22.5
Integrated Coastal Management	14.8	13.8	24.4	25.5	26.1	27.0	27.7
Research, Antarctica and Islands	61.9	88.0	79.3	114.7	117.5	121.2	124.5
Monitoring, Control and Surveillance	96.0	118.7	82.1	125.2	132.2	138.2	142.8
Total expense	275.8	278.4	257.3	332.4	344.5	357.2	367.8

Table 25.9 Marine Living Resources Fund: Financial information

R million	Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue							
Non-tax revenue	151.6	179.3	155.1	137.1	139.5	147.0	149.5
Sale of goods and services other than capital assets of which:	142.8	174.1	147.1	129.3	130.5	135.5	140.5
<i>Licences and permits</i>	114.0	91.9	87.2	69.3	100.0	105.0	110.0
<i>Sales by market establishments</i>	13.0	58.1	40.3	35.0	0.5	0.5	0.5
<i>Levies on fish and fish products</i>	15.8	24.2	19.6	25.0	30.0	30.0	30.0
<i>Other non-tax revenue</i>	8.8	5.2	8.0	7.8	9.0	11.5	9.0
Transfers received	60.0	151.4	144.4	195.4	205.0	210.2	218.3
Total revenue	211.6	330.7	299.5	332.4	344.5	357.2	367.8
Expenses							
Current expense	275.8	278.4	257.3	332.4	344.5	357.2	367.8
Goods and services	273.8	274.2	250.7	328.1	339.7	352.2	362.4
Depreciation	2.0	4.0	6.6	4.3	4.9	5.0	5.4
Interest, dividends and rent on land	0.0	0.2	–	–	–	–	–
Total expenses	275.8	278.4	257.3	332.4	344.5	357.2	367.8
Surplus / (Deficit)	(64.2)	52.3	42.1	–	–	–	–
Statement of financial position							
Carrying value of assets	9.2	14.5	15.2	17.0	17.5	18.7	18.5
of which: Acquisition of assets	6.7	10.5	7.3	6.1	5.4	6.2	5.2
Inventory	2.9	17.6	3.5	–	–	–	–
Receivables and prepayments	27.0	6.8	23.1	15.0	18.0	19.0	20.0
Cash and cash equivalents	9.6	28.1	60.2	35.0	40.0	45.0	50.0
Total assets	48.8	67.0	102.1	67.0	75.5	82.7	88.5
Accumulated surplus/deficit	(65.2)	(12.9)	29.2	35.0	40.0	45.0	50.0
Borrowings	–	0.4	–	–	–	–	–
Trade and other payables	70.9	41.5	46.7	22.0	32.5	35.7	36.5
Liabilities not classified elsewhere	43.1	38.1	26.1	10.0	3.0	2.0	2.0
Total equity and liabilities	48.8	67.0	102.1	67.0	75.5	82.7	88.5

Expenditure trends

The Marine Living Resources Fund generates revenue mainly from levies on fish and fish products, licence and permit fees, fines and confiscations, and harbour fees. This revenue is a key source of funding for the operations of the department's *Marine and Coastal Management* programme. Compensation of employees is funded by the department. The transfer from the department for 2009/10 is R205 million, which includes R51.2 million for operational expenditure, R3 million for surveillance, R30 million for improved enforcement and R120 million for vessel operations.

Programme 4: Tourism

- *Tourism Management* provides for the administration of the overall programme activities.
- *Tourism Industry Promotion* improves the competitiveness of the tourism industry through developing adequate skills, promoting service excellence, and unblocking barriers to tourism growth.
- *Tourism Industry Development* promotes SMME development in the tourism sector, product development, sector regulation and research aimed at improving tourism products and services in South Africa.
- *South African Tourism* provides financial assistance to the public entity responsible for marketing South Africa as a preferred tourism destination both locally and internationally. The entity is also responsible for

assuring quality of products and services, and facilitating the transformation of the sector through the implementation of BEE.

- *Business Trust* makes transfer payments for the implementation of the tourism enterprise partnership responsible for facilitating business linkages between established enterprises and SMMEs.

Funding in the first three subprogrammes is mainly used for personnel, and other related costs, while funding in the last two is based on approved business plans.

Objectives and measures

- Service the needs of tourists in the host cities during the 2010 FIFA World Cup by creating a pool of 5 000 well trained voluntary tourism ambassadors.
- Improve skills and service levels in the tourism sector by:
 - facilitating the training of 250 unemployed youth to become chefs by 2009/10
 - training and registering 620 people as independent tourist guides between 2009/10 and 2011/12, with the first 300 registered before the 2010 FIFA World Cup.
- Provide support to SMMEs by:
 - increasing the number of tourism SMMEs able to access business training opportunities facilitated by the tourism enterprise partnership from 3 700 in 2007/08 to 6 000 in 2011/12
 - increasing the number of transactional business linkages from 550 in 2007/08 to 750 in 2011/12.

Service delivery and spending focus

In 2007/08, 145 tourist guides were trained and registered as independent service providers. Of these, 108 are previously disadvantaged individuals. 280 voluntary tourism ambassadors were trained for the 2010 FIFA World Cup, and another 1 000 selected for training in 2008/09. A tourism careers exhibition for learners was hosted with a view to stimulate learners' interest in tourism as a career of choice. 2 199 small enterprises were trained in tourism related business skills. In addition, 362 small enterprises were supported by facilitating access to procurement opportunities, resulting in new contracts with established tourism companies valued at R300 million. The sector human resources development strategy was completed in 2007/08.

Over the MTEF period, the department will focus on developing and implementing the tourism sector human resources development strategy, promoting service excellence, and working cooperatively with other government departments to unblock barriers to sustainable tourism growth, such as reducing visa restrictions and increasing the number of flights from key target countries. The department will also develop capacity for SMMEs to participate in the industry, develop and maintain the industry regulatory framework, facilitate implementation of the tourism growth strategy, conduct research aimed at identifying growth obstacles, and facilitate investment in tourism infrastructure.

