

VOTE 30 *Environmental Affairs*



National Treasury

BUDGET 2012

ESTIMATES OF NATIONAL EXPENDITURE



national treasury

Department:
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REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure

2012

National Treasury

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The Estimates of National Expenditure 2012 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the Estimates of National Expenditure, these publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

Foreword

The current global economic context is characterised by high levels of uncertainty. Against this backdrop, South Africa's development depends largely on government improving its level and quality of service delivery in support of the inclusive and equitable economic roadmap, as contained in the new growth path. The 2012 Budget is an important tool of government for giving effect to these objectives, and this Budget allocates resources to specific interventions that will be actioned over the period of the medium term expenditure framework (MTEF). Growth in spending focuses particularly on infrastructure development, job creation, enterprise support and the enhancement of local government delivery.

South Africa's fiscal stance and public spending programmes are focused on long term structural transformation. Over the next three years of the MTEF period, government priorities will continue to be realised within a sustainable fiscal trajectory, which balances current needs with intergenerational equity. In line with this, spending baselines have undergone rigorous review, areas of inefficiency and lower priority have been identified, and funds have been redirected towards government's key priorities, both new and existing. This has been done in recognition of the relationship between the composition of spending and fiscal sustainability over the long term. Here, the balance between consumption and investment is extremely important. Even the distribution of consumption spending between wages, goods and services and transfers is significant, as is the balance between the functional categories expenditure (such as education, health and economic services). Underspending on key priorities undermines the aims of the spending proposed within MTEF Budgets.

Since introducing the functional approach to budget decision-making in 2009, transparency and coordination in budgeting has been enhanced, largely due to the participation by the stakeholders responsible for delivery across all spheres of government. South African budget reforms, especially the intensified focus on budget trade-offs and the composition of expenditure, will lead to greater accountability and improved control.

It is not enough to demonstrate a change in the composition of budgeted expenditure; nor is it enough to pinpoint the specific actions required and proposed within the Budget. Success will only be achieved when we can demonstrate that a shift in the composition of actual expenditure has taken place, together with the achievement of improved delivery targets.

This year, the layout of this publication has been altered substantially. The focus is on linking more closely expenditure planned with targeted performance. Specific focus is on the outcomes to which institutions contribute and the output and other performance measures supporting them. The sections covering employee numbers, personnel budgets and the purpose and key activities of each subprogramme within a vote are now more prominent, giving expression to the budget and service delivery. This publication still indicates details per vote of the allocation of new monies, monies reprioritised between or within budget programmes, and Cabinet approved budget reductions over the period ahead. Compared to the abridged version of the Estimates of National Expenditure, the e-publications for each vote contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included, containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; skills training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

The expenditure estimates of departments are the outcome of a rigorous administrative and executive process. Treasury budget analysts, under the guidance of the Ministers' Committee on the Budget, follow a wide-ranging intergovernmental consultative process, working closely with the policy and budget teams of departments and entities to ensure that government priorities are appropriately funded within the available resource envelope. The Treasury is grateful for the contribution of these teams. Appreciation is also due to the people in the Treasury team, who worked with great diligence to produce a high quality document that provides a comprehensive account of government's spending and performance plans.



Lungisa Fuzile
Director General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure publications are important accountability documents, which set out the details in relation to planned expenditure and planned performance at the time of the tabling of the Budget. Estimates of National Expenditure publications continue to make a significant contribution to the changes relating to budgeting by programme. As part of these ongoing efforts, several changes have been made to the 2012 Estimates of National Expenditure publications. Departments still provide information on the key objectives of each subprogramme within a programme, and note the activities carried out, the number of personnel responsible for undertaking these activities and the funding allocations supporting this. This year in the 2012 publications, information on expenditure and performance is more closely linked under the 'expenditure trends' section, with a brief discussion on the impact of budget allocations on the achievement of outputs over the seven-year period. In addition, an explanation of the personnel trends, per programme by salary level, over the seven years in relation to compensation of employees has also been included. Finally, information on Cabinet approved cost reduction measures and other budget reprioritisation has been included per programme.

The 2012 abridged Estimates of National Expenditure publication, and the separate Estimates of National Expenditure e-publications for each vote are the product of an extensive consultative review process of budgets and policy, and policy implementation by programme, and include the latest improvements in non-financial performance information. These publications provide the details of the spending estimates for the next three financial years (2012/13 to 2014/15), expenditure outcomes for the past three years (2008/09 to 2010/11) and revised estimates for the current financial year (2011/12). Information is provided on performance targets over the seven year period as well as changes in these, as they relate to trends in planned expenditure.

The e-publications for individual votes contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; skills training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

A consolidated account, summarising the Estimates of National Expenditure publication information across votes, is provided in the form of a narrative and summary tables in the Introduction chapter, which is included in the front pages of the abridged version of the Estimates of National Expenditure. A write-up containing the explanation of the information that is contained in each section of the publications has also been included in the abridged version of the Estimates of National Expenditure. Like the separate Estimates of National Expenditure e-publications for each vote, the abridged Estimates of National Expenditure publication is also available on www.treasury.gov.za.

Environmental Affairs

**National Treasury
Republic of South Africa**



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Vote 30

Environmental Affairs

Budget summary

R thousand	2012/13				2013/14	2014/15
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	775 508	515 073	16 890	243 545	725 524	610 482
Environmental Quality and Protection	323 291	159 278	161 981	2 032	345 676	366 204
Oceans and Coasts	221 815	217 385	–	4 430	239 873	254 415
Climate Change	31 186	31 186	–	–	33 016	34 956
Biodiversity and Conservation	486 367	100 859	385 058	450	511 361	541 597
Environmental Sector Programmes and Projects	2 673 994	897 022	1 744 390	32 582	3 319 789	3 315 424
Total expenditure estimates	4 512 161	1 920 803	2 308 319	283 039	5 175 239	5 123 078
Executive authority	Minister of Environmental Affairs					
Accounting officer	Director General of Environmental Affairs					
Website address	www.environment.gov.za					

Aim

Lead South Africa's environmental sector to achieve sustainable development towards a better quality of 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: Oceans and Coasts

Purpose: Ensure that government, industry and the public are informed, supported and regulated to act responsibly to conserve the ocean and coastal environment as well as to honour South Africa's local and global obligations.

Programme 4: Climate Change

Purpose: Promote, coordinate and manage an effective national mitigation and adaptation response to climate change.

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: Environmental Sector Programmes and Projects

Purpose: Implement environmental sector projects and assist in job creation.

Strategic overview: 2008/09 – 2014/15

In line with its vision of creating a prosperous and equitable society living in harmony with the natural environment, the department's key strategic priorities include: protecting, conserving and enhancing environmental assets, and natural and heritage resources; ensuring a sustainable and healthy environment; contributing to sustainable economic growth, livelihoods and social cohesion; providing leadership on climate change action; promoting skills development and employment creation by facilitating green and inclusive economic growth; and creating a better Africa and a better world by advancing national environmental interests through a global sustainable development agenda.

The department aims to ensure that the potential for economic growth in the sector is maximised, the interface between the environment and development effectively managed and, wherever possible, that it stimulates economic growth that supports transformation.

Priorities over the medium term

The top priority areas for the department over the medium term include: providing support to local government in the areas of air quality management, waste management, biodiversity management, coastal planning and open space planning; strengthening compliance and enforcement activities; drawing linkages between climate change, the green economy and sustainable development; aligning governance systems with the new outcomes approach, paying particular attention to ensuring that environmental assets and natural resources are valued, protected and continually enhanced (outcome 10); and focusing on key national and international engagements.

Addressing the impact of climate change

Climate change impacts on global environmental, social and economic systems. In October 2011, the department published the National Climate Change Response White Paper. The white paper sets out South Africa's vision for an effective climate change response, and a transition, in the longer term, to a climate resilient and lower carbon economy and society. The department's work will focus on implementing the recommendations contained in the white paper.

The 17th conference of the parties to the United Nations Framework Convention on Climate change (COP17), which took place in Durban in December 2011, presented an opportunity for South Africa to broaden awareness of climate change and climate change response. The department hosted an exposition on South Africa's climate change response as a side-event to the UN conference, which provided an opportunity for green economy players to profile their work and products and for government to signal its commitment to encouraging a green economy growth path, and through this, inspire South Africans about the importance of the concept of the green economy. The department was also responsible for specific greening and legacy projects that reduced or offset the impacts of COP17 and/or left a lasting climate change response legacy. The department implemented projects and events that raised the general public's awareness around climate change; inspired South Africans to start making climate friendly choices; provided a platform for all South Africans to have their voices heard in the development, compilation, approval and implementation of the South African COP17 negotiating position; and showcased South Africa as a responsible global citizen.

Protecting the country's biodiversity and ecosystems

The increasing acknowledgement of the role that biodiversity and ecosystem services play in socioeconomic development, and the fact that South Africa is the third most biologically diverse country in the world, is at the centre of government efforts towards meeting sustainable development imperatives. Any threat to this biodiversity and ecosystem requires coordinated and harmonised approaches at regional, national and global levels. The regulatory framework regarding biodiversity and ecosystem services was strengthened through targeted amendments that will promote the objectives of conservation, the sustainable use and equitable sharing of benefits arising from the use of biological resources, and the associated traditional knowledge.

Developing infrastructure in the transfrontier conservation areas

The department aims to attract investment for infrastructure development in the transfrontier conservation areas to support the regional integration strategy, and has identified 51 potential investment opportunities. To date, seven investment opportunities have yielded investments totalling US\$14 million, and which form part of its contribution to the regional integration strategy.

Employment creation

Employment generation is a key priority in the department's medium term strategic framework, and it is intensifying its involvement in the expanded public works programme in relation to generating green jobs. The transfer from the Department of Water Affairs of the *Natural Resources Management Programmes: Working for Water*, and *Working on Fire*, has significantly increased the department's capacity and responsibility to create employment. Both job generation and critical environmental outcomes will be realised through these programmes, including the management of invasive alien plants, wild fires, wetlands, land and forest degradation, river health; the potential creation of value added industries; and the conversion of invasive alien plant biomass, bush-encroachment biomass and waste materials, to energy.

Fostering a green economy

A green economy is one in which the growth in income and employment is driven by public and private investments that reduce carbon emissions and pollution, enhance energy and resource efficiency, and prevent the loss of biodiversity and ecosystem services. In line with this, the department has established the Green Fund. The objectives of the fund are to promote environmental protection through a programme comprising technical assistance, grant assistance, loan assistance and/or own-funding for projects that have a substantial public interest. The fund aims to stimulate market development and foster projects that have a high positive environmental impact, strengthen institutional capacity to integrate environmental issues into the economy and society, contribute to the associated knowledge management and attract resources to develop South Africa's green economy.

Selected performance indicators

Table 30.1 Environmental Affairs

Indicator	Programme	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Percentage of all new national environmental impact management applications processed within stipulated timeframes (provided that no more than 400 applications are received) per year	Environmental Quality and Protection	85%	85%	87%	88%	88%	89%	89%
Number of municipalities for which strategic environmental assessments or environmental management frameworks have been conducted per year	Environmental Quality and Protection	–	1	4	1	1	1	1
Number of facilities inspected per year	Environmental Quality and Protection	35	51	51	70	85	95	85
Percentage of administrative enforcement notices resulting in compliance per year	Environmental Quality and Protection	–	–	–	75%	80%	80%	85%
Percentage of environmental management inspectors (excluding grade 5) undergoing specialised training courses per year	Environmental Quality and Protection	22% (53 out of 236)	21% (57 out of 269)	15% (43 out of 291)	19% (60 out of 311)	21% (70 out of 331)	26% (90 out of 351)	32% (120 out of 371)
Total number of ambient air quality monitoring stations providing information to the South African air quality information system ¹	Environmental Quality and Protection	18	18	41	41	43	43	43
The national air quality indicator	Environmental Quality and Protection	–	–	–	1.150	1.145	1.140	1.135
Number of research projects completed on marine top predator species per year	Oceans and Coasts	–	–	2	6	2	2	2
Total number of annual relief voyages for South African research teams in Antarctica and at Marion and Gough islands per year	Oceans and Coasts	3	3	3	3	3	3	3

Table 30.1 Environmental Affairs (continued)

Indicator	Programme	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
The number of climate change response alignment audits carried out on specific sector policies, strategies, plans and legislation per year	Climate Change	–	–	–	–	1	2	4
The extent to which South African greenhouse emissions conform to the national greenhouse gas emissions trajectory range	Climate Change	Less than 519 Mt CO ₂ -eq/annum	Less than 530 Mt CO ₂ -eq/annum	Less than 547 Mt CO ₂ -eq/annum	Less than 550 Mt CO ₂ -eq/annum	Less than 553 Mt CO ₂ -eq/annum	Less than 556 Mt CO ₂ -eq/annum	Less than 559 Mt CO ₂ -eq/annum
Percentage of bio prospecting permit applications and agreements assessed per year	Biodiversity and Conservation	–	100%	80%	100%	100%	100%	100%
Percentage of Convention on International Trade in Endangered Species permit applications assessed per year	Biodiversity and Conservation	–	80%	80%	85%	85%	90%	90%
Percentage of threatened or protected species permit applications assessed per year	Biodiversity and Conservation	–	80%	80%	85%	85%	90%	90%
Percentage of land under conservation per year	Biodiversity and Conservation	5.9%	6.1%	6.4%	6.9%	7.4%	7.9%	8.4%
Hectares of land rehabilitated per year	Biodiversity and Conservation	1 000	1 200	2 653	4 190	4 400	4 500	7 700
Number of new work opportunities created through expanded public works programme projects ² per year	Environmental Sector Programmes and Projects	39 553	53 115	45 856	54 499	62 856	66 572	72 536
Number of full time equivalent jobs created through expanded public works programme projects per year	Environmental Sector Programmes and Projects	16 417	22 347	21 899	26 914	31 234	33 059	35 997
Number of new person training days created through expanded public works programme projects per year	Environmental Sector Programmes and Projects	271 751	170 436	178 569	197 792	205 934	209 892	214 693