Expenditure estimates

Table 25.10 Tourism

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R million							
Tourism Management	5.9	14.9	8.5	6.1	5.0	5.8	6.0
Tourism Industry Promotion	9.8	13.0	13.1	12.2	15.8	18.6	20.5
Tourism Industry Development	48.8	54.2	7.5	20.9	21.7	24.0	24.4
South African Tourism	362.7	465.2	517.6	582.1	655.7	685.5	729.8
Business Trust	–	–	65.8	69.4	52.1	20.0	–
Total	427.2	547.2	612.5	690.8	750.3	753.9	780.7
Change to 2008 Budget estimate				(2.2)	(14.7)	(41.8)	(62.8)

Table 25.10 Tourism (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Economic classification							
Current payments	64.2	39.5	28.1	35.8	35.3	40.1	47.7
Compensation of employees	12.8	16.0	16.3	16.1	18.5	21.9	23.0
Goods and services	51.4	23.5	11.7	19.8	16.7	18.2	24.7
of which:							
Advertising	0.8	0.7	0.4	0.7	0.6	0.6	0.7
Computer services	0.0	0.0	0.0	0.8	0.7	0.8	0.8
Consultants and professional services: Business and advisory service	45.4	12.7	2.3	0.2	1.5	1.6	1.7
Contractors	0.3	0.6	0.6	0.5	4.7	5.4	5.5
Agency and support / outsourced services	0.6	0.4	–	–	–	–	–
Inventory: Stationery and printing	0.2	0.6	0.4	1.4	1.1	1.3	1.3
Travel and subsistence	2.9	4.6	3.2	10.8	3.7	3.3	9.6
Training and development	0.1	0.1	0.0	0.5	0.5	0.5	0.5
Operating expenditure	0.3	2.4	2.3	1.1	0.9	1.0	1.1
Venues and facilities	0.2	0.6	2.1	2.5	2.1	2.3	2.4
Financial transactions in assets and liabilities	–	0.0	0.0	–	–	–	–
Transfers and subsidies	362.8	507.2	584.1	654.5	714.8	713.5	732.8
Provinces and municipalities	0.0	0.0	–	–	–	–	–
Departmental agencies and accounts	362.7	465.2	517.6	582.1	655.7	685.5	729.8
Non-profit institutions	–	42.0	66.6	72.4	59.1	28.0	3.0
Households	0.0	–	0.0	–	–	–	–
Payments for capital assets	0.2	0.5	0.3	0.4	0.3	0.3	0.3
Machinery and equipment	0.2	0.4	0.2	0.4	0.3	0.3	0.3
Software and other intangible assets	–	0.1	0.1	–	–	–	–
Total	427.2	547.2	612.5	690.8	750.3	753.9	780.7
Details of selected transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	362.7	465.2	517.6	582.1	655.7	685.5	729.8
South African Tourism	362.7	465.2	517.6	582.1	655.7	685.5	729.8
Non-profit institutions							
Current	–	42.0	66.6	72.4	59.1	28.0	3.0
Business Trust	–	42.0	65.8	69.4	52.1	20.0	–
Federated Hospitality Association of Southern Africa	–	–	0.3	0.5	0.5	0.5	0.5
Tourism Business Council	–	–	0.5	0.5	0.5	0.5	0.5
National Business Initiative	–	–	–	2.0	2.0	2.0	2.0
Tourism Hospitality and Sports Education and Training Authority	–	–	–	–	4.0	5.0	–

Expenditure trends

Expenditure increased at an average annual rate of 17.4 per cent between 2005/06 and 2008/09, due to allocations to SA Tourism and the tourism enterprise partnership. Spending is expected to grow moderately at an average annual rate of 4.2 per cent over the MTEF period. Funding to SA Tourism, which increases at an average annual rate of 7.8 per cent from R582.1 million in 2008/09 to R729.8 million in 2011/12, is aimed at financing international tourism marketing activities, the BEE Charter Council and the Tourism Grading Council of South Africa.

Until the end of 2006/07, the activities of Business Trust were funded under goods and services in the *Tourism Industry Development* subprogramme. The Business Trust became a subprogramme in 2007/08, and transfer payments for the SMME support programme will end in 2010/11 with a final allocation of R20 million.

Public entities

South African Tourism

Strategic overview: 2005/06 – 2011/12

The core business of South African Tourism, established in terms of the Tourism Act (1993), is to market South Africa as a tourism destination of choice. Key activities include promoting tourism by encouraging travels to and within South Africa, ensuring highest attainable quality standards of tourism services and facilities, and facilitating tourism sector transformation.

Key objectives include: increasing the annual volume of international tourists visiting the country from 9.1 million in 2007/08 to 11.9 million by 2012; increasing the average spend per tourist in South Africa from R7 300 in 2008/09 to R8 800 by 2011; and increasing the number of graded accommodation establishments from 5 484 in 2007/08 to 8 332 in 2011/12.

Funding is primarily used for administering marketing offices in key target countries, promoting local tourism to reduce seasonality in the industry, facilitating the grading of products and services, and implementing the Tourism BEE Charter and Scorecard.

Selected performance and operations indicators

Table 25.11 South African Tourism

Indicator	Past			Current	Projections		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Number of international tourist arrivals per year	7.4m	8.4m	9.1m	9.7m	10.3m	11.4m	11.9m
Average spend per international tourist per year in South Africa	R8 500	R8 300	R7 000	R7 300	R7 800	R8 300	R8 800
Total number of accommodation establishments graded	3 784	4 742	5 484	7 209	7 500	7 700	8 332
Percentage increase in private and public sector compliance with Tourism BEE Charter and Scorecard	60% of 2009 targets	80% of 2009 targets	100% of 2009 targets	20% of 2014 targets	40% of 2014 targets	60% of 2014 targets	70% of 2014 targets

Service delivery and spending focus

The contribution of tourism to the GDP has increased from 7.9 per cent (R137.6 billion) in 2006/07 to 8.1 per cent (R159.6 billion) in 2007/08, and the number of jobs created in the economy increased by 5 per cent from 896 000 to 941 000 according to the World Travel and Tourism Council.

There were 9.1 million foreign tourist arrivals in 2007/08. Of the 9.7 million targeted for 2008/09, 5.49 million tourists arrived in the first half of the year. International marketing brand alignment has been completed and will ensure increased brand recognition of South Africa at the international level.

440 new establishments were graded in the first half of 2008/09, bringing the total number of graded establishments to 6 825, 460 more than the target of 6 365.

Expenditure estimates

Table 25.12 South African Tourism: Financial information

R million	Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue							
Non-tax revenue	59.8	73.0	82.2	53.2	40.1	41.6	43.2
Sale of goods and services other than capital assets	0.0	–	1.3	–	–	–	–
of which:							
Sales by market establishments	0.0	–	1.3	–	–	–	–
Other non-tax revenue	59.8	73.0	80.9	53.2	40.1	41.6	43.2
Transfers received	412.8	517.8	574.6	651.1	721.9	755.3	804.5
Total revenue	472.6	590.8	656.9	704.4	762.1	797.0	847.7

Table 25.12 South African Tourism: Financial information (continued)

R million	Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Expenses							
Current expense	465.6	588.1	633.3	706.3	762.1	797.0	847.7
Compensation of employees	71.8	86.6	95.3	107.7	114.2	121.0	128.3
Goods and services	391.9	494.3	530.1	588.4	636.9	664.0	706.4
Depreciation	1.9	7.2	4.1	6.0	6.5	7.2	7.9
Interest, dividends and rent on land	–	–	3.8	4.2	4.5	4.7	5.0
Total expenses	465.6	588.1	633.3	706.3	762.1	797.0	847.7
Surplus / (Deficit)	7.0	2.7	23.6	(1.9)	–	–	–
Statement of financial position							
Carrying value of assets	23.6	52.9	62.5	63.3	70.8	69.8	67.6
of which: Acquisition of assets	7.0	24.3	13.9	6.8	14.1	6.2	5.7
Receivables and prepayments	5.6	6.8	38.9	25.0	20.0	15.0	10.0
Cash and cash equivalents	96.7	149.6	181.7	248.7	232.5	233.5	235.7
Total assets	125.9	209.2	283.1	337.0	323.3	318.3	313.3
Accumulated surplus/deficit	20.9	23.6	47.4	45.5	45.5	45.5	45.5
Capital and reserves	–	15.0	14.7	14.7	14.7	14.7	14.7
Post-retirement benefits	15.8	19.6	23.1	25.0	26.4	28.0	29.7
Trade and other payables	87.6	117.7	188.9	250.0	234.8	228.2	221.5
Provisions	–	33.4	7.3	–	–	–	–
Liabilities not classified elsewhere	1.6	0.0	1.7	1.9	1.9	1.9	1.9
Total equity and liabilities	125.9	209.2	283.1	337.0	323.3	318.3	313.3

Expenditure trends

Transfers from the department are the main source of revenue for SA Tourism. The entity also receives transfers from the Tourism Business Council of South Africa through tourism levies collected by Tourism Marketing South Africa. Over the MTEF period, transfers are expected to increase from R721.9 million in 2009/10 to R804.5 million in 2011/12, an average annual increase of 5.6 per cent. The transfer from the department in 2009/10 is R655.7 million, including R496.2 million for tourism marketing, R142.2 million for operational expenditure, and R11 million for the South African Tourism Grading Council.

Programme 5: Biodiversity and Conservation

- *Biodiversity and Conservation Management* provides for the administration of the overall programme activities.
- *Biodiversity and Heritage* promotes the conservation and sustainable use of biological resources to contribute to socioeconomic development.
- *Transfrontier Conservation and Protected Areas* ensures the effective establishment and management of protected areas.
- *iSimangaliso Wetland Park Authority* makes transfers to the entity that manages the park.
- *South African National Parks* makes transfers to the entity that manages a network of national protected areas.
- *South African National Biodiversity Institute* makes transfers to the entity responsible for biodiversity research and management of a network of botanical gardens.
- *Management of Blyde National Park* provides funding to ensure that general standards and norms are maintained by the park managers.

Funding for the first three subprogrammes is based on salaries and other personnel related costs, while funding for the last four subprogrammes is distributed on the basis of approved business plans and service level agreements between the department and these entities.

Objectives and measures

- Promote equitable access and shared benefits by concluding 25 bio-prospecting agreements, aimed at investigating the potential use of a species for commercial use, over the MTEF period.
- Expand the conservation estate by coordinating the implementation of the national strategy for the expansion of protected areas with the aim of adding 2.7 million hectares (2.4 per cent) of South Africa's terrestrial surface area to the protected area network, and 88 per cent to the inshore marine protected area (MPA) network.

Service delivery and spending focus

The national register for protected areas was developed in 2007/08 to ensure that the conservation estate ecosystems are truly representative of South Africa's biodiversity landscape. The current data reflects a total of 286 protected areas covering 5.9 per cent of the land surface of South Africa in relation to the target of 8 per cent of land surface by 2010.

The amalgamation of the Qwa Qwa Nature Reserve (24 000 hectares) with Golden Gate National Park into the consolidated Golden Gate Highlands National Park has been effected in 2008/09. This park provides for the conservation of the grassland biome and is strategically important for water supply to Lesotho and South Africa. The Barberton/Makhonjwa mountainland (98 000 hectares), which contains the oldest well preserved sequence of volcanic and sedimentary rocks on earth, has been added to South Africa's list of tentative world heritage sites by the United Nations Educational, Scientific and Cultural Organization.