1. The increase in the target between 2009/10 and 2010/11 was due to an increased budget.

2. Less was achieved in 2010/11 as the budget was underspent.

Expenditure estimates

Table 30.2 Environmental Affairs

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
R thousand								
Administration	229 125	277 549	360 749	387 542	387 542	775 508	725 524	610 482
Environmental Quality and Protection	253 509	285 820	295 833	336 714	336 714	323 291	345 676	366 204
Oceans and Coasts	223 945	353 947	644 256	848 552	848 552	221 815	239 873	254 415
Climate Change	–	–	11 760	129 208	129 208	31 186	33 016	34 956
Biodiversity and Conservation	398 496	386 852	421 974	472 352	472 352	486 367	511 361	541 597
Environmental Sector Programmes and Projects	1 334 951	1 445 140	1 544 894	2 027 248	2 027 248	2 673 994	3 319 789	3 315 424
Total	2 440 026	2 749 308	3 279 466	4 201 616	4 201 616	4 512 161	5 175 239	5 123 078
Change to 2011 Budget estimate				1 355 553	1 355 553	2 112 835	2 532 246	(3)

Table 30.2 Environmental Affairs (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Economic classification								
Current payments	1 263 957	1 267 592	1 699 921	1 544 153	1 544 153	1 920 803	2 035 001	2 340 657
Compensation of employees	257 357	333 733	400 058	490 930	490 930	605 665	640 256	680 124
Goods and services	1 006 600	933 796	1 299 486	1 053 223	1 053 223	1 315 138	1 394 745	1 660 533
<i>of which:</i>								
<i>Administrative fees</i>	601	1 419	8 945	824	824	2 920	3 170	3 411
<i>Advertising</i>	8 116	6 893	17 423	8 434	8 434	28 589	29 448	30 332
<i>Assets less than the capitalisation threshold</i>	8 016	10 475	19 161	4 740	4 740	10 059	10 642	11 249
<i>Audit cost: External</i>	3 555	3 939	4 662	6 501	6 501	11 450	12 029	12 636
<i>Bursaries: Employees</i>	280	1 062	1 290	1 399	1 399	1 674	1 778	1 882
<i>Catering: Departmental activities</i>	3 572	3 097	3 772	2 669	2 669	4 037	4 317	4 795
<i>Communication</i>	10 726	9 597	8 708	44 160	44 160	19 206	21 052	22 895
<i>Computer services</i>	12 510	13 329	20 933	5 977	5 977	14 587	25 392	27 315
<i>Consultants and professional services: Business and advisory services</i>	513 371	152 687	158 552	306 952	306 952	161 099	172 462	192 568
<i>Consultants and professional services: Infrastructure and planning</i>	–	238 868	425 188	6 282	6 282	164 729	170 270	230 755
<i>Consultants and professional services: Laboratory services</i>	–	–	51	2 708	2 708	1 400	1 550	1 700
<i>Consultants and professional services: Legal costs</i>	996	1 049	1 636	2 048	2 048	1 143	1 243	1 344
<i>Contractors</i>	52 389	14 904	18 947	151 661	151 661	254 269	277 834	293 824
<i>Agency and support / outsourced services</i>	122 543	183 571	253 989	119 766	119 766	156 773	153 664	287 017
<i>Entertainment</i>	116	108	150	414	414	527	589	654
<i>Inventory: Food and food supplies</i>	1 101	1 453	40	2 614	2 614	1 522	1 736	1 950
<i>Inventory: Fuel, oil and gas</i>	13 150	38 524	61 575	7 462	7 462	26 691	27 345	28 001
<i>Inventory: Learner and teacher support material</i>	–	383	395	–	–	1 015	1 060	1 105
<i>Inventory: Materials and supplies</i>	927	608	1 626	1 030	1 030	4 150	4 360	4 531
<i>Inventory: Medical supplies</i>	488	331	83	120	120	680	785	890
<i>Inventory: Medicine</i>	–	–	–	–	–	200	250	300
<i>Inventory: Other consumables</i>	1 869	11 894	13 754	49 308	49 308	20 056	20 754	21 458
<i>Inventory: Stationery and printing</i>	37 006	6 135	7 216	7 199	7 199	8 713	9 227	9 690
<i>Lease payments</i>	35 301	81 314	87 166	75 303	75 303	136 799	148 233	157 233
<i>Property payments</i>	1 202	2 587	14 696	402	402	7 136	7 920	8 930
<i>Transport provided: Departmental activity</i>	409	248	10	473	473	37	42	46
<i>Travel and subsistence</i>	116 043	78 961	98 343	133 898	133 898	179 302	187 011	197 360
<i>Training and development</i>	6 785	24 304	22 909	5 691	5 691	21 145	22 098	23 050
<i>Operating expenditure</i>	37 121	33 773	33 871	49 600	49 600	54 398	57 042	60 901
<i>Venues and facilities</i>	18 407	12 283	14 395	55 588	55 588	16 832	17 202	18 216
<i>Rental and hiring</i>	–	–	–	–	–	4 000	4 240	4 495
<i>Interest and rent on land</i>	–	63	377	–	–	–	–	–
Transfers and subsidies	1 169 453	1 297 350	1 165 369	2 010 666	2 010 666	2 308 319	2 940 387	2 720 334
Provinces and municipalities	629	71	69	–	–	–	–	–
Departmental agencies and accounts	795 574	763 827	644 281	654 131	654 131	666 701	886 462	979 847
Higher education institutions	–	1 297	980	968	968	–	–	–
Foreign governments and international organisations	9 000	9 000	19 077	12 890	12 890	12 890	12 890	12 890
Public corporations and private enterprises	–	–	4 127	–	–	300 000	500 000	–
Non-profit institutions	26 541	31 836	35 024	40 103	40 103	6 688	5 400	5 640
Households	337 709	491 319	461 811	1 302 574	1 302 574	1 322 040	1 535 635	1 721 957

Table 30.2 Environmental Affairs (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Economic classification								
Payments for capital assets	6 616	184 267	413 781	646 797	646 797	283 039	199 851	62 087
Buildings and other fixed structures	74	171 344	390 607	635 649	635 649	220 000	146 000	–
Machinery and equipment	5 906	12 521	22 809	10 768	10 768	63 039	53 851	62 087
Software and other intangible assets	636	402	365	380	380	–	–	–
Payments for financial assets	–	99	395	–	–	–	–	–
Total	2 440 026	2 749 308	3 279 466	4 201 616	4 201 616	4 512 161	5 175 239	5 123 078

Expenditure trends

The spending focus over the medium term will be on improving service delivery and job creation in the environmental sector. The bulk of the budget will be spent on the expanded public works projects within the *Environmental Sector Programmes and Projects* programme, which targets creating jobs while undertaking environmentally friendly projects. The focus of this programme will be on the number of full time equivalent jobs created per financial year.

Between 2008/09 and 2011/12, expenditure increased from R2.4 billion to R4.2 billion, at an average annual rate of 19.9 per cent. This was mainly due to the increased expenditure to replace the polar research vessel in the *Oceans and Coasts* programme and to implement job creation programmes in the *Environmental Sector Programme and Projects* programme. The budget for the programme increased from R1.3 billion in 2008/09 to R2 billion in 2011/12, at an average annual rate of 14.9 per cent.

The department increased the number of full time equivalent jobs created through expanded public works programme projects from 16 318 in 2008/09 to 26 881 in 2011/12, and expects to increase this number to 36 499 in 2014/15.

Over the medium term, expenditure is expected to increase to R5.1 billion, at an average annual rate of 6.8 per cent, mainly due to increased allocations to the *Environmental Sector Programmes and Projects* programme for efforts related to the implementation of the expanded public works programme

The department receives additional allocations of R468 million in 2012/13, R616 million in 2013/14, and R823 million in 2014/15, of which R350 million is allocated for infrastructure development in the national parks and R1.1 billion for expanded public works programme projects. Other allocations provide for an adjustment to the baseline of the South African National Biodiversity Institute and compensation of employees of the department and its public entities.

The department uses consultants for the following specialised tasks: external and internal audit; environmental impact assessments; manning and operating the SA Agulhas; training, reviews and studies on environmental and climate change; and biodiversity, marine and environmental sector projects. The department spent R318 million on these tasks in 2011/12.

Infrastructure spending

The department received funding for the acquisition of the polar research vessel to replace the ageing SA Agulhas. The replacement vessel will provide logistical support to the three research bases in Antarctica, Marion Island and Gough Island from 2012/13. R1.2 billion has been allocated for this purpose. The first payment of R131.4 million was made in 2009/10, R467.3 million was paid in 2010/11 and the final payment of R632.2 million was made in 2011/12.

Additional infrastructure spending over the medium term includes R636.4 million for South African National Parks and R202.3 million for iSimangaliso Wetland Park Authority, to upgrade tourist and other facilities in the parks, and R47.3 million to upgrade facilities in the various national botanical gardens around the country. R220 million in 2012/13 and R146 million in 2013/14 has been allocated to the department as a capital contribution towards the department's public private partnership project, which involves building the department's new head office. The funds will result in a reduced annual unitary payment for the building.

Personnel information

Table 30.3 Details of approved establishment and personnel numbers according to salary level¹

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid-year ²	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Department	1 412	1 259	153	1 028	1 100	1 121	1 246	1 487	1 524	1 590
Salary level 1 – 6	312	225	97	217	231	240	271	334	338	345
Salary level 7 – 10	753	712	30	596	630	637	672	787	804	833
Salary level 11 – 12	234	218	15	142	159	162	203	236	246	264
Salary level 13 – 16	113	104	11	73	80	82	100	130	136	148
Administration	350	284	66	221	225	225	322	365	373	398
Salary level 1 – 6	120	68	62	89	89	89	107	120	122	126
Salary level 7 – 10	153	143	–	94	97	97	141	161	163	173
Salary level 11 – 12	47	45	2	21	22	22	46	48	50	58
Salary level 13 – 16	30	28	2	17	17	17	28	36	38	41
Environmental Quality and Protection	232	229	3	194	192	192	227	241	247	250
Salary level 1 – 6	21	20	1	16	15	15	18	19	16	16
Salary level 7 – 10	140	140	–	119	119	119	140	148	153	153
Salary level 11 – 12	47	45	1	38	38	38	47	47	51	51
Salary level 13 – 16	24	24	1	21	20	20	22	27	27	30
Oceans and Coasts	169	125	44	161	161	161	139	187	196	208
Salary level 1 – 6	35	18	17	22	22	22	32	43	43	45
Salary level 7 – 10	77	60	16	99	99	99	63	85	89	94
Salary level 11 – 12	42	34	9	25	25	25	31	41	43	46
Salary level 13 – 16	15	13	2	15	15	15	13	18	21	23
Climate Change	19	12	7	–	–	–	15	25	27	35
Salary level 1 – 6	1	1	–	–	–	–	1	1	1	2
Salary level 7 – 10	7	5	2	–	–	–	6	9	10	13
Salary level 11 – 12	4	2	1	–	–	–	3	6	7	9
Salary level 13 – 16	7	4	4	–	–	–	5	9	9	11
Biodiversity and Conservation	92	87	5	72	77	77	72	97	99	104
Salary level 1 – 6	12	11	1	9	10	10	10	12	12	12
Salary level 7 – 10	46	44	2	42	43	43	37	49	50	53
Salary level 11 – 12	20	20	–	12	14	14	14	20	21	22
Salary level 13 – 16	14	12	2	9	10	10	11	16	16	17
Environmental Sector Programmes and Projects	550	522	28	380	445	466	471	572	582	595
Salary level 1 – 6	123	107	16	81	95	104	103	139	144	144
Salary level 7 – 10	330	320	10	242	272	279	285	335	339	347
Salary level 11 – 12	74	72	2	46	60	63	62	74	74	78
Salary level 13 – 16	23	23	–	11	18	20	21	24	25	26

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. As at 30 September 2011.

The department had an approved establishment of 1 412 posts. The number of filled posts grew from 1 028 in 2008/09 to 1 246 in 2011/12, to ensure adequate capacity in the management of the department as well as adequate management and oversight for the implementation of expanded public works programme projects. The number of filled posts is expected to increase to 1 590 in 2014/15, due to the expansion of the department following a review of the organisational structure. Spending on compensation of employees is expected to grow from R490.9 million in 2011/12 to R680.1 million in 2014/15, at an average annual rate of 11.5 per cent. There are 166 vacancies in the department, most of them in the *Environmental Sector Programmes and Projects* programme. This is due to a review of the structure for the *Natural Resources Management* subprogramme after

the function was transferred from the Department of Water Affairs in 2011/12. The ratio of support staff to line staff is 1:3.

Departmental receipts

Table 30.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Departmental receipts	8 488	2 051	8 511	5 673	16 673	5 745	6 061	6 430
Sales of goods and services produced by department	605	394	189	470	470	1 380	1 400	1 440
Other sales	605	394	189	470	470	1 380	1 400	1 440
<i>of which:</i>								
Replacement of security cards	30	34	36	38	38	690	700	720
Sales of departmental publications	575	360	153	432	432	690	700	720
Sales of scrap, waste, arms and other used current goods	-	8	1	3	3	-	-	-
<i>of which:</i>								
Waste paper	-	8	1	3	3	-	-	-
Transfers received	616	-	-	-	-	-	-	-
Fines, penalties and forfeits	128	70	90	-	-	-	-	-
Interest, dividends and rent on land	110	90	93	200	200	135	138	140
Interest	110	90	93	200	200	135	138	140
Sales of capital assets	32	-	87	-	-	-	-	-
Transactions in financial assets and liabilities	6 997	1 489	8 051	5 000	16 000	4 230	4 523	4 850
Total	8 488	2 051	8 511	5 673	16 673	5 745	6 061	6 430

Receipts increased from R8.5 million in 2008/09 to R16.7 million in 2011/12, at an average annual rate of 25.2 per cent. 91.1 per cent of the receipts over this period related to transactions in financial assets and liabilities on environmental sector projects. These are funds that were transferred for expanded public works programme projects and returned to the department due to under spending. Over the medium term, receipts are expected to decrease to R6.4 million, at an average annual rate of 27.2 per cent. The department also receives revenue from sales of goods and services, and interest. Revenue from these items is expected to increase from R673 000 in 2011/12 to R1.6 million in 2014/15, at an average annual rate of 32.9 per cent.