Over the MTEF period, the department will focus on: the development of policies; building a sound scientific base for the management of natural resources; combating desertification; ensuring regulated bio-prospecting; assessing the environmental impact of genetically modified organisms; controlling species migration; and ensuring sustainable use of species. Other activities include: the planning of protected areas; promoting participation and beneficiation of indigenous and local communities in these areas; establishing, developing and managing the cross-border conservation within the SADC region through the transfrontier conservation areas' initiative; coordinating the national implementation of the World Heritage Convention; and supporting the establishment and management of world heritage sites in the country.

Expenditure estimates

Table 25.13 Biodiversity and Conservation

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R million							
Biodiversity and Conservation Management	3.4	2.2	3.2	4.4	4.6	5.1	5.4
Biodiversity and Heritage	14.4	11.9	18.5	16.7	17.1	18.6	19.6
Transfrontier Conservation and Protected Areas	29.1	16.2	17.8	21.2	31.6	37.8	46.2
iSimangaliso Wetland Park Authority	12.1	12.4	18.2	18.7	20.7	21.4	22.3
South African National Parks	143.8	151.9	191.5	202.3	205.4	214.0	227.0
South African National Biodiversity Institute	80.4	85.0	110.7	128.8	133.8	137.6	143.4
Management of Blyde National Park	–	–	–	4.5	–	–	–
Total	283.2	279.6	359.8	396.6	413.3	434.4	463.9
Change to 2008 Budget estimate				0.2	3.4	10.8	14.9

Table 25.13 Biodiversity and Conservation (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Economic classification							
Current payments	46.1	28.0	37.7	41.3	49.7	58.4	67.4
Compensation of employees	15.4	15.4	19.1	20.6	21.9	24.6	25.8
Goods and services	30.7	12.6	18.6	20.7	27.7	33.9	41.6
of which:							
Advertising	0.2	0.8	1.1	0.4	0.6	0.7	0.9
Catering: Departmental activities	0.1	0.6	0.8	0.4	0.6	0.7	0.8
Consultants and professional services: Business and advisory services	21.9	2.4	5.5	9.0	12.2	15.1	19.3
Consultants and professional services: Legal costs	0.2	–	0.7	0.2	0.3	0.3	0.4
Contractors	0.1	0.2	0.4	0.5	0.6	0.8	0.9
Inventory: Stationery and printing	0.4	0.5	0.5	0.4	0.5	0.7	0.8
Lease payments	0.2	0.3	0.4	0.4	0.5	0.6	0.7
Travel and subsistence	5.1	4.6	5.3	6.4	8.5	10.3	12.3
Training and development	0.1	0.1	0.0	0.6	0.7	0.9	1.1
Operating expenditure	1.2	1.4	1.7	0.3	0.4	0.4	0.5
Venues and facilities	0.5	1.4	1.6	1.9	2.5	3.0	3.6
Financial transactions in assets and liabilities	0.0	0.0	0.0	–	–	–	–
Transfers and subsidies	236.4	251.3	321.5	355.1	363.5	375.8	396.4
Provinces and municipalities	0.0	0.0	–	–	–	–	–
Departmental agencies and accounts	236.3	249.3	320.3	354.3	362.7	375.1	395.6
Universities and technikons	–	–	0.3	–	–	–	–
Non-profit institutions	–	1.8	0.2	0.8	0.8	0.8	0.8
Households	0.1	0.2	0.7	–	–	–	–
Payments for capital assets	0.7	0.2	0.6	0.2	0.1	0.1	0.2
Machinery and equipment	0.7	0.2	0.6	0.2	0.1	0.1	0.2
Software and other intangible assets	–	–	0.0	–	–	–	–
Total	283.2	279.6	359.8	396.6	413.3	434.4	463.9
Details of selected transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	183.3	234.0	257.2	285.0	287.6	296.5	311.8
South African National Biodiversity Institute	80.4	85.0	110.7	128.8	133.8	137.6	143.4
South African National Parks	90.8	136.6	128.4	133.0	133.1	137.5	146.1
iSimangaliso Wetland Park Authority	12.1	12.4	18.2	18.7	20.7	21.4	22.3
Management of Blyde National Park	–	–	–	4.5	–	–	–
Capital	53.0	15.3	63.1	69.3	75.1	78.6	83.8
South African National Parks	53.0	15.3	63.1	69.3	75.1	78.6	83.8
Non-profit institutions							
Current	–	1.8	0.2	0.8	0.8	0.8	0.8
Non-profit institutions	–	1.8	–	–	–	–	–
Botanical Society	–	–	0.2	0.5	0.5	0.5	0.5
Endangered Wildlife Trust	–	–	–	0.3	0.3	0.3	0.3

Expenditure trends

Expenditure increased at an average annual rate of 11.9 per cent from R283.2 million in 2005/06 to R396.6 million in 2008/09 due to the establishment of the transfrontier conservation areas. This resulted in increased expenditure on consultants and professional services, and travel and subsistence. This trend is set to continue, with expenditure in the *Transfrontier Conservation and Protected Areas* subprogramme expected to increase from R21.2 million in 2008/09 to R46.2 million in 2011/12, at an average annual rate of 29.7 per cent. Overall, expenditure stabilises at 5.4 per cent over the MTEF period.

Public entities

South African National Parks

Strategic overview: 2005/06 - 2011/12

South African National Parks was established in terms of the National Environmental Management: Protected Areas Act (2003). The entity is responsible for promoting the conservation of South Africa's natural heritage through managing national parks and other defined protected areas that reflect South Africa's biodiversity.

South African National Parks aims to expand the conservation estate to enhance ecosystems in the conserved estate, focusing mainly on the Lowveld fynbos, succulent Karoo, and thicket biomes. It will prioritise acquiring land for incorporation into the protected areas network, and 35 935 hectares will be added to the national parks system over the MTEF period.

Other activities over the medium term include marketing the national parks as ecotourism destinations of choice, and developing and maintaining high quality tourism infrastructure.

Selected performance and operations indicators

Table 25.14 South African National Parks

Indicator	Past			Current	Projections		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Percentage increase in revenue from commercial activities per year (Total revenue in 2006/07 R458 million)	–	–	8% (R36.6 million)	11% (R63.9 million)	10.5% (R67.4 million)	11% (R78.4 million)	11% (R87 million)
Percentage increase in the number of black visitors to the parks per year (255 829 in 2006/07)	–	–	21.4% (310 488)	10% (341 537)	10% (375 690)	10% (413 259)	10% (454 585)
Hectares of new land acquired for the national parks system	–	–	13 462 Ha	12 800 Ha	13 000 Ha	10 000 Ha	5 000 Ha
Number of learners that go through environmental education programmes	–	–	139 424	110 000	120 000	130 000	140 000

Service delivery and spending focus

After lengthy deliberations, Free State transferred the Qwa Qwa Nature Reserve to South African National Parks in 2008/09, adding 34 000 hectares to the Golden Gate National Park. To extend the national protected areas system, 38 299 hectares of new land for the Addo, Agulhas, Mokala, Tankwa and Table Mountain national parks were acquired by the end of the second quarter of 2008/09.

The total number of guests to the national parks increased by 2.9 per cent from 4.6 million in 2006/07 to 4.7 million in 2007/08.

During the first half of 2008/09, R274.6 million had been generated from commercial sources. Commercial revenue was R595 million in 2007/08 and R607 million in the first half of 2008/09, an average annual increase of 2 per cent.

Over the MTEF period, funds will primarily be used for the maintenance of tourism and other infrastructure in the parks, such as fencing, game processing plants, accommodation and roads, and for marketing national parks as ecotourism destinations. South African National Parks will also develop a protected areas management system for the existing conservation estate. Research on ecosystems has also been identified as a priority, for example, investigating the cause of the recent deaths of crocodiles in the Olifants River.

Expenditure estimates

Table 25.15 SA National Parks: Programme information

R million	Audited outcome			Revised estimate	Medium-term estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Tourism	445.8	536.2	525.2	554.1	590.2	639.3	694.5
Conservation	312.1	372.6	365.0	385.0	410.1	444.2	482.6
Other programmes	–	30.8	33.3	–	–	–	–
Total expense	757.9	939.6	923.5	939.1	1 000.3	1 083.5	1 177.2

Table 25.16 SA National Parks: Financial information

R million	Audited outcome			Revised estimate	Medium-term estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Statement of financial performance							
Revenue							
Non-tax revenue	630.7	670.2	696.3	760.7	792.6	869.2	956.1
Sale of goods and services other than capital assets	497.6	594.6	607.0	703.4	760.3	851.3	936.4
of which:							
Tourism revenue	486.0	594.6	607.0	703.4	760.3	851.3	936.4
Other sales	11.6	–	–	–	–	–	–
Other non-tax revenue	133.0	75.6	89.3	57.3	32.3	17.9	19.7
Transfers received	155.9	298.5	278.2	202.8	238.1	248.0	262.4
Total revenue	786.6	968.7	974.5	963.6	1 030.7	1 117.2	1 218.5
Expenses							
Current expense	757.9	939.6	923.5	939.1	1 000.3	1 083.5	1 177.2
Compensation of employees	296.7	356.2	360.9	409.9	476.0	523.6	576.0
Goods and services	433.6	542.8	515.7	485.7	485.8	518.3	555.4
Depreciation	22.0	30.8	33.3	37.7	33.8	36.3	39.9
Interest, dividends and rent on land	5.6	9.7	13.7	5.8	4.7	5.3	5.9
Total expenses	757.9	939.6	923.5	939.1	1 000.3	1 083.5	1 177.2
Surplus / (Deficit)	28.7	29.1	51.0	24.4	30.4	33.7	41.3
Statement of financial position							
Carrying value of assets	704.3	775.6	817.2	805.6	800.0	807.2	815.7
of which: Acquisition of assets	17.3	18.2	51.2	30.0	40.0	44.0	48.4
Investments	1.2	0.9	24.1	70.6	70.6	70.6	70.6
Inventory	114.2	18.5	16.5	21.6	29.7	32.7	35.9
Receivables and prepayments	18.1	25.4	27.1	25.7	37.9	42.4	46.6
Cash and cash equivalents	255.0	172.6	257.2	(171.3)	–	–	–
Assets not classified elsewhere	7.6	210.5	381.7	456.0	176.1	141.8	133.3
Total assets	1 100.5	1 203.5	1 523.7	1 208.1	1 114.2	1 094.6	1 102.1
Accumulated surplus/deficit	304.5	387.5	438.5	462.9	357.3	391.0	432.3
Borrowings	336.0	44.2	40.0	36.5	36.5	36.5	36.5
Post-retirement benefits	181.9	143.3	146.1	173.5	194.3	217.6	239.3
Trade and other payables	278.1	97.2	162.3	100.0	23.8	26.2	28.8
Provisions	–	–	–	16.0	–	–	–
Liabilities not classified elsewhere	–	531.2	736.8	419.3	502.4	423.4	365.2
Total equity and liabilities	1 100.5	1 203.5	1 523.7	1 208.1	1 114.2	1 094.6	1 102.1

Expenditure trends

Due to its ability to generate revenue, South African National Parks maintains a strong financial position over the medium term. Transfers from the department in 2009/10 amount to R391.2 million, which includes R108.2 million for operations and R185.5 million for establishing and developing parks.

Main cost drivers include: human resources due to the labour intensive nature of conservation and tourism; operating leases for all the vehicles used for specialised work; maintenance costs for bulk and support infrastructure and the organisation's hospitality facilities. These will remain the organisation's key cost drivers over the medium term. Transfers increased by 91 per cent in 2006/07 due to funding for the capital upgrading of the parks.