Expenditure estimate

Programme 1: Administration

Table 30.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Management	20 777	25 523	27 090	48 690	96 775	103 898	109 398
Corporate Affairs	83 333	91 669	134 474	136 123	164 490	162 630	172 425
International Relations	42 582	44 116	47 731	54 733	58 760	61 241	64 946
Coordination and Information Management	22 054	22 369	40 787	45 980	50 005	51 880	54 994
Financial Management	18 126	18 314	22 298	31 953	48 868	51 795	54 853
Office Accommodation	42 253	75 558	88 369	70 063	356 610	294 080	153 866
Total	229 125	277 549	360 749	387 542	775 508	725 524	610 482
Change to 2011 Budget estimate				-	294 125	212 821	67 765

Table 30.5 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Current payments	212 594	261 337	332 132	367 308	515 073	558 919	589 458
Compensation of employees	71 714	81 534	111 929	149 610	186 998	197 310	209 260
Goods and services	140 880	179 803	220 203	217 698	328 075	361 609	380 198
<i>of which:</i>							
Administrative fees	137	141	203	217	1 153	1 227	1 302
Advertising	2 730	2 443	12 718	2 531	22 222	22 732	23 267
Assets less than the capitalisation threshold	841	2 088	5 659	1 745	6 233	6 545	6 932
Audit cost: External	3 555	3 876	4 542	6 500	11 450	12 029	12 636
Bursaries: Employees	56	1 040	1 124	382	1 207	1 268	1 331
Catering: Departmental activities	853	1 248	1 541	737	1 617	1 700	1 788
Communication	5 586	4 361	2 846	2 696	12 620	14 115	15 626
Computer services	7 978	6 728	14 618	302	5 716	15 912	17 327
Consultants and professional services: Business and advisory services	42 488	13 667	15 012	4 675	14 439	15 165	15 926
Consultants and professional services: Infrastructure and planning	–	10 508	11 057	6 282	15 000	15 860	13 671
Consultants and professional services: Legal costs	270	271	384	–	403	423	444
Contractors	5 500	3 051	10 173	4 677	21 259	21 821	22 414
Agency and support / outsourced services	87	405	483	4 800	519	546	575
Entertainment	96	44	65	48	80	84	91
Inventory: Food and food supplies	15	11	8	–	27	29	31
Inventory: Fuel, oil and gas	610	212	277	–	291	305	321
Inventory: Materials and supplies	126	94	377	374	401	424	448
Inventory: Medical supplies	–	–	9	–	–	–	–
Inventory: Other consumables	551	530	735	45 034	9 170	9 628	10 110
Inventory: Stationery and printing	2 344	3 386	2 726	2 047	3 611	3 792	3 971
Lease payments	28 610	76 910	78 008	64 519	125 674	136 168	144 319
Property payments	880	1 826	13 659	–	3 413	3 904	4 121
Transport provided: Departmental activity	315	238	–	–	–	–	–
Travel and subsistence	23 140	21 936	24 502	45 921	45 418	50 870	54 861
Training and development	541	2 325	3 956	1 245	3 959	4 159	4 365
Operating expenditure	2 841	15 496	9 057	17 050	10 746	11 283	11 848
Venues and facilities	10 730	6 968	6 464	5 916	7 447	7 380	7 978
Rental and hiring	–	–	–	–	4 000	4 240	4 495
Transfers and subsidies	14 968	11 808	24 531	16 890	16 890	16 890	17 130
Departmental agencies and accounts	1 500	1 500	100	–	–	–	–
Higher education institutions	–	1 297	–	–	–	–	–
Foreign governments and international organisations	9 000	9 000	19 077	12 890	12 890	12 890	12 890
Non-profit institutions	4 468	–	4 000	4 000	4 000	4 000	4 240
Households	–	11	1 354	–	–	–	–
Payments for capital assets	1 563	4 344	4 026	3 344	243 545	149 715	3 894
Buildings and other fixed structures	–	–	–	–	220 000	146 000	–
Machinery and equipment	1 345	4 171	3 848	3 344	23 545	3 715	3 894
Software and other intangible assets	218	173	178	–	–	–	–
Payments for financial assets	–	60	60	–	–	–	–
Total	229 125	277 549	360 749	387 542	775 508	725 524	610 482

Table 30.5 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	1 500	1 500	100	-	-	-	-
Council for Scientific and Industrial Research	1 500	1 500	100	-	-	-	-
Foreign governments and international organisations							
Current	9 000	9 000	19 077	12 890	12 890	12 890	12 890
Global Environmental Fund	9 000	9 000	19 077	12 890	12 890	12 890	12 890
Non-profit institutions							
Current	4 468	-	4 000	4 000	4 000	4 000	4 240
World Environmental Wildlife Association	-	-	4 000	-	-	-	-
Wildlife Environmental Society of South Africa	4 468	-	-	4 000	4 000	4 000	4 240
Households							
Social benefits							
Current	-	-	1 235	-	-	-	-
Households: Severance package	-	-	1 235	-	-	-	-
Households							
Other transfers to households							
Current	-	11	119	-	-	-	-
Households: Leave gratuity	-	11	87	-	-	-	-
Donations and gifts	-	-	32	-	-	-	-
Higher education institutions							
Current	-	1 297	-	-	-	-	-
University of Cape Town	-	1 297	-	-	-	-	-

Expenditure trends

Expenditure increased from R229.1 million in 2008/09 to R387.5 million in 2011/12, at an average annual rate of 19.1 per cent. The increase was to ensure adequate capacity in the management of the department, create conditions of effective corporate and cooperative governance and international cooperation, and provide for growth in spending on office accommodation due to the increase in the size of the department. Over the medium term, expenditure is expected to increase to R610.5 million, at an average annual rate of 16.4 per cent. The main reason is the provision for the unitary payment for the new departmental building due in 2013/14.

Most of the programme's budget is spent on current payments, especially on goods and services, and compensation of employees costs. In 2011/12, goods and services expenditure made up 56.2 per cent of the budget, while compensation of employees was 38.6 per cent of the budget. Expenditure on the *Office Accommodation* subprogramme is projected to increase from R70.1 million in 2011/12 to R153.9 million, at an average annual rate of 30 per cent, due to the construction of the new head office building for the department which the department expects to take occupation of by 2014/15. The building is being built through a public private partnership agreement. Government will contribute 50 per cent (R356 million) of the debt in 2012/13 and 2013/14.

Expenditure on consultants decreased from R42.8 million in 2008/09 to R11 million in 2011/12, at an average annual rate of 36.5 per cent, and is expected to increase to R30 million over the medium term, at an average annual rate of 40 per cent, due to the public private partnership project that is under way for the new head office. Consultants in this programme were used for business, advisory, infrastructure and planning, and legal services.

Programme 2: Environmental Quality and Protection

Objectives and measures

- Improve the level of compliance with environmental legislation by increasing:
 - the inspection of the number of facilities in environmentally sensitive areas from 70 in 2011/12 to 85 in 2014/15
 - the percentage of reactive administrative enforcement actions resulting in compliance from 75 per cent in 2011/12 to 85 per cent in 2014/15
 - the percentage of environmental management inspectors, excluding grade 5, receiving specialised training courses from 19 per cent in 2011/12 (43 of 291) to 32 per cent in 2014/15 (120 of 371).
- Improve compliance with legislative timeframes in terms of the National Environmental Management Waste Act (2008) and the environmental impact assessment regulations by increasing the licensing capacity by 90 per cent in 2012/13 and streamlining the authorisation process.
- Improve the living conditions of communities by increasing the number of households with basic waste collection from 64 per cent of households in 2009/10 to 75 per cent in 2013/14, thus ensuring that waste is better managed.
- Improve the efficiency of the environmental impact assessment systems from 88 per cent of new applications processed within prescribed timeframes in 2010/11 to 89 per cent in 2014/15, by decreasing the turnaround time for processing new applications.
- Improve air and atmospheric quality by:
 - reducing the national air quality indicator from 1.150 in 2011/12 to 1.135 in 2014/15, ensuring that interventions are being taken to improve the quality of air throughout the country, in order to bring all areas into full compliance with the national ambient air quality standards set under the National Environment Management Air Quality Act (2004) by 2020
 - ensuring the continued efficient and effective implementation of atmospheric emissions licensing and other regulatory tools provided in the National Environment Management: Air Quality Act (2004) over the MTEF period
 - increasing the number of ambient air quality monitoring stations that provide information to the South African air quality information system from 18 in 2011/12 to 43 in 2014/15.

Subprogrammes

- *Environmental Quality and Protection Management* provides for the administration and functioning of the overall programme activities. This subprogramme had a staff complement of 4 and a total budget of R5.4 million in 2011/12, of which 57.7 per cent was used for compensation of employees. No reductions or savings in 2012/13 have been identified in this subprogramme.
- *Regulatory Services* ensures that compliance with all environmental legislation is effectively monitored, and that enforcement measures are taken in cases of non-compliance. This entails training environmental management inspectors. The subprogramme had a staff complement of 50 and a total budget of R32.6 million in 2011/12, of which 70.7 per cent was used for compensation of employees and other personnel related costs. No reductions or savings in 2012/13 have been identified in this subprogramme.
- *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. The programme achieves this by the effective national coordination of the environmental impact assessment function, while continuing to develop tools and systems to reduce costs and time in the provision of environmental authorisations associated with development. The department also provides legal clarity with respect to the implementation of the environmental impact assessment process. This subprogramme had a staff complement of 85 and a total budget of R44.7 million in 2011/12, of which 63.5 per cent was used for compensation of employees. No reductions or savings in 2012/13 have been identified in this subprogramme.

- *Pollution and Waste Management* reduces the impact of waste on safety, health and the environment, and encourages cleaner industrial production, waste minimisation and recycling. This is done through continuing improvements to the legislative framework and systems for waste management, and the training of provincial and local government officials, among other things. Over the medium term, the objective is to increase the percentages of paper and packaging waste recycled by 46 per cent, lighting by 15 per cent and tyres by 70 per cent. This subprogramme makes a transfer payment of R10 million to the National Regulator for Compulsory Specifications for the enforcement of the plastic bag regulations. This subprogramme had a staff complement of 55 and a total budget of R44.4 million in 2011/12, of which 51.5 per cent was used for compensation of employees. No reductions or savings in 2012/13 have been identified in the subprogramme.
- *Air Quality Management* ensures that the possible negative impacts of air pollution on air and atmospheric quality are avoided, mitigated or managed, with a view to ensuring ambient air quality that is not harmful to health and wellbeing. This is accomplished by providing national leadership, oversight and monitoring, and setting norms and standards. This subprogramme transfers R1.4 million to the National Association of Clean Air for the annual air quality lekgotla and for building capacity in local government on air quality issues. The subprogramme had a staff complement of 39 and a total budget of R40.9 million in 2011/12, of which 44.8 per cent was used for compensation of employees and other personnel related costs. No reductions or savings in 2012/13 have been identified in this subprogramme.
- *Buyisa-e-Bag* operations were wound up in 2010/11, and its functions and personnel absorbed into the department. There is no allocation to this over the MTEF period and the subprogramme will be closed down.
- *South African Weather Service* makes transfer payments to the South African Weather Service for the management of meteorological services. Transfer payments are made quarterly in advance after approval of the budget and based on performance against targets.

Expenditure estimates

Table 30.6 Environmental Quality and Protection

Subprogramme	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand							
Environmental Quality and Protection Management	6 166	8 489	3 486	5 431	5 642	6 007	6 366
Regulatory Services	14 149	16 120	23 987	32 593	35 941	38 132	40 522
Environmental Impact Management	31 328	37 106	41 223	44 669	46 944	49 833	52 867
Pollution and Waste Management	22 562	27 887	29 235	44 435	50 592	53 531	56 670
Air Quality Management	34 388	31 466	25 788	40 881	33 591	35 230	37 290
Buyisa-e-Bag	20 000	29 385	23 500	30 500	–	–	–
South African Weather Service	124 916	135 367	148 614	138 205	150 581	162 943	172 489
Total	253 509	285 820	295 833	336 714	323 291	345 676	366 204
Change to 2011 Budget estimate				–	(5 910)	(6 210)	(6 520)

Economic classification

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Current payments	105 870	118 094	119 515	159 746	159 278	168 669	179 014
Compensation of employees	49 805	61 450	77 191	95 732	101 029	107 228	113 826
Goods and services	56 065	56 644	42 324	64 014	58 249	61 441	65 188
<i>of which:</i>							
Administrative fees	94	78	59	129	87	97	107
Advertising	1 587	1 843	1 250	2 958	1 251	1 284	1 328
Assets less than the capitalisation threshold	260	1 401	726	198	610	674	728
Audit cost: External	–	–	–	1	–	–	–
Bursaries: Employees	12	10	–	25	80	85	89
Catering: Departmental activities	294	342	230	533	359	395	431
Communication	393	508	598	620	788	870	953
Computer services	2 417	1 530	1 417	2 429	1 737	1 979	2 222

Table 30.6 Environmental Quality and Protection (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Current payments	105 870	118 094	119 515	159 746	159 278	168 669	179 014
<i>Consultants and professional services: Business and advisory services</i>	28 800	31 377	15 630	25 841	19 612	21 079	22 538
<i>Consultants and professional services: Infrastructure and planning</i>	–	–	5	–	–	–	–
<i>Consultants and professional services: Laboratory services</i>	–	–	51	–	–	–	–
<i>Consultants and professional services: Legal costs</i>	158	439	794	1 420	500	565	630
<i>Contractors</i>	1 747	233	325	4 752	963	1 039	1 115
<i>Agency and support / outsourced services</i>	–	–	299	–	12	14	16
<i>Entertainment</i>	7	25	21	32	41	46	51
<i>Inventory: Food and food supplies</i>	–	–	–	–	13	15	17
<i>Inventory: Materials and supplies</i>	–	3	9	4	–	–	–
<i>Inventory: Other consumables</i>	109	273	105	169	289	313	337
<i>Inventory: Stationery and printing</i>	777	502	1 111	997	1 145	1 212	1 280
<i>Lease payments</i>	371	344	367	456	414	448	481
<i>Travel and subsistence</i>	11 940	11 895	12 843	15 822	23 907	24 592	25 834
<i>Training and development</i>	1 993	941	1 517	1 550	1 812	1 903	2 006
<i>Operating expenditure</i>	1 537	2 598	1 992	1 775	2 134	2 229	2 327
<i>Venues and facilities</i>	3 569	2 302	2 975	4 303	2 495	2 602	2 698
Transfers and subsidies	146 380	165 832	174 494	171 073	161 981	174 843	184 914
Departmental agencies and accounts	124 916	135 367	148 614	138 205	160 581	173 443	183 514
Higher education institutions	–	–	980	968	–	–	–
Non-profit institutions	21 314	30 465	24 900	31 900	1 400	1 400	1 400
Households	150	–	–	–	–	–	–
Payments for capital assets	1 259	1 878	1 723	5 895	2 032	2 164	2 276
Machinery and equipment	857	1 849	1 583	5 525	2 032	2 164	2 276
Software and other intangible assets	402	29	140	370	–	–	–
Payments for financial assets	–	16	101	–	–	–	–
Total	253 509	285 820	295 833	336 714	323 291	345 676	366 204
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	124 916	135 367	148 614	138 205	160 581	173 443	183 514
South African Weather Service	124 916	135 367	148 614	138 205	150 581	162 943	172 489
National Regulator for Compulsory Specifications	–	–	–	–	10 000	10 500	11 025
Non-profit institutions							
Current	21 314	30 465	24 900	31 900	1 400	1 400	1 400
National Association for Clean Air	580	580	1 400	1 400	1 400	1 400	1 400
Buyisa-e-Bag	20 000	29 385	23 500	30 500	–	–	–
South African Climate Action Network	234	–	–	–	–	–	–
National offroad workshop	500	500	–	–	–	–	–
Households							
Other transfers to households							
Current	150	–	–	–	–	–	–
Households	150	–	–	–	–	–	–
Higher education institutions							
Current	–	–	980	968	–	–	–
University of North West	–	–	980	968	–	–	–

Expenditure trends

Expenditure increased from R253.5 million in 2008/09 to R336.7 million in 2011/12, at an average annual rate of 9.9 per cent, due to an increase in compensation of employees as the programme expanded to better achieve its objectives. Over the medium term, expenditure is expected to increase to R366.2 million, at an average annual rate of 2.8 per cent, due to adjustments for inflation.