Programme 6: Sector Services and International Relations

- *Chief Operations Officer* provides for the administration of the overall programme activities.
- *Social Responsibility, Policy and Projects* facilitates environmental rehabilitation, and improvement and development of tourism infrastructure projects under the expanded public works programme through the use of labour intensive methods targeting the unemployed, youth, women, the disabled and SMMEs. Funding is allocated on the basis of approved business plans for the poverty relief projects.
- *Specialist International Cooperation and Resources* provides international negotiations and relations expertise to promote South Africa's global sustainable development and tourism agenda. Bilateral and multilateral financial and technical resources are also mobilised in support of national, subregional and regional environment and tourism projects. Funding is based on salaries, and other personnel related costs.
- *Planning, Coordination and Information* facilitates environmental cooperative governance across all spheres of government and provides geographically referenced environmental information for decision making. Funding is based on salaries, and other personnel related costs.
- *Business Performance Management* facilitates planning, corporate governance and business performance management to improve service delivery by the department and its public entities. Funding is based on salaries, and other personnel related costs.
- *Infrastructure Investment* provides for infrastructure investment allocations and project management across the department's programmes and its six public entities. Funding is allocated on the basis of approved business plans for the infrastructure projects.

Objectives and measures

- Promote the empowerment of designated communities by creating 1 084 permanent jobs, 84 631 temporary jobs and 452 000 person training days through the expanded public works programme over the MTEF period.
- Maintain South Africa's leadership role in global environmental affairs by:
 - developing and implementing the action plan for the national framework for sustainable development by 2009/10
 - developing environmental indicators by 2010/11
 - ensuring a green legacy for the 2010 FIFA World Cup.
- Promote South Africa's global sustainable development agenda by increasing multilateral and bilateral funding for implementing environmental programmes both locally and in SADC from US\$35 million in 2007/08 to US\$45 million in 2010/11.

Service delivery and spending focus

In 2007/08, 29 277 temporary and 430 permanent jobs were created through the implementation of the poverty relief projects in the environment and culture sector. 178 619 training days were provided and 523 SMMEs were involved in the implementation. By the end of October 2008, 7 755 temporary and 450 permanent job opportunities had been created, and 70 915 accredited and 8 178 non-accredited training days were achieved. 9 learnership programmes were registered and 126 skills development programmes implemented. 45 per cent of project budgets were spent in nodal areas and 57 per cent in Project Consolidate municipal areas. 439 SMMEs were empowered.

During 2007/08, 80 per cent of municipal integrated development plans were reviewed to assess the extent to which environmental impacts were taken into account. In 2008/09, 100 per cent of the plans were reviewed through collaboration with provinces. US\$35 million was raised for implementing environment projects, most of which are reflected in the New Partnership for Africa's Development (NEPAD) environmental programme.

Over the medium term, the main focus will be on expanded public works programme projects, including:

- Working on Waste, which protects environmental quality by promoting waste management and rehabilitation of polluted areas

- Sustainable Land Based Livelihoods, which rehabilitates wetlands and conservation landscapes, promotes community conservancies and marine aquaculture (fish farming), and creates livelihood opportunities through the sustainable use of natural and cultural heritage resources
- Working for Tourism, which supports the development of viable tourism products by creating opportunities to increase the share of SMME/BEE involvement in the tourism industry, develops tourism infrastructure and tourism routes, and establishes tourism information centres and signage.

Other key areas of focus will include: developing the state of environment reports; promoting the incorporation of environmental objectives into strategic planning; developing and maintaining the department's research and development agenda; and facilitating implementation of a national greening programme.

The programme also provides financial support to the Centre for Scientific and Industrial Research for research and development in the areas of environmental assessment and remote sensing. The department will also develop systems for departmental strategic and business planning and organisational performance management, and facilitate stakeholder liaison and cooperative governance.

Expenditure estimates

Table 25.17 Sector Services and International Relations

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Chief Operating Officer	7.0	1.8	3.8	4.4	13.9	21.7	38.5
Social Responsibility, Policy and Projects	416.4	447.6	707.7	840.2	846.6	944.1	1 001.1
International Cooperation	18.1	23.9	28.6	42.6	47.1	63.8	77.2
Planning and Coordination	17.4	11.0	13.8	17.6	21.2	25.6	26.0
Business Performance Management	4.4	8.3	12.3	13.6	10.2	11.1	11.5
Infrastructure Investment	10.0	49.7	266.4	307.6	283.0	136.2	127.2
Total	473.3	542.3	1 032.5	1 226.0	1 222.1	1 202.3	1 281.6
Change to 2008 Budget estimate				117.7	7.6	60.9	169.7

Economic classification

	74.4	81.3	111.1	149.2	160.6	183.6	219.4
Current payments							
Compensation of employees	27.3	56.2	59.8	72.1	78.7	84.7	88.9
Goods and services	47.1	25.1	51.3	77.1	82.0	98.9	130.5
<i>of which:</i>							
Advertising	1.2	–	1.4	0.8	2.4	2.8	3.5
Assets less than R5 000	1.6	0.5	1.3	0.2	0.5	0.6	0.8
Bursaries (employees)	0.1	0.1	0.1	0.1	0.3	0.4	0.5
Catering: Departmental activities	0.0	0.0	–	0.2	0.7	0.8	1.0
Communication	0.7	0.8	1.3	1.2	3.6	4.2	5.2
Computer services	0.4	0.3	0.3	0.2	0.6	0.7	0.8
Consultants and professional services: Business and advisory service	23.6	3.3	6.6	27.2	10.7	16.9	24.5
Contractors	0.1	0.2	1.2	4.7	5.9	6.9	7.7
Inventory: Stationery and printing	0.4	0.3	1.3	1.4	2.8	3.2	4.0
Lease payments	1.3	0.8	1.6	1.1	3.4	3.9	4.8
Transport provided: Departmental activities	–	–	–	0.3	0.9	1.0	1.2
Travel and subsistence	15.8	16.4	22.0	26.8	23.0	28.0	33.8
Training and development	0.5	0.2	0.3	0.1	0.3	0.4	0.5
Operating expenditure	0.5	0.6	7.8	1.5	4.5	5.2	6.4
Venues and facilities	0.6	1.1	5.9	10.6	21.1	22.8	34.3
Financial transactions in assets and liabilities	–	0.0	0.1	–	–	–	–