In 2010/11, following a departmental review, the operations of Buyisa-e-Bag were wound up and its functions and personnel absorbed into the department under the *Environmental Sector Programmes and Projects* programme. The department finalised the national waste management strategy in 2011/12, which will further guide the implementation of the Waste Act (2008) over the MTEF period. The strategy identifies actions that need to be taken by both government and industry in managing waste in the country. Funds for managing the four waste streams in accordance with the Waste Act (2008), and for recycling strategies, which in turn are creating work opportunities, were allocated within the *Pollution and Waste Management* subprogramme. The department prioritised the gathering of baseline information relating to waste, which will help in informing policies, strategies and measuring success during the implementation stages. Training of municipal waste disposal site managers took place to ensure that the management of sites improves. Expenditure in the *Pollution and Waste Management* programme increased from R22.6 million in 2008/09 to R44.4 million in 2011/12, at an average rate of 25.3 per cent, as a result of these activities.

Expenditure on consultants decreased from R29 million in 2008/09 to R27.3 million in 2011/12, at an average annual rate of 2 per cent, and is expected to decrease further to R23.2 million over the medium term, at an average annual rate of 5.3 per cent, due to an anticipated drop in demand for the department to assess and undertake environmental impact assessments.

Programme 3: Oceans and Coasts

Objectives and measures

- Strengthen national science programmes for integrated ocean and coastal management by developing a national oceans and coasts research plan, concentrating on biodiversity, ecosystem functioning, ecosystem health, and operational and observational oceanography by 2014/15.
- Facilitate stakeholders' stewardship of the ocean and coastal environment by establishing information platforms and products by 2014/15.
- Ensure the effective management of the ocean and coastal environment by developing:
 - a national coastal management programme to enable management of the entire coastline including planning and conservation of the coast by 2014/15
 - an oceans policy that will provide the strategy for environmental management of the oceans, based on a spatial planning system to manage accumulated and aggregated impacts on the ocean environment and the risk to human settlements and built infrastructure by 2014/15.

Subprogrammes

- *Oceans and Coasts Management* provides for the administration and functioning of the overall programme activities. This subprogramme had a staff complement of 37 and a total budget of R20.4 million in 2011/12, of which 57.3 per cent was used for compensation of employees, while 44 per cent was used for leadership development, strategic planning, and other core management and support functions. No reductions or savings have been identified in 2012/13 in this subprogramme.
- *Integrated Coastal Management* provides for the coordinated and integrated management of the coastal zone. This subprogramme had a staff complement of 41 and a total budget of R45.9 million in 2011/12, of which 67.8 per cent was used for implementing projects and providing services. Activities include the protection of coastal ecosystems and species, and the development of measures to control and mitigate the effects of the pollution of coastal waters from land based sources. A draft national coastal management programme will be developed by the end of 2012/13. No reductions or savings have been identified in 2012/13 in this subprogramme.

- *Oceans and Coastal Research* monitors and undertakes scientific investigations on marine and coastal ecosystems. This subprogramme had a staff complement of 65 and a total budget of R47.1 million in 2011/12, of which 46.4 per cent was used for compensation of employees. Focus is placed on ocean dynamics to develop South Africa's predictive and long term research capabilities in the measurement of ecosystems' health, functioning and biodiversity. Outcomes of the research will contribute to the state of the environment outlook chapters dealing with climate change, oceans and coasts, and biodiversity and ecosystems health, by 2012/13. No reductions or savings have been identified in 2012/13 in this subprogramme.
- *Oceans Conservation* provides for the management and conservation of the oceans, sub-Antarctic and Antarctic Ocean environments. This subprogramme had a staff complement of 23 and a total budget of R735.2 million in 2011/12, of which R632.2 million was used for the replacement of the SA Agulhas. A regulatory framework for the conservation of oceans is being established to provide an environmental strategy for oceans. A newly created directorate will have been engaged in the process of drafting an oceans policy by 2011/12, with a budget of about R2 million. Supply and relief voyages have been undertaken to Antarctica and the South African territories of Marion and Prince Edward islands, and to Gough Island in the United Kingdom for the South African Weather Service presence on the island. No reductions or savings have been identified in 2012/13 in this subprogramme.

Expenditure estimates

Table 30.7 Oceans and Coasts

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Oceans and Coasts Management	7 200	11 900	15 400	20 414	22 277	24 000	25 440
Integrated Coastal Management	26 397	31 228	47 284	45 879	46 201	51 321	54 400
Oceans and Coastal Research	102 775	69 182	49 476	47 072	50 107	54 575	57 933
Oceans Conservation	87 573	241 637	532 096	735 187	103 230	109 977	116 642
Total	223 945	353 947	644 256	848 552	221 815	239 873	254 415

Economic classification

	222 345	222 116	254 007	212 402	217 385	227 401	241 216
Current payments							
Compensation of employees	41 026	58 908	66 073	67 732	71 508	75 713	80 405
Goods and services	181 319	163 208	187 934	144 670	145 877	151 688	160 811
<i>of which:</i>							
<i>Administrative fees</i>	–	–	18	252	68	83	98
<i>Advertising</i>	40	66	48	863	1 570	1 740	1 900
<i>Assets less than the capitalisation threshold</i>	5 545	5 507	5 751	1 085	1 050	1 160	1 260
<i>Bursaries: Employees</i>	34	4	7	625	185	215	245
<i>Catering: Departmental activities</i>	13	55	17	314	320	355	390
<i>Communication</i>	1 292	799	1 150	1 657	1 020	1 123	1 216
<i>Computer services</i>	101	40	153	503	1 334	1 446	1 558
<i>Consultants and professional services: Business and advisory services</i>	112 629	95 862	75 040	371	53 580	57 630	60 680
<i>Consultants and professional services: Laboratory services</i>	–	–	–	2 708	1 400	1 550	1 700
<i>Contractors</i>	2 059	3 780	–	1 454	1 300	1 430	1 560
<i>Agency and support / outsourced services</i>	–	–	41 377	80 673	3 300	3 530	3 760
<i>Entertainment</i>	1	–	26	313	335	380	425
<i>Inventory: Food and food supplies</i>	1 086	1 417	–	2 614	1 435	1 640	1 845
<i>Inventory: Fuel, oil and gas</i>	12 301	30 760	40 470	7 462	5 600	6 140	6 680
<i>Inventory: Learner and teacher support material</i>	–	–	–	–	600	640	680
<i>Inventory: Materials and supplies</i>	529	308	–	594	2 440	2 574	2 708
<i>Inventory: Medical supplies</i>	478	303	–	120	600	700	800

Table 30.7 Oceans and Coasts (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Current payments							
<i>Inventory: Medicine</i>	-	-	-	-	200	250	300
<i>Inventory: Other consumables</i>	1 034	1 076	-	2 849	920	1 030	1 120
<i>Inventory: Stationery and printing</i>	99	140	367	1 825	1 100	1 250	1 360
<i>Lease payments</i>	52	47	14	5 784	580	655	730
<i>Property payments</i>	43	27	65	99	210	246	272
<i>Transport provided: Departmental activity</i>	-	-	-	437	25	28	30
<i>Travel and subsistence</i>	10 967	5 991	2 815	5 830	34 215	31 168	31 564
<i>Training and development</i>	2 476	2 738	3 243	667	790	885	960
<i>Operating expenditure</i>	29 950	13 647	16 372	24 688	30 300	32 320	35 340
<i>Venues and facilities</i>	590	641	1 001	883	1 400	1 520	1 630
Transfers and subsidies	217	11	-	-	-	-	-
Provinces and municipalities	217	-	-	-	-	-	-
Households	-	11	-	-	-	-	-
Payments for capital assets	1 383	131 819	390 248	636 150	4 430	12 472	13 199
Buildings and other fixed structures	-	131 438	390 248	635 649	-	-	-
Machinery and equipment	1 383	226	-	501	4 430	12 472	13 199
Software and other intangible assets	-	155	-	-	-	-	-
Payments for financial assets	-	1	1	-	-	-	-
Total	223 945	353 947	644 256	848 552	221 815	239 873	254 415

Details of transfers and subsidies

Households							
Other transfers to households							
Current	-	11	-	-	-	-	-
Households: Leave gratuity	-	11	-	-	-	-	-
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	217	-	-	-	-	-	-
Provinces and Municipalities	217	-	-	-	-	-	-

Expenditure trends

Expenditure increased substantially from R223.9 million in 2008/09 to R848.6 million in 2011/12, at an average annual rate of 55.9 per cent, due to the allocation of additional funds for the replacement of the polar research vessel in the *Oceans Conservation* subprogramme. Payments for capital assets increased substantially from R1.4 million in 2008/09 to R636.2 million in 2011/12, at an average annual rate of 671.9 per cent, due to the acquisition of the new vessel. The new vessel will assist the research team based in Antarctica by transporting the researchers, equipment and supplies. Over the medium term, expenditure is expected to decrease to R254.4 million, at an average annual rate of 33.1 per cent, due to the purchase of the polar research vessel being completed in 2011/12.

Expenditure on consultants decreased from R112.6 million in 2008/09 to R3.1 million in 2011/12, at an average annual rate of 69.9 per cent, as the building of the polar vessel neared completion, but is expected to increase to R62.4 million over the medium term, at an average annual rate of 172.6 per cent, due to the maintenance and operation of the vessel, as well as research work. Consultants in this programme are used for business, advisory, laboratory, operational and research services.

Programme 4: Climate Change

Objectives and measures

- Ensure informed decision making in response to climate change on an ongoing basis by:
 - overseeing the implementation of the monitoring of climate change: section 12.1 of the national climate change response policy relating to climate change impacts and adaptation; and managing the implementation of the mitigation components: section 12.3.2 relating to climate change mitigation policy and greenhouse gas emission; by gathering, analysing and distributing data and converting climate change impact, adaptation and mitigation data into useful and useable information
 - overseeing the production of communication resources, and disseminating and facilitating access to this information.
- Lead and support national mitigation efforts by coordinating and implementing the climate change mitigation approach directed in section 6 of the National Climate Change White Paper (2011), including setting the greenhouse gas emission performance benchmark, and raising sector specific awareness and response capacity, thus identifying desired sectoral mitigation contributions, and defining carbon budgets for significant greenhouse gas emitting sectors and sub-sectors.
- Support national adaptation efforts by:
 - providing the strategic leadership required to identify significant short, medium and long term climate change related risks, and the priority interventions required to effectively manage inevitable climate change impacts, and build and sustain South Africa's social, economic and environmental resilience and emergency response capacity
 - raising general and sector specific awareness and response capacity around prioritised adaptation interventions, by launching awareness campaigns across the country and advertising in the media
 - assisting affected sector departments to mainstream key short and medium term adaptation interventions into their sector plans on an ongoing basis.
- Lead and support international climate change relations and negotiations by:
 - conducting the necessary research, analysis and stakeholder engagements required to gain well informed mandates for all of South Africa's multilateral, minilateral and bilateral climate change agreement negotiating positions
 - conducting capacity building, oversight, management and support of negotiating teams to ensure the maximum possible South African advantage in multilateral, minilateral and bilateral climate change agreement negotiations
 - coordinating South Africa's implementation of, and alignment with, its international commitments and with international trends and developments on climate-change, on an ongoing basis.

Subprogrammes

- *Climate Change Management* provides for the management and administration of the overall programme activities. This subprogramme had a staff complement of 5 and a total budget of R118.1 million in 2011/12, of which R105.4 million was allocated for the activities related to COP17. The subprogramme is also the focal point for the international climate change interactions unit, including multilateral and bilateral engagements. The unit has a staff complement of 7 and a total budget of R9.2 million in 2012/13, and is mainly used to carry out the necessary research, and analysis and stakeholder engagements required to gain well informed mandates for all of South Africa's multilateral, minilateral, and bilateral climate change agreement negotiating positions. There are no reductions or savings identified in 2012/13 in this subprogramme.
- *Climate Change Mitigation* coordinates and informs the development and implementation of policies, and plans programmes designed to achieve the mitigation of greenhouse gas emissions, and the peak, plateau and decline trajectory for South Africa's emissions. The subprogramme has 7 mitigation sector strategies in research and development over the medium term. It had a staff complement of 4 and a total budget of R7.6 million in 2011/12, of which 56.4 per cent was used for compensation of employees. No savings or reductions in 2012/13 have been identified.

- *Climate Change Adaptation* coordinates and informs the development of policies, sector plans and programmes to facilitate and enable national adaptation to the impacts of climate change. The subprogramme has 3 adaptation advisory and consultation forums and advocacy groups and 2 sector adaptation policies in development over the medium term. It had a staff complement of 3 and a total budget of R3.5 million in 2011/12, of which 50.5 per cent was used for compensation of employees. No savings or reductions in 2012/13 have been identified in this subprogramme.

Expenditure estimates

Table 30.8 Climate Change

Subprogramme	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand							
Climate Change Management	-	-	5 566	118 054	18 148	19 071	20 087
Climate Change Mitigation	-	-	3 303	7 621	8 540	9 163	9 763
Climate Change Adaptation	-	-	2 891	3 533	4 498	4 782	5 106
Total	-	-	11 760	129 208	31 186	33 016	34 956
Change to 2011 Budget estimate				-	4 883	5 017	5 161

Economic classification

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Current payments	-	-	11 760	129 208	31 186	33 016	34 956
Compensation of employees	-	-	2 887	12 971	16 992	18 119	19 311
Goods and services	-	-	8 873	116 237	14 194	14 897	15 645
<i>of which:</i>							
<i>Administrative fees</i>	-	-	-	-	400	450	490
<i>Advertising</i>	-	-	150	255	311	346	380
<i>Assets less than the capitalisation threshold</i>	-	-	84	507	246	271	297
<i>Bursaries: Employees</i>	-	-	37	354	72	75	77
<i>Catering: Departmental activities</i>	-	-	19	126	62	69	76
<i>Communication</i>	-	-	150	35 755	228	251	274
<i>Computer services</i>	-	-	-	1 000	1 000	1 200	1 300
<i>Consultants and professional services: Business and advisory services</i>	-	-	-	-	1 593	1 721	1 924
<i>Contractors</i>	-	-	-	500	-	-	-
<i>Agency and support / outsourced services</i>	-	-	-	30 493	1 480	1 367	1 182
<i>Entertainment</i>	-	-	-	-	12	13	14
<i>Inventory: Food and food supplies</i>	-	-	-	-	2	3	4
<i>Inventory: Other consumables</i>	-	-	360	602	127	130	133
<i>Inventory: Stationery and printing</i>	-	-	405	678	152	154	156
<i>Lease payments</i>	-	-	62	255	52	54	56
<i>Transport provided: Departmental activity</i>	-	-	-	36	-	-	-
<i>Travel and subsistence</i>	-	-	6 713	5 066	5 859	6 363	6 846
<i>Training and development</i>	-	-	-	-	300	340	380
<i>Operating expenditure</i>	-	-	893	610	2 038	1 820	1 776
<i>Venues and facilities</i>	-	-	-	40 000	260	270	280
Total	-	-	11 760	129 208	31 186	33 016	34 956

Expenditure trends

This programme was created in 2010/11 with an expenditure budget of R11.8 million, which increased by 998.7 per cent to R129.2 million in 2011/12, due to the funding of the activities of COP17, which took place in Durban between 28 November and 9 December 2011. The department spent R105.5 million on activities related to COP17, which included hosting the climate change response expo, as well as implementing a countrywide awareness campaign on the impact of climate change. Expenditure is now expected to decrease to R35 million over the medium term, at an average annual rate of 35.3 per cent over the medium term. A number of specific greening projects have been launched that are directly related to COP17.

Expenditure on consultants is expected to be R1.6 million in 2012/13, increasing to R1.7 million in 2013/14 and to R1.9 million in 2014/15. Consultants in this programme are used for business and advisory services.

Programme 5: Biodiversity and Conservation

Objectives and measures

- Promote the management, conservation and sustainable use of natural resources by:
 - implementing the National Environmental Management Biodiversity Act (2004), the National Environmental Management Protected Areas Act (2003) and the World Heritage Convention Act (1999)
 - developing and implementing three regulatory tools relating to the conservation of biodiversity to ensure the protection of species: the comprehensively amended threatened or protected species regulations, the norms and standards on translocation and the draft regulations for the hunting industry, by 2012/13.
- Promote compliance and ensure the enforcement of the above legislation in 3 provinces in 2012/13, through compliance monitoring systems, inspections and biodiversity enforcement actions, relating to the implementation of threatened or protected species and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) regulations,
- Unlock the potential of biodiversity capital by contributing to socioeconomic development through:
 - the sustainable use and equitable sharing of benefits from indigenous resources and by assessing usage applications
 - issuing permits for bio-prospecting, assessing 100 per cent of all bio-prospecting permit applications and agreements received in a year
 - facilitating associated benefit sharing agreements on an annual basis.

Subprogrammes

- *Biodiversity and Conservation Management* provides for the administration of the overall programme activities. This subprogramme had a staff complement of 5 and a total budget of R5.9 million in 2011/12, of which 61 per cent was used for compensation of employees.
- *Biodiversity Management* promotes conservation and the sustainable use of biological resources. Key activities include developing and monitoring the implementation of policies, legislation strategies, frameworks and regulatory tools related to conserving ecosystems, species and the landscape, and mitigating the threats to biodiversity while ensuring the equitable and sustainable use of natural resources. The focus has shifted from policy development to implementation, resulting in greater resource requirements for enforcement and compliance. The subprogramme includes financial assistance to communities in the development of benefit sharing agreements negotiated in terms of the National Environmental Management Biodiversity Act (2004) This subprogramme had a staff complement of 48 and a total budget of R32.2 million in 2011/12, of which 52.9 per cent was used for compensation of employees. No savings or reductions in 2012/13 have been identified.
- *Transfrontier Conservation and Protected Areas* is responsible for the establishment and maintenance of effectively managed and ecologically representative national and cross border systems of protected areas that promote socioeconomic development, and aims to strengthen management effectiveness in Transfrontier Conservation Areas and World Heritage Sites. It had a staff complement of 39 and a total budget of R45.6 million in 2011/12, of which 30.3 per cent was used for compensation of employees. Funding is used to strengthen and implement regulatory and performance management tools for protected areas. Investment in infrastructure development for the transfrontier conservation parks is promoted, with at least 1 project financed by investors in 2012/13. In 2011/12, this subprogramme transferred R3 million to the African World Heritage Fund as a contribution to operations, and R1.2 million to the KwaZulu-Natal Conservation Board as a contribution to the Maloti Drakensberg Transfrontier Park. No savings or reductions in 2012/13 have been identified.
- *iSimangaliso Wetland Park Authority* transfers R25.8 million in 2011/12 to contribute towards the personnel and operational expenditure of the iSimangaliso Wetland Park Authority, which protects, conserves and

promotes the park. Over the MTEF period, the allocation to iSimangaliso Wetland Park Authority is reduced by R220 000.

- *South African National Parks* transferred R157.5 million in 2011/12 as a contribution towards personnel and operational expenditure of South African National Parks, which conserves, protects, controls and manages national parks and other defined protected areas and their biological diversity. Over the MTEF period, the allocation to South African National Parks is reduced by R3.4 million.
- *South African National Biodiversity Institute* transferred R205.4 million in 2011/12 to the South African National Biodiversity Institute to contribute towards personnel and operational expenditure, which implements strategic activities as identified in the National Environmental Management: Biodiversity Act (2004), with specific focus on biodiversity research and knowledge management in support of South Africa's biodiversity. Over the MTEF period, the allocation to the South African National Biodiversity Institute is reduced by R786 000.

Expenditure estimates

Table 30.9 Biodiversity and Conservation

Subprogramme	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand							
Biodiversity and Conservation Management	3 082	3 420	7 069	5 900	5 780	6 124	6 505
Biodiversity Management	16 517	18 392	25 860	32 151	48 747	50 088	53 071
Transfrontier Conservation and Protected Areas	25 476	21 034	29 632	45 577	48 070	51 333	54 443
iSimangaliso Wetland Park Authority	18 701	20 736	21 365	25 847	26 837	28 410	30 099
South African National Parks	205 889	184 384	190 218	157 490	167 521	175 582	183 907
South African National Biodiversity Institute	128 831	138 886	147 830	205 387	189 412	199 824	213 572
Total	398 496	386 852	421 974	472 352	486 367	511 361	541 597
Change to 2011 Budget estimate				–	–	(60 000)	–

Economic classification

	43 826	40 985	55 586	79 220	100 859	107 030	113 449
Current payments							
Compensation of employees	18 698	23 263	29 920	34 411	36 888	39 086	41 452
Goods and services	25 128	17 722	25 666	44 809	63 971	67 944	71 997
<i>of which:</i>							
<i>Administrative fees</i>	33	72	23	226	12	13	14
<i>Advertising</i>	851	1 801	836	817	815	886	957
<i>Assets less than the capitalisation threshold</i>	101	236	184	40	150	167	182
<i>Bursaries: Employees</i>	13	–	–	13	–	–	–
<i>Catering: Departmental activities</i>	569	372	515	737	305	326	347
<i>Communication</i>	207	262	335	334	300	343	376
<i>Computer services</i>	10	5	18	23	30	33	35
<i>Consultants and professional services: Business and advisory services</i>	9 740	4 175	5 074	10 630	5 100	5 190	5 360
<i>Consultants and professional services: Legal costs</i>	421	78	121	523	60	65	70
<i>Contractors</i>	251	169	1 990	275	2 775	2 907	3 029
<i>Agency and support / outsourced services</i>	3	14	–	3 800	15 000	16 000	17 000
<i>Entertainment</i>	7	27	12	7	22	26	30
<i>Inventory: Food and food supplies</i>	–	–	–	–	11	13	15
<i>Inventory: Fuel, oil and gas</i>	–	1	–	–	–	–	–
<i>Inventory: Materials and supplies</i>	2	1	3	2	2	4	6
<i>Inventory: Other consumables</i>	18	31	149	29	24	26	30
<i>Inventory: Stationery and printing</i>	476	245	269	778	530	593	646
<i>Lease payments</i>	398	229	212	611	400	428	466

Table 30.9 Biodiversity and Conservation (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Current payments	43 826	40 985	55 586	79 220	100 859	107 030	113 449
<i>Transport provided: Departmental activity</i>	13	–	–	–	–	–	–
<i>Travel and subsistence</i>	8 521	8 369	12 698	20 703	34 051	36 318	38 595
<i>Training and development</i>	56	44	311	587	234	256	279
<i>Operating expenditure</i>	1 632	336	913	2 294	1 930	1 990	2 060
<i>Venues and facilities</i>	1 806	1 255	2 003	2 380	2 220	2 360	2 500
Transfers and subsidies	354 617	345 384	365 687	392 927	385 058	403 816	427 578
Departmental agencies and accounts	353 421	344 006	359 413	388 724	383 770	403 816	427 578
Non-profit institutions	759	1 371	6 124	4 203	1 288	–	–
Households	437	7	150	–	–	–	–
Payments for capital assets	53	461	536	205	450	515	570
Machinery and equipment	53	457	489	195	450	515	570
Software and other intangible assets	–	4	47	10	–	–	–
Payments for financial assets	–	22	165	–	–	–	–
Total	398 496	386 852	421 974	472 352	486 367	511 361	541 597

Details of transfers and subsidies

Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	284 141	268 928	325 152	369 606	356 404	375 513	397 577
iSimangaliso Wetland Park Authority	18 701	20 736	21 365	25 847	26 837	28 410	30 099
South African National Parks	136 609	109 306	155 957	138 372	140 155	147 279	153 906
South African National Biodiversity Institute	128 831	138 886	147 830	205 387	189 412	199 824	213 572
Capital	69 280	75 078	34 261	19 118	27 366	28 303	30 001
South African National Parks	69 280	75 078	34 261	19 118	27 366	28 303	30 001
Non-profit institutions							
Current	759	1 371	6 124	4 203	1 288	–	–
Botanical Society	439	–	–	–	–	–	–
African World Heritage Fund	–	–	5 000	3 000	–	–	–
Endangered Wildlife Trust	320	320	–	–	–	–	–
KwaZulu-Natal Conservation Board	–	1 051	1 124	1 203	1 288	–	–
Households							
Other transfers to households							
Current	437	7	150	–	–	–	–
Households	437	–	150	–	–	–	–
Households: Leave gratuity	–	7	–	–	–	–	–

Expenditure trends

Expenditure increased from R398.5 million in 2008/09 to R472.4 million in 2011/12, at an average annual rate of 5.8 per cent, and is expected to increase to R541.6 million over the medium term, at an average annual rate of 4.7 per cent. The increase in both periods provides for inflationary increases in compensation of employees and related expenditure such as travel and subsistence.

An additional R61 million is allocated to the South African National Biodiversity Institute to ensure that the institute is able to deliver on its expanded mandate. Transfer payments increased from R354.6 million in 2008/09 to R392.9 million in 2011/12, at an average annual rate of 3.5 per cent, and are projected to increase to R427.6 million in 2014/15, at an average annual rate of 2.9 per cent. The increase in both periods is due to entities being encouraged to generate increased commercial revenue to fund their operations.

Expenditure on consultants increased from R10.2 million in 2008/09 to R11.2 million in 2011/12, at an average annual rate of 3.2 per cent, and is expected to decrease to R5.4 million over the medium term, at an average annual rate of 21.3 per cent, due to the conclusion of the projects that require consultants. Consultants in this programme are mainly used for business, advisory and legal services.

Programme 6: Environmental Sector Programmes and Projects

Objectives and measures

- Promote the empowerment of designated communities by creating 201 964 work opportunities and 100 290 full time equivalents over the medium term by implementing expanded public works programme projects.
- Contribute to sustainable development and green and inclusive economic growth over the medium term by facilitating skills development, employment creation and the restoration of natural capital by providing more than 130 000 work opportunities, 630 519 person days of training and 6 million hectares of land, where natural resource management interventions, such as invasive plant clearing, restoration of degraded land and integrated wildfire management activities will be conducted.
- Contribute to a greener economy by providing bridging finance to encourage the development of the green economy enterprises and projects.