Table 25.17 Sector Services and International Relations (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Transfers and subsidies	398.7	459.7	918.6	1 076.4	1 061.2	1 018.4	1 061.8
Provinces and municipalities	0.1	0.0	–	–	–	–	–
Departmental agencies and accounts	10.5	50.2	267.9	309.1	284.5	137.7	128.7
Foreign governments and international organisations	6.0	4.4	–	9.0	9.0	9.0	9.0
Households	382.1	405.0	650.7	758.3	767.6	871.7	924.1
Payments for capital assets	0.3	1.3	2.8	0.4	0.3	0.3	0.4
Machinery and equipment	0.3	1.3	2.8	0.4	0.3	0.3	0.4
Total	473.3	542.3	1 032.5	1 226.0	1 222.1	1 202.3	1 281.6
Details of selected transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	0.5	0.5	1.5	1.5	1.5	1.5	1.5
Council for Scientific and Industrial Research	0.5	0.5	1.5	1.5	1.5	1.5	1.5
Capital	10.0	49.7	266.4	307.6	283.0	136.2	127.2
South African National Biodiversity Institute	10.0	10.0	12.5	10.0	12.0	13.0	15.0
South African National Parks	–	35.5	172.9	232.6	185.8	–	60.0
South African Weather Service	–	–	60.0	35.0	55.2	100.2	10.2
iSimangaliso Wetland Park Authority	–	4.2	21.0	30.0	30.0	23.0	42.0
Foreign governments and international organisations							
Current	6.0	4.4	–	9.0	9.0	9.0	9.0
Global Environmental Fund	6.0	4.4	–	9.0	9.0	9.0	9.0
African Ministerial Conference on the Environment	–	–	–	–	–	–	–
Households							
Social benefits							
Current	382.1	404.5	650.7	758.3	767.6	871.7	924.1
Expanded public works programme: Environmental and tourism projects	382.1	404.5	650.7	758.3	767.6	871.7	924.1

Expenditure trends

Expenditure is set to increase from R1.2 billion in 2008/09 to R1.3 billion in 2011/12, at an average annual rate of 1.5 per cent, compared to the average annual growth of 37.3 per cent between 2005/06 and 2008/09. Expenditure grew rapidly due to increases in allocations for poverty relief and infrastructure spending for public entities. This trend stabilises over the MTEF period, with infrastructure spending decreasing to R127.2 million in 2011/12.

The largest increase is in the *Chief Operating Officer* subprogramme from R4.4 million in 2008/09 to R38.5 million in 2011/12, at an average annual rate of 106.1 per cent. This rapid increase is due to the additional allocations of R35 million for climate change interventions, and R20 million for environmental awareness campaigns over the medium term.

Additional tables

Table 25.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R million	2007/08		2007/08	2008/09			2008/09
1. Administration	156.8	167.3	193.1	198.4	(4.3)	194.1	194.1
2. Environmental Quality and Protection	246.0	246.0	241.5	269.0	1.2	270.1	270.1
3. Marine and Coastal Management	333.8	340.9	349.3	396.7	32.3	429.0	429.0
4. Tourism	624.1	616.3	612.5	693.0	(2.2)	690.8	690.8
5. Biodiversity and Conservation	369.5	363.0	359.8	396.3	0.2	396.6	396.6
6. Sector Services and International Relations	860.5	1 057.0	1 032.5	1 108.3	117.7	1 226.0	1 226.0
Total	2 590.8	2 790.5	2 788.8	3 061.7	144.9	3 206.6	3 206.6

Economic classification

Current payments	639.6	672.9	663.9	729.2	36.0	765.2	765.2
Compensation of employees	296.2	344.3	342.2	394.6	18.6	413.2	413.2
Goods and services	343.4	328.6	321.5	334.6	17.3	352.0	352.0
Financial transactions in assets and liabilities	—	—	0.2	—	—	—	—
Transfers and subsidies	1 947.4	2 111.2	2 114.5	2 318.1	109.2	2 427.3	2 427.3
Departmental agencies and accounts	1 363.8	1 381.0	1 373.7	1 546.4	19.3	1 565.8	1 565.8
Universities and technikons	—	0.3	0.3	—	—	—	—
Foreign governments and international organisations	—	—	—	14.0	(5.0)	9.0	9.0
Non-profit institutions	86.4	88.1	87.9	89.4	4.9	94.2	94.2
Households	497.3	641.9	652.6	668.3	90.0	758.3	758.3
Payments for capital assets	3.7	6.4	10.3	14.3	(0.3)	14.0	14.0
Machinery and equipment	3.4	6.1	10.1	14.0	(0.3)	13.7	13.7
Software and intangible assets	0.3	0.3	0.2	0.3	—	0.3	0.3
Total	2 590.8	2 790.5	2 788.8	3 061.7	144.9	3 206.6	3 206.6

Table 25.B Summary of personnel numbers and compensation of employees

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Permanent and full time contract employees							
Compensation (R million)	209.5	262.4	342.0	413.0	432.6	476.8	514.2
Unit cost (R million)	0.2	0.2	0.2	0.2	0.3	0.3	0.3
Personnel numbers (head count)	1 240	1 410	1 716	1 716	1 716	1 716	1 716
Interns							
Compensation of interns (R million)	0.1	0.2	0.2	0.2	0.2	0.2	0.2
Unit cost (R million)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Number of interns	87	90	100	100	100	100	100
Total for department							
Compensation (R million)	209.7	262.5	342.2	413.2	432.8	477.0	514.4
Unit cost (R million)	0.2	0.2	0.2	0.2	0.2	0.3	0.3
Personnel numbers (head count)	1 327	1 500	1 816	1 816	1 816	1 816	1 816
Learnerships							
Payments for learnerships (R million)	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Number of learnerships (head count)	25	26	30	30	30	30	30