Subprogrammes

- *Social Responsibility, Policy and Projects* is responsible for identifying and implementing projects under the expanded public works programme by using labour intensive methods targeting the unemployed, the youth, women and people with disabilities. A key objective is to empower small, medium and micro enterprises (SMMEs) during the implementation of four focus area projects: Working on Waste creates sustainable livelihoods through the recycling of waste and waste disposal technology; sustainable land based livelihoods concentrates on the clearing of alien vegetation, the rehabilitation of wetlands, and the creation of livelihood opportunities through the sustainable use of natural heritage; people and parks concentrates on protected areas to conserve natural resources and heritage, and benefit sharing models for communities living around parks and protected areas and the creation of ancillary SMMEs and broad based black economic empowerment (BEE) industries; and working for the coast focuses on the rehabilitation of the coastal environment, and upgrading and maintaining facilities and infrastructure along the coast. The subprogramme will target the provision of up to 17 000 work opportunities in 2011/12. This subprogramme had a staff complement of 128 and a total budget of R630.5 million in 2011/12, of which 87.6 per cent was used for poverty relief projects. No savings or reductions in 2012/13 have been identified in this subprogramme.
- *Natural Resource Management* addresses the threats to the productive use of land and water, and the functioning of natural systems by invasive alien species, fires and land degradation, as well as the opportunities for value added industries in these areas, such as fibre and furniture production, while ensuring meaningful livelihood opportunities. The two main programmes are the Working for Water programme and the Working on Fire programmes. Working for Water aims to improve the integrity of water as a natural resource. The Working on Fire programme aims to enhance the sustainability and protection of life, livelihoods, ecosystem services and natural processes through integrated fire management. The subprogramme had a target of creating up to 30 000 work opportunities in 2011/12. This subprogramme had a staff complement of 378 and a total budget of R1.3 billion in 2011/12, of which 93.4 per cent was used for operational expenditure and wages for the management of invasive alien plants, integrated veld and forest fire management, the restoration of degraded land, and the training of programme beneficiaries. The expanded public works programme incentive for Working on Fire was reduced by R128.1 million and that of Working for Water by R90.8 million over the MTEF period. R750 million was transferred in 2011/12 to the implementing agents of the Working on Fire and Working for Water programmes.
- *Infrastructure Investment* provides for infrastructure investment allocations and project management across the department's public entities. Funding is allocated on the basis of approved business plans for the

infrastructure projects. This subprogramme had a total budget of R127.2 million in 2011/12, which was used in full for the infrastructure projects. No savings or reductions were identified in this subprogramme in 2012/13. In 2011/12, R60 million was transferred to South African National Parks for upgrading and maintaining tourism and other infrastructure in the national parks; R42 million was transferred to the iSimangaliso Wetland Park Authority for upgrading and maintaining tourism and other infrastructure in the parks; R15 million was transferred to the South African National Biodiversity Institute for infrastructure investment in the national botanical gardens; and R10.2 million to the South African Weather Service for early warning, and disaster risk reduction systems.

- *Green Fund* is responsible for managing the green fund on behalf of the government and shall finance technical and investment projects in support of sustainable development. The subprogramme shall harness funding from a wide array of sources to enhance the allocation.

Expenditure estimates

Table 30.10 Environmental Sector Programmes and Projects

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R thousand							
Social Responsibility, Policy and Projects	377 202	537 219	519 297	630 519	754 900	885 897	939 235
Natural Resource Management	650 149	624 967	889 443	1 269 527	1 496 744	1 624 689	2 007 434
Infrastructure Investment	307 600	282 954	136 154	127 202	122 350	309 203	368 755
Green Fund	–	–	–	–	300 000	500 000	–
Total	1 334 951	1 445 140	1 544 894	2 027 248	2 673 994	3 319 789	3 315 424
Change to 2011 Budget estimate				1 355 553	1 819 737	2 380 618	(66 409)

Economic classification

	679 322	625 060	926 921	596 269	897 022	939 966	1 182 564
Current payments							
Compensation of employees	76 114	108 578	112 058	130 474	192 250	202 800	215 870
Goods and services	603 208	516 419	814 486	465 795	704 772	737 166	966 694
<i>of which:</i>							
<i>Administrative fees</i>	337	1 128	8 642	–	1 200	1 300	1 400
<i>Advertising</i>	2 908	740	2 421	1 010	2 420	2 460	2 500
<i>Assets less than the capitalisation threshold</i>	1 269	1 243	6 757	1 165	1 770	1 825	1 850
<i>Audit cost: External</i>	–	63	120	–	–	–	–
<i>Bursaries: Employees</i>	165	8	122	–	130	135	140
<i>Catering: Departmental activities</i>	1 843	1 080	1 450	222	1 374	1 472	1 763
<i>Communication</i>	3 248	3 667	3 629	3 098	4 250	4 350	4 450
<i>Computer services</i>	2 004	5 026	4 727	1 720	4 770	4 822	4 873
<i>Consultants and professional services: Business and advisory services</i>	319 714	7 606	47 796	265 435	66 775	71 677	86 140
<i>Consultants and professional services: Infrastructure and planning</i>	–	228 360	414 126	–	149 729	154 410	217 084
<i>Consultants and professional services: Legal costs</i>	147	261	337	105	180	190	200
<i>Contractors</i>	42 832	7 671	6 459	140 003	227 972	250 637	265 706
<i>Agency and support / outsourced services</i>	122 453	183 152	211 830	–	136 462	132 207	264 484
<i>Entertainment</i>	5	12	26	14	37	40	43
<i>Inventory: Food and food supplies</i>	–	25	32	–	34	36	38
<i>Inventory: Fuel, oil and gas</i>	239	7 551	20 828	–	20 800	20 900	21 000
<i>Inventory: Learner and teacher support material</i>	–	383	395	–	415	420	425
<i>Inventory: Materials and supplies</i>	270	202	1 237	56	1 307	1 358	1 369
<i>Inventory: Medical supplies</i>	10	28	74	–	80	85	90

Table 30.10 Environmental Sector Programmes and Projects (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Current payments							
<i>Inventory: Other consumables</i>	157	9 984	12 405	625	9 526	9 627	9 728
<i>Inventory: Stationery and printing</i>	33 310	1 862	2 338	874	2 175	2 226	2 277
<i>Lease payments</i>	5 870	3 784	8 503	3 678	9 679	10 480	11 181
<i>Property payments</i>	279	734	972	303	3 513	3 770	4 537
<i>Transport provided: Departmental activity</i>	81	10	10	–	12	14	16
<i>Travel and subsistence</i>	61 475	30 770	38 772	40 556	35 852	37 700	39 660
<i>Training and development</i>	1 719	18 256	13 882	1 642	14 050	14 555	15 060
<i>Operating expenditure</i>	1 161	1 696	4 644	3 183	7 250	7 400	7 550
<i>Venues and facilities</i>	1 712	1 117	1 952	2 106	3 010	3 070	3 130
<i>Interest and rent on land</i>	–	63	377	–	–	–	–
Transfers and subsidies	653 271	774 315	600 657	1 429 776	1 744 390	2 344 838	2 090 712
Provinces and municipalities	412	71	69	–	–	–	–
Departmental agencies and accounts	315 737	282 954	136 154	127 202	122 350	309 203	368 755
Public corporations and private enterprises	–	–	4 127	–	300 000	500 000	–
Households	337 122	491 290	460 307	1 302 574	1 322 040	1 535 635	1 721 957
Payments for capital assets	2 358	45 765	17 248	1 203	32 582	34 985	42 148
Buildings and other fixed structures	74	39 906	359	–	–	–	–
Machinery and equipment	2 268	5 818	16 889	1 203	32 582	34 985	42 148
Software and other intangible assets	16	41	–	–	–	–	–
Payments for financial assets	–	–	68	–	–	–	–
Total	1 334 951	1 445 140	1 544 894	2 027 248	2 673 994	3 319 789	3 315 424
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	8 137	–	–	–	–	–	–
Departmental agencies	8 137	–	–	–	–	–	–
Capital	307 600	282 954	136 154	127 202	122 350	309 203	368 755
South African Weather Service	–	55 207	100 154	10 202	–	–	–
iSimangaliso Wetland Park Authority	–	30 000	23 000	42 000	44 100	76 790	81 397
South African National Parks	307 600	185 747	–	60 000	63 000	216 843	270 854
South African National Biodiversity Institute	–	12 000	13 000	15 000	15 250	15 570	16 504
Households							
Social benefits							
Current	732	–	22	–	–	–	–
Social benefits	732	–	22	–	–	–	–
Households							
Other transfers to households							
Current	336 390	491 290	460 285	1 302 574	1 322 040	1 535 635	1 721 957
Expanded public works programme	336 390	491 290	394 920	450 915	525 674	630 512	668 526
Expanded public works programme Incentive	–	–	65 365	101 659	147 345	168 519	178 630
Expanded public works programme: Working for Water	–	–	–	328 391	110 447	176 102	186 668

Table 30.10 Environmental Sector Programmes and Projects (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Details of transfers and subsidies							
Households							
Other transfers to households							
Expanded public works programme incentive: Working for Water	-	-	-	118 270	155 036	144 709	153 392
Expanded public works programme: Working on Fire	-	-	-	242 502	334 627	368 632	484 750
Expanded public works programme incentive: Working on Fire	-	-	-	60 837	48 911	47 161	49 991
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	412	71	69	-	-	-	-
Municipal services	412	71	69	-	-	-	-
Public corporations and private enterprises							
Public corporations							
Other transfers to public corporations							
Current	-	-	4 127	-	300 000	500 000	-
Public corporations	-	-	4 127	-	-	-	-
Development Bank of Southern Africa	-	-	-	-	300 000	500 000	-

Expenditure trends

Expenditure increased from R1.3 billion in 2008/09 to R2 billion in 2011/12, at an average annual rate of 14.9 per cent, and is expected to increase to R3.3 billion over the medium term, at an average annual rate of 17.8 per cent. Growth in expenditure over the seven-year period is mainly related to the implementation of expanded public works programme projects under the *Social Responsibility, Policy and Projects* and *Natural Resource Management* subprogrammes. The majority of the funds are transfer payments to households, which have increased from R337.1 million in 2008/09 to R1.3 billion in 2011/12, at an average annual rate of 56.9 per cent, due to the expansion of the programme to create more jobs. Transfer payments to households are projected to increase to R1.7 billion in 2014/15, at an average annual rate of 9.8 per cent, due to inflation and the expansion of the two subprogrammes.

The *Natural Resource Management* subprogramme receives an additional R1.1 billion over the MTEF period for expanded public works programme projects related to the Working for Water and Working on Fire subprogrammes. In addition, the South African National Parks receives an additional allocation of R350 million over the medium term for infrastructure development.

By the end of the third quarter of 2011/12, 15 742 work opportunities and 6 797 full time equivalents will have been created with more than 17 000 work opportunities and 8 530 full time equivalents expected to be created by the end of the year in the *Social Responsibility Policy and Project* subprogramme. In 2010/11, under the *Natural Resource Management* subprogramme, more than 945 000 hectares of land were treated to contain the spread of invasive alien plants and to restore desertified land. Around 350 000 training days were given to programme beneficiaries and more than 3 000 000 person days of employment were created. The programme further supported the private sector and government land management and jurisdictional agencies through the containment of 1 628 fires spanning nearly 370 000 hectares.

Expenditure on consultants decreased from R319.9 million in 2008/09 to R265.5 million in 2011/12, at an average annual rate of 6 per cent, and is expected to increase to R303.4 million over the medium term, at an average annual rate of 4.5 per cent, due to the expansion of the expanded public works programme projects. Consultants in this programme are used for the implementation of these projects.

The green fund will be established in 2012/13 with an initial allocation of R300 million which will be followed up by R500 million in 2013/14.

Public entities and other agencies

South African National Parks

Overview: 2008/09 – 2014/15

South African National Parks was established in terms of the National Environmental Management Protected Areas Act (2003). The organisation's mandate is to conserve, protect, control and manage national parks and other defined protected areas and their biological diversity. It is the leading conservation agency in Africa and a significant role player in the local, regional and global conservation and tourism (ecotourism) industries.

South African National Parks is committed to contributing to economic growth and transformation by creating decent jobs and sustainable and quality livelihoods. Through the entity's infrastructure development programme and expanded public works programme, the organisation ensures that national parks are important components of economic stimulus through enterprise and social development, including job creation. In planning new facilities, the organisation has incorporated the need for meeting green building standards in response to government's objectives in addressing climate change challenges.

Activities are structured around two main areas: conservation and tourism.

Conservation improves the state of the national parks, makes an acknowledged contribution to conservation nationally and globally, builds strong relationships with different segments of society for effective management of the national parks system, and continuously improves its knowledge base and the evidence on which management decisions are based. This component has a total budget of R469.5 million, of which 53 per cent is used for compensation of employees. Some progress is being made in various negotiations aimed at concluding purchases of additional land. Between 2008/09 and 2010/11, the entity acquired 23 200 hectares of land.

The tourism component manages tourism at national parks, maximising economic, social and environmental benefits, while minimising the costs of accessing national parks. Tourism activities rest on the principle of responsible tourism and connecting to societies. Two key projects have been implemented to enhance performance: the strategic plan for commercialisation, and the revamping of the South African National Parks' Wild Card loyalty programme. This component has a total budget of R476.6 million, of which 50 per cent is used for operational costs and 45 per cent for compensation of employees. Despite the global economic downturn, the South African National Parks' accommodation occupancy remains the highest in the South African tourism industry, although it declined by 4.1 per cent (from 72.5 per cent to 69.5 per cent) between 2008/09 and 2010/11.

South African National Parks has adopted and implemented several sector skills programmes, including learnerships and internships, to enhance cost effective human capital development, thus addressing the objectives of the national skills development strategy.

In an effort to fight the recent escalation in rhino poaching, particularly in the Kruger National Park, the national wildlife reaction unit was established in October 2010 between South African National Parks, the Department of Environmental Affairs, the South African Police Service, the National Prosecuting Authority and provincial conservation authorities. The Directorate of Priority Crime Investigations is coordinating and leading the unit. Its function is to fight poaching crimes countrywide. Thus far in 2011/12, 110 rhino poaching incidents have been recorded in South African National Parks and 97 in provincial agencies, bringing the total of South African incidents to 207, which is 19 per cent more than the same period in the year 2010/11. At least 123 suspects have been arrested and charged thus far.

Performance

The entity received a total of 4.5 million visitors in 2011/12, which it targets to increase to 4.8 million by 2014/15 by upgrading and expanding tourist facilities within the various national parks. The number of visitors has declined since 2008/09, from 4.8 million to 4.5 million in 2011/12 due to the economic downturn that spanned this period. As economic conditions start to improve, the entity expects that its upgraded tourist facilities will contribute to an increase in the number of visitors.

To increase conservation efforts, reduce poaching and increase awareness about the importance of conservation, the entity plans to increase the number of junior rangers and learners that go through the environmental education programme from 520 and 160 000, in 2011/12 to 620 and 180 000 per year, in 2014/15.

Selected performance indicators

Table 30.11 South African National Parks

Indicator	Programme/Activity	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of visitors to national parks per year and percentage growth or decline	Tourism							
-total visitors		4 374 739	4 512 478	4 536 491	4 600 000	4 692 000	4 785 840	4 881 557
-percentage growth		-7.8%	3.8%	0.5%	1.4%	2%	2%	2%
-black visitors		345 559	329 287	397 618	447 708	470 094	493 598	518 278
-percentage growth		11.3%	-4.6%	20.8%	5%	5%	5%	
Value of revenue raised from commercial activities per year	Conservation and tourism	R664m	R503m	R883m	R959m	R1b	R1.1b	R1.2b
Hectares of land brought into the national parks system per year	Conservation and tourism	13 700ha	1 520ha	35 00ha	4 480ha	1 900ha	3 000ha	4 000ha
Percentage delivery of key deliverables and of milestones met for implementing the anti-poaching programme per year	Conservation and tourism	-	-	90%	90%	90%	90%	93%
Number of learners that go through the environmental education programme per year	Conservation and tourism	157 419	111 895	155 631	160 000	170 000	175 000	180 000

Savings and cost effectiveness measures

The entity has identified cost effectiveness measures to ensure its financial stability without compromising on the ability to deliver on its mandate. These measures are focused on spending on compensation of employees and include: phasing out unapproved occupied positions, placing a moratorium on the creation of new positions, not renewing non-critical fixed term contracts, keeping salary adjustments to a minimum and restricting overtime. Measures are in place which are aimed at controlling spending on goods and services and include: limiting the use of consultants, rationalising advertising for job creation and relevant tenders, limiting foreign travel, and making use of teleconferencing for communication. A procurement programme has also been implemented to renegotiate better rates with key service providers and suppliers. Savings of R35 million over the MTEF period are expected from these cost reduction measures.

Table 30.12 South African National Parks

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Conservation and Tourism	967 648	1 132 308	1 358 958	1 063 735	1 108 931	1 168 543	1 239 708
Total expense	967 648	1 132 308	1 358 958	1 063 735	1 108 931	1 168 543	1 239 708

South African National Parks had a total budget of R1.1 billion in 2011/12, of which 53.3 per cent was used for compensation of employees.

Expenditure estimates

Table 30.13 South African National Parks

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2011/12	2012/13	2013/14	2014/15
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	751 810	785 430	905 115	999 239	858 236	900 862	970 210
Sale of goods and services other than capital assets	703 582	740 072	826 763	974 263	833 016	875 754	944 614
<i>of which:</i>							
<i>Sales by market establishments</i>	703 582	740 072	826 763	974 263	833 016	875 754	944 614
<i>Other non-tax revenue</i>	48 228	45 358	78 352	24 976	25 220	25 108	25 596
Transfers received	260 161	411 043	506 464	237 268	250 695	413 003	475 339
Total revenue	1 011 971	1 196 473	1 411 579	1 236 507	1 108 931	1 313 865	1 445 549

Table 30.13 South African National Parks (continued)

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Expenses							
Current expenses	935 612	1 116 611	1 336 993	1 063 735	1 108 931	1 168 543	1 239 708
Compensation of employees	397 247	430 417	497 856	567 224	598 175	633 435	665 106
Goods and services	482 408	621 032	776 806	441 729	460 960	482 177	519 199
Depreciation	41 443	54 022	54 031	37 158	35 527	37 660	39 918
Interest, dividends and rent on land	14 514	11 140	8 300	17 624	14 269	15 271	15 485
Transfers and subsidies	32 036	15 697	21 965	–	–	–	–
Total expenses	967 648	1 132 308	1 358 958	1 063 735	1 108 931	1 168 543	1 239 708
Surplus / (Deficit)	44 323	64 165	52 621	172 772	–	145 322	205 841
Statement of financial position							
Carrying value of assets	1 056 845	1 073 080	1 123 455	1 134 285	1 136 999	1 140 423	1 144 423
of which:							
Acquisition of assets	47 947	23 689	60 701	50 976	42 857	44 177	46 200
Investments	147 801	231 319	223 264	232 859	232 859	251 488	261 548
Inventory	16 229	15 686	20 524	19 582	21 148	22 840	23 754
Receivables and prepayments	25 320	16 644	21 758	25 000	25 000	27 000	28 080
Cash and cash equivalents	283 842	291 725	232 250	200 000	200 000	216 000	224 640
Non-current assets held for sale	323 907	480 741	523 179	541 302	588 398	436 585	270 574
Total assets	1 853 944	2 109 195	2 144 430	2 153 028	2 204 404	2 094 336	1 953 019
Accumulated surplus / (deficit)	449 077	516 957	562 401	735 173	735 173	589 851	384 010
Borrowings	33 253	32 824	26 983	36 500	36 500	39 420	39 420
Deferred income	924 348	1 133 942	1 069 021	820 621	844 249	843 397	877 133
Trade and other payables	248 879	220 086	268 248	349 788	354 774	389 238	410 729
Provisions	198 387	205 386	217 777	210 946	233 708	232 430	241 727
Total equity and liabilities	1 853 944	2 109 195	2 144 430	2 153 028	2 204 404	2 094 336	1 953 019

Expenditure trends

The spending focus over the medium term will be on the maintenance of tourist facilities and conservation.

Most of the revenue is from tourism, while transfers from government contributed 19.2 per cent in 2011/12. Revenue increased from R1 billion in 2008/09 to R1.2 billion in 2011/12, at an average annual rate of 6.9 per cent, and is expected to increase to R1.4 billion over the medium term, at an average annual rate of 5.3 per cent. The increase in both periods is due to inflation and an increase in the number of tourists visiting the various parks.

Expenditure increased from R967.6 million in 2008/09 to R1.1 billion in 2011/12, at an average annual rate of 3.2 per cent, and is expected to increase to R1.2 billion in 2014/15, at an average annual rate of 5.2 per cent. The bulk of the spending is on goods and services and employee compensation, with budget increases in both periods being due to increases in compensation of employees.

Personnel information

Table 30.15 South African National Parks

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of Funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive board members	7	7	–	7	6	7	7	7	7	7
Executive management	47	47	–	44	47	46	47	47	47	47
Senior management	278	278	–	266	264	276	278	286	295	305
Professionals	475	475	–	402	415	455	475	488	502	517
Skilled	1 511	1 511	–	1 327	1 420	1 449	1 511	1 552	1 593	1 636
Semi-skilled	1 328	1 328	–	1 327	1 366	1 356	1 328	1 364	1 401	1 438
Total	3 646	3 646	–	3 373	3 518	3 589	3 646	3 744	3 845	3 950
Compensation (R thousand)				397 247	430 417	497 856	567 224	598 175	633 435	665 106
Unit cost (R thousand)				118	122	139	156	160	165	168

1. As at 30 September 2011.

The entity had an approved establishment of 3 646 posts, which were all filled as at September 2011. The number of filled posts grew from 3 373 in 2008/09 to 3 646 in 2011/12. The number of filled posts is expected to grow to 3 950 over the medium term.

iSimangaliso Wetland Park Authority

Overview: 2008/09 – 2014/15

The iSimangaliso Wetland Park in northern KwaZulu-Natal spans some 332 000ha and includes 9 per cent of South Africa's coastline. Its mandate, as set out in the World Heritage Convention Act (1999), is to: ensure that effective and active measures are taken for the protection, conservation and presentation of the World Heritage Convention values in the park; promote the empowerment of historically disadvantaged people; promote, manage, oversee, market and facilitate optimal tourism and related development in the park; and encourage sustained investment and job creation.

Key to delivering on its mandate is an integrated approach to conservation and development. A major focus area has been developing infrastructure and land rehabilitation in a way that simultaneously improves the conservation and biodiversity of the park, maximises the number of local community jobs and the use of local community small, medium and micro enterprises (SMME's), and improves the visitor experience.

Commercial revenue increased from R7.5 million per year to R16.1 million between 2008/09 and 2011/12. Revenue is projected to decrease to R10 million by 2014/15. An estimated 4 000 temporary jobs have been created, bringing the total number of person days since the inception of the iSimangaliso Authority to 790 000. Over 60 small and medium enterprises have been supported and over 100 direct permanent and 230 indirect permanent jobs have been created. The focus over the medium term is to continue increasing revenue and creating jobs. Funding was secured through the Global Environmental Facility for specialist studies in hydrology and related fields.

The authority employs 33 people. Personnel costs are maintained at 20 per cent of total expenditure and in 2010, were as low as 17 per cent. 62 per cent of expenditure is for infrastructure and land rehabilitation programmes. There is a minimum requirement that 50 per cent of this expenditure is committed to local community SMME's and 30 per cent to local community jobs. Labour intensive methods are used wherever possible.

A major challenge that the authority has been facing is prolonged drought, which has required a review of established estuary management practices to maintain the freshwater levels in Lake St Lucia.

Performance

The number of visitors to iSimangaliso increased from 350 000 in 2008/09 to 451 360 in 2011/12, at an average annual rate of 8.8 per cent. The entity's target is for this to increase to 520 000 in 2014/15, at an average annual rate of 4.9 per cent. The entity also aims to increase the amount of revenue generated from its operations, to decrease its reliance on government funds.

Selected performance indicators

Table 30.15 iSimangaliso Wetland Park Authority

Indicator	Activity/Objective/Programme/Project	Past			Current	Projected		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Value of revenue raised per year	Park operations	R6.5m	R9.5m	R9.2m	R11.5m	R12.7m	R13.9m	R14.9m
Number of visitors to the parks per year	Park operations	350 000	350 000	434 000	451360	473 928	507 102	520 000
Number of temporary jobs created (direct and indirect) per year	All	4 000	5 303	3 268	4 000	4 000	3 000	3 000
Number of new permanent jobs created from park related activities per year ¹	All	100	30	4	50	50	30	30
Number of BEE SMMEs created through iSimangaliso programmes per year ²	All	–	30	48	2	2	2	3

1. The target reduces to 30 in the outer year due to budgetary constraints.

2. The target for the number of new SMMEs in 2011/12, 2012/13, and 2013/14 is significantly smaller than previous years as funding has not yet been secured for SMME development for those years. It is anticipated that such funding will be secured during the course of 2010/11.

Savings and cost effectiveness measures

In 2010/11, the entity reduced costs by granting no salary increases, reducing travel for all staff, increasing trade exchanges in respect of marketing activity, and reorganising work to reduce the use of external professional services. Other measures ranged from strengthening internal controls to increasing the efficiency and effectiveness of the procurement process. This has not resulted in overall cost savings as other expenditure relating to park operations, infrastructure and community beneficiation increased. However, the cutbacks have had the effect of containing expenditure.

Table 30.16 iSimangaliso Wetland Park Authority

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Core operations	45 502	50 719	49 326	16 403	56 494	63 198	63 149
Infrastructure, land care and park establishment	15 674	12 793	11 931	49 143	24 660	25 558	27 956
Local economic development	2 659	2 195	4 574	6 909	7 871	3 565	3 619
Research and monitoring	2 045	1 740	5 844	18 364	18 422	18 482	1 129
Commercialisation	–	–	–	3 958	4 176	4 412	4 647
Total expense	65 880	67 447	71 675	94 777	111 622	115 216	100 500

iSimangaliso Wetland Park had a total budget of R94.8 million in 2011/12, of which 51.9 per cent was used for infrastructure, land care and park establishment.

Expenditure estimates

Table 30.17 iSimangaliso Wetland Authority

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2011/12	2012/13	2013/14	2014/15
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	22 590	13 552	11 861	18 344	11 703	12 049	12 665
Sale of goods and services other than capital assets	7 461	9 506	8 336	16 078	9 309	9 517	9 993
<i>of which:</i>							
Administration fees	–	–	–	603	635	670	704
Sales by market establishments	7 461	9 506	8 336	15 475	8 673	8 847	9 289
Other non-tax revenue	15 129	4 046	3 525	2 266	2 394	2 532	2 673
Transfers received	59 471	48 178	69 191	86 876	116 210	130 283	116 496
Total revenue	82 061	61 730	81 052	105 220	127 912	142 332	129 161
Expenses							
Current expenses	65 880	67 447	71 674	94 777	111 622	115 216	100 500
Compensation of employees	10 491	11 008	9 749	11 843	13 714	14 548	15 427
Goods and services	44 961	40 703	45 882	63 735	83 659	84 612	66 857
Depreciation	10 427	15 698	16 043	19 089	14 250	16 056	18 216
Interest, dividends and rent on land	–	38	–	110	–	–	–
Total expenses	65 880	67 447	71 674	94 777	111 622	115 216	100 500
Surplus / (Deficit)	16 181	(5 717)	9 378	10 443	16 290	27 116	28 662
Statement of financial position							
Carrying value of assets	311 017	314 608	348 547	359 762	413 864	465 849	518 593
<i>of which:</i>							
Acquisition of assets	128 834	21 029	50 153	30 304	68 351	68 041	70 959
Inventory	548	384	441	–	–	–	–
Receivables and prepayments	1 763	2 896	3 518	5 353	6 111	5 926	5 379
Cash and cash equivalents	58 881	72 825	51 237	111 278	105 816	82 312	52 711
Total assets	372 209	390 713	403 743	476 393	525 791	554 088	576 684
Accumulated surplus / (deficit)	81 746	76 030	85 407	95 850	112 192	139 382	168 138
Capital and reserves	265 740	265 740	265 740	265 740	265 740	265 740	265 740
Finance lease	–	–	–	27 047	50 321	54 345	57 580
Deferred income	15 144	38 323	37 460	67 847	73 313	70 692	63 350
Trade and other payables	9 579	10 520	15 136	19 909	24 225	23 929	21 876
Provisions	–	100	–	–	–	–	–
Total equity and liabilities	372 209	390 713	403 743	476 393	525 791	554 088	576 684

Expenditure trends

Revenue is primarily sourced through grants from national government. Smaller grants have also been forthcoming from the provincial department of local government. Other donors include the Global Environment Facility through the World Bank, MTN, and the National Lottery. Revenue increased from R74.5 million in 2008/09 to R105.2 million in 2011/12, at an average annual rate of 12.2 per cent, and is expected to increase to R29.3 million over the medium term, at an average annual rate of 7.1 per cent.