Table 25.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Compensation of employees (R million)	209.7	262.5	342.2	413.2	432.8	477.0	514.4
Training expenditure (R million)	8.3	3.8	3.4	3.7	3.9	4.1	4.5
Training as percentage of compensation	4.0%	1.5%	1.0%	0.9%	0.9%	0.8%	0.9%
Total number trained in department (head count)	342	153	160	–			
of which:							
Employees receiving bursaries (head count)	23	32	32	–			
Learnerships trained (head count)	12	22	22	–			
Internships trained (head count)	89	94	100	–			
Households receiving bursaries (R million)	0.4	1.3	1.3	1.5	1.6	1.8	1.8
Households receiving bursaries (head count)	17	44	50	–			

Table 25.D Summary of departmental public private partnership projects

Project description: Department of Environmental Affairs and Tourism head office campus		Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
R million		2008/09	2009/10	2010/11	2011/12	
Projects signed in terms of Treasury Regulation 16		4.0	5.0	25.0	90.0	110.0
PPP unitary charge	–	–	–	90.0	110.0	
Advisory fees	4.0	5.0	25.0	–	–	
Projects in preparation, registered in terms of Treasury Regulation 16¹		–	4.0	–	90.0	80.0
PPP unitary charge	–	–	–	90.0	80.0	
Advisory fees	–	4.0	–	–	–	
Total		4.0	9.0	25.0	180.0	190.0

1. Only projects that have received Treasury Approval: 1

Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	Department of Environmental Affairs and Tourism new head office building
Brief description	Procurement of a suitable new head office building for the Department of Environmental Affairs and Tourism
Date public private partnership agreement was signed	Agreement not signed yet
Duration of public private partnership agreement	25 years after construction and occupation

Table 25.E Summary of expenditure on infrastructure

R million	Type of infrastructure	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
					2005/06				2009/10		
					2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
Mega projects or programmes (over R300 million per year for a minimum of three years or R900 million total project cost)											
Replacement of SA Agulhas Marion Island base building project	Vessel	Research vessel to Antarctic, Marion Island and Gough Island	tender	1 156.4	–	–	–	–	144.5	467.3	501.5
	Buildings	Base building on Marion Island to replace old structures	finalising project	350.0	46.7	–	35.0	–	–	–	–
	Vessels		completed	150.0	33.3	51.9	20.0	–	–	–	–
	Accommodation facilities	Accommodation facilities in parks updated	in progress	500.0	41.0	41.0	51.1	57.3	63.1	66.6	71.8
	Accommodation facilities	Accommodation facilities in parks updated	in progress	635.3	–	29.0	157.9	202.6	185.8	–	60.0
	Equipment	Upgraded weather stations	in progress	240.0	–	–	60.0	35.0	52.5	92.5	–
	Construction	Upgraded rehabilitation of Langebaan	completed	85.0	14.0	15.0	–	–	–	–	–
	Construction	Upgraded South African National Biodiversity Institute: facilities	in progress	90.0	–	10.0	10.0	10.0	10.0	10.0	10.0
	facility upgrading	Upgraded facilities at iSimangaliso Wetland Park Authority	in progress	150.0	–	–	21.0	30.0	30.0	23.0	37.0
	Small projects or programmes (costing less than R50 million per annum)										
Lubombo Project			completed	56.5	–	6.5	20.0	30.0	–	–	–
Pondoland			completed	11.7	–	3.7	3.9	4.1	–	–	–
Langebaan Coastal Erosion			completed	68.0	14.0	15.0	–	–	–	–	–
Blyde National Park	Facilities		in progress	11.6	1.0	1.4	4.7	4.5	–	–	–
iSimangaliso Wetland Park Authority	Facilities	Road construction on parks	completed	36.3	–	4.2	21.0	30.0	–	–	–
South African National Parks	Roads		in progress	200.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
South African National Biodiversity Institute			in progress	150.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Total				3 890.9	172.0	199.8	426.7	425.4	507.9	681.4	702.3

Table 25.F Summary of donor funding

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome		Estimate	Medium-term expenditure estimate		
						2005/06	2006/07		2009/10	2010/11	2011/12
R thousand											
Foreign In cash											
Norway	Environmental cooperation programme	Environmental Quality and Protection	25 000	Goods and services	Monitoring of the environmental quality in climate change	–	–	3 200	5 539	6 322	3 618
Norway	Marine fisheries programme	Marine and Coastal Management	52 000	Goods and services	Development in sectors of marine fisheries	–	7 651	14 710	8 834	7 821	–
Norway	Environmental cooperation programme	Biodiversity and Conservation	23 000	Goods and services	Listing and control of endangered species and bio-safety	–	–	1 920	3 885	4 923	1 284
Norway	Environmental cooperation programme	Sector Services and International Relations	18 000	Goods and services	Development in greening the country with the focus on urban areas	–	–	1 529	3 201	3 672	1 195
Denmark	Air quality management programme	Environmental Quality and Protection	2 274	Goods and services	Measurable improvement in air quality in South Africa	236	439	663	539	–	–
Denmark	National waste management programme	Environmental Quality and Protection	48 000	Goods and services	National waste management strategy developed and currently being implemented.	7 955	10 000	1 300	–	–	–
Denmark	Environmental capacity building programme	Administration	14 000	Goods and services	Environmental capacity building in municipalities	3 599	1 237	2 745	563	–	–
Denmark	Urban environmental development programme	Environmental Quality and Protection	47 000	Goods and services	Development programme for urban areas on the environment management	–	–	–	2 156	3 385	4 326
World Bank	African stockpile programme	Environmental Quality and Protection	34 000	Goods and services	Tracing and collection of all redundant pesticides in the country and disposal thereof, as establishing a system to ensure long term collection and disposal of pesticides.	–	–	–	738	1 576	2 754
Total			263 274			11 790	19 327	26 067	25 455	27 699	13 177