Expenditure increased from R58.3 million in 2008/09 to R94.8 million in 2011/12, at an average annual rate of 17.6 per cent, mainly as a consequence of increases to the scope of programmes, in particular infrastructure and land rehabilitation. Over the medium term, expenditure is expected to increase to R100.5 million, at an average annual rate of 2 per cent, mainly to provide for infrastructure upgrades.

Personnel information

Table 30.18 iSimangaliso Wetland Park Authority

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive board members	1	1	–	1	1	1	1	1	1	1
Executive management	3	3	–	3	3	3	3	3	3	3
Senior management	6	6	–	6	6	6	6	7	7	7
Middle management	6	6	–	6	6	6	6	7	7	7
Professionals	3	3	1	3	3	3	3	4	4	4
Skilled	14	14	–	15	13	15	14	14	14	13
Total	33	33	1	34	32	34	33	36	36	35
Compensation (R thousand)				10 491	11 008	9 749	11 843	13 714	14 548	15 427
Unit cost (R thousand)				309	344	287	359	381	404	441

1. As at 30 September 2011.

The entity had an establishment of 33 posts. The ratio of support staff to line staff is 1:3 and that of consultants to department personnel is 1:10. This excludes the professional team that assists with the infrastructure development. iSimangaliso has outsourced legal, environmental impact assessments and consulting engineering functions to avoid carrying fixed recurring costs as none of these are required on a fulltime basis.

South African National Biodiversity Institute

Overview: 2008/09 – 2014/15

The South African National Biodiversity Institute was established on 1 September 2004 in terms of the National Environmental Management: Biodiversity Act (2004, hereafter referred to as the Biodiversity Act). The institute leads the biodiversity research agenda, provides knowledge and information, gives policy support and advice, manages gardens as windows to showcase biodiversity for leisure and education, and engages in ecosystem restoration, rehabilitation and management. The total budget allocated to the institute for 2011/12 was R439 million, of which 30 per cent was used in the biodiversity mainstreaming and urban conservation programme.

The institute's strategic focus for the medium term is on biodiversity knowledge management, and information generation and dissemination, highlighting trends in South Africa. It conducts coordinated research on the composition, value, status, functioning and dynamics of South Africa's biodiversity, and manages a national system of bioregional programmes, which includes implementing priority components of the national biodiversity strategic action plan and engagement with fellow institutions in the SADC and the rest of Africa.

The Biodiversity Institute concentrates its efforts in five programmes: applied biodiversity research and other programmes: concentrates on research and monitoring on biodiversity trends and adaptation to climate change to provide the knowledge base for policy and decision making. This programme has a budget of R187 million over the medium term (14 per cent of total budget). Performance is measured in terms of the percentage of threatened or protected species monitored; the number of invasive species monitored; and research outputs.

Biodiversity mainstreaming and urban conservation: coordinates and facilitates collaborative biodiversity programmes which innovate, pilot and mainstream new models for biodiversity management, and provides science based policy advice in support of sustainable development. This programme has a budget of R427 million over the medium term (31 per cent of total budget), of which 52 per cent will be used for salaries, training and workshops at sites.

Biodiversity education and empowerment: builds partnerships through its management network to strengthen and coordinate the biodiversity sector and is a recognised strategic partner in human capital development for the sector. This programme has a budget of R24 million over the medium term (2 per cent of total budget), of which 88 per cent will be used for garden based biodiversity education programmes.

Conservation gardens and tourism: manages the network of national botanical gardens, expands and strengthens the role of the gardens in nature based tourism and conservation, and uses the gardens as platforms for biodiversity awareness, showcasing and education. This programme has a budget of R324 million over the medium term. This constitutes 24 per cent of the budget allocation.

Biosystematics research and collections coordinates biodiversity information management and access, by implementing innovative technological systems and providing leadership for the collection and storage of biodiversity specimens. This programme has a budget of R84 million over the medium term (6 per cent of total budget), of which 85 per cent is used for curation, upkeep and data dissemination from preserved biodiversity collections.

Applied biodiversity research and other programmes: concentrates on understanding biodiversity and adaptation to climate change by establishing structures, networks and leadership for scientific enquiry, and on generating biodiversity knowledge in key policy relevant sectors. This programme has a budget of R187 million over the medium term (14 per cent of total budget). A climate change research strategy has been completed, and national strategies for biosystematics research are in development.

Performance

Revenue is targeted to increase by an average of 7 per cent per year between 2011/12 and 2014/15, in order to account for inflationary pressure and unforeseen events. Although this is considerably less than the revenue increases between 2008/09 and 2011/12, it is considered a reasonable target due to the current world economic condition.

The entity continues to lead in conservation through controlling the emergence of invasive species and rehabilitating wetlands. The entity expects to have a large amount of invasive species, with the various botanical gardens under control by 2012/13 and thereafter targets to find and monitor 5 invasive species a year. It is projected to increase its efforts at rehabilitating wetlands, as is evident in their targets. The entity's targets are to increase the amount of rehabilitated wetlands a year from 95 in 2011/12 to 115 in 2014/15.

Selected performance indicators

Table 30.19 South African National Biodiversity Institute

Indicator	Activity/Objective/Programme/Project	Past			Current	Projected		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Total number of national botanical gardens representative of South Africa's biodiversity	Conservation gardens and tourism	9	9	9	10	10	11	12
Number of research projects implemented per year to identify risks that commercially released genetically modified organisms may pose to the environment	Biodiversity education and empowerment	6	6	7	2	2	2	3
Value of revenue received per year through expanded revenue generating activities in gardens	Conservation gardens and tourism	R0.5m	R0.5m	R1m	R1.4m	R1.4m	R1.5m	R1.6m
Number of beneficiaries per year of garden based biodiversity awareness and education programmes ¹	Biodiversity education and empowerment	46 000	47 000	49 000	35 000	40 000	45 000	50 000
Total number of provinces with national botanical gardens	Conservation gardens and tourism	6	7	7	7	7	7	8

Table 30.19 South African National Biodiversity Institute (continued)

Indicator	Activity/Objective/Programme/Project	Past			Current	Projected		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of visitors to the national botanical gardens per year	Conservation gardens and tourism	1 270 000	1 290 000	1 300 000	1 310 000	1 320 000	1 330 000	1 340 000
Number of school gardens greened per year	Biodiversity education and empowerment	100	100	120	130	130	130	140

1. The target for 2011/12 is lower, due to budgetary constraints.

Savings and cost effectiveness measures

The institute implemented efficiency savings measures in 2010/11, which realised savings of approximately R8 million. The measures put in place included: awarding performance bonuses only to middle management and lower grades; reducing and realigning activities, personnel and units by redeploying staff to externally funded projects; rationalising and redeploying skills across the organisation; reviewing support functions; restructuring work teams; and reducing the biodiversity education and empowerment relative to the mandate.

No savings measures were identified over the medium term due to the baseline adjustment, which will now allow the institute to meet its operational requirements.

Table 30.20 South African National Biodiversity Institute

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Biodiversity mainstreaming and urban conservation	73 475	65 146	71 795	117 167	130 930	139 612	156 868
Biodiversity education and empowerment	21 915	19 507	12 744	6 904	7 477	7 995	8 681
Conservation gardens and tourism	83 040	83 123	88 874	91 402	99 610	107 097	116 953
Biosystematics research and collections	37 424	31 876	33 351	24 009	26 196	28 012	30 364
Applied biodiversity research	39 540	35 211	38 211	51 669	57 573	61 440	68 310
Climate change and bio-adaptation	13 067	7 978	8 812	6 372	7 213	7 704	8 470
Corporate services	57 101	86 644	84 859	74 856	82 029	88 945	98 308
Capital development	11 604	14 726	12 419	10 000	10 000	10 000	10 000
Total expense	337 166	344 211	351 065	382 379	421 028	450 805	497 954

The South African National Biodiversity Institute had a total budget of R382.4 million in 2011/12, of which 48 per cent was used for compensation of employees and 47.7 per cent for goods and services.

Expenditure estimates

Table 30.21 South African National Biodiversity Institute

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Statement of financial performance							
Revenue							
Non-tax revenue	41 117	43 520	44 806	40 700	42 847	44 570	47 086
Sale of goods and services other than capital assets	30 887	35 996	36 454	37 316	39 293	40 874	43 181
of which:							
Administration fees	21 877	26 126	26 262	–	–	–	–
Sales by market establishments	7 456	8 223	8 572	7 613	7 993	8 393	8 813
Other sales	1 554	1 647	1 620	29 703	31 300	32 481	34 368
Other non-tax revenue	10 230	7 524	8 352	3 384	3 554	3 696	3 905
Transfers received	292 256	289 875	303 984	398 542	378 181	406 235	450 868
Total revenue	333 373	333 395	348 790	439 242	421 028	450 805	497 954
Expenses							
Current expenses	334 037	343 051	348 095	382 379	421 028	450 805	497 954
Compensation of employees	126 228	152 555	170 211	183 699	197 327	211 147	224 331
Goods and services	196 183	175 770	165 464	182 533	205 992	220 180	252 197
Depreciation	11 604	14 724	12 420	16 119	17 680	19 448	21 392
Interest, dividends and rent on land	21	2	0	28	30	30	34
Transfers and subsidies	3 130	1 160	2 970	–	–	–	–
Total expenses	337 167	344 211	351 065	382 379	421 028	450 805	497 954

Table 30.21 South African National Biodiversity Institute (continued)

Statement of financial performance				Revised estimate	Medium-term estimate		
Audited outcome			2011/12		2012/13	2013/14	2014/15
R thousand	2008/09	2009/10	2010/11				
Surplus / (Deficit)	(3 794)	(10 816)	(2 275)	56 863	-	-	-
Statement of financial position							
Carrying value of assets	203 210	194 785	194 537	207 661	231 375	260 454	292 625
<i>of which:</i>							
<i>Acquisition of assets</i>	28 756	7 074	12 393	29 243	41 394	48 527	53 563
Inventory	633	111	98	160	657	692	692
Receivables and prepayments	2 243	1 992	3 550	3 550	5 489	5 263	5 263
Cash and cash equivalents	41 491	62 358	25 004	74 140	45 591	30 106	12 722
Defined benefit plan assets	5 016	5 498	670	318	-	-	-
Total assets	252 593	264 744	223 859	285 829	283 112	296 514	311 302
Accumulated surplus / (deficit)	-	-	-	56 863	56 863	56 863	56 863
Capital and reserves	141 584	130 769	128 494	128 494	114 844	138 227	138 212
Deferred income	36 351	61 464	28 946	28 946	15 432	-	12 701
Trade and other payables	46 638	43 760	35 249	35 249	55 926	59 375	59 375
Provisions	28 020	28 750	31 170	36 277	40 047	42 049	44 151
Total equity and liabilities	252 593	264 743	223 859	285 829	283 112	296 514	311 302

Expenditure trends

The entity's main spending focus is on maintaining and improving the various national botanical gardens around the country.

The main source of revenue is from transfers from the department and the remainder is from donors, international organisations and other departments. The institute is heavily reliant on transfers to cover its operational costs, but it is exploring options to increase other sources of revenue. Revenue increased substantially from R333.4 million in 2008/09 to R439.2 million in 2011/12, at an average annual rate of 9.6 per cent, and is expected to increase to R498 million over the medium term, at an average annual rate of 4.3 per cent.

Expenditure increased from R337.2 million in 2008/09 to R382.4 million in 2011/12, at an average annual rate of 4.3 per cent, and is expected to increase over the medium term to R498 million, at an average annual rate of 9.2 per cent. The increases in expenditure are ascribed mainly to increases in personnel costs and goods and services due to the entity's increased responsibility as more botanical gardens are established.

Personnel information

Table 30.22 South African National Biodiversity Institute

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive management	2	-	-	-	-	-	2	2	2	2
Senior management	24	-	-	-	-	-	22	23	23	23
Middle management	71	-	-	-	-	-	64	64	64	64
Professionals	103	-	-	-	-	-	91	91	91	91
Skilled	161	-	-	-	-	-	147	147	147	147
Semi-skilled	243	-	-	-	-	-	227	227	227	227
Very low skilled	105	-	-	-	-	-	101	101	101	101
Total	709	-	-	-	-	-	654	655	655	655
Compensation (R thousand)				126 228	152 555	170 211	183 699	197 327	211 147	224 331
Unit cost (R thousand)				-	-	-	281	301	322	342

1. As at 30 September 2011.

As at 30 September 2011, the entity had a total establishment of 709 posts, 633 of which are funded through the entity's budget allocation and 76 posts by donors. As at November 2011, 654 of the 709 posts were filled. The vacant posts are as a result of resignations, retirements and deaths. The entity's establishment was recently reviewed and all vacant unfunded posts were abolished. The ratio of support staff to line staff is 1:10.

South African Weather Service

Overview: 2008/09 – 2014/15

The South African Weather Service was established in terms of the South African Weather Service Act (2001). Its core mandate is to provide two distinct services: the public good service, funded by government; and commercial services, where the user-pays principle applies.

The organisation's main activities are : maintaining, extending and improving the quality of meteorological services; providing risk management information that is essential for minimising the impact of disasters; collecting meteorological data over South Africa and the surrounding southern oceans; and fulfilling government's international obligations under the conventions of the World Meteorological Organisation and the International Civil Aviation Organisation.

The South African Weather Service provides three key services. The public good service provides the general public with crucial weather and climate related information, including air quality assessments, and whose budget for 2011/12 was R126 million. The commercial (non-regulated) service provides specialised weather forecasting and climate information services, including the manufacture and sale of meteorological equipment. The budget for 2011/12 was R15.5 million, and 7 per cent of the total budget. From 2008/09 to 2010/11, commercial sales grew from R10.9 million to R14 million. Revenue is expected to increase to R27.8 million by 2014/15 mainly due to various partnerships and initiatives outlined in the commercial strategy. The aviation service offers meteorological information to the organisation's aviation partners in line with International Civil Aviation Authority standards and other national regulatory frameworks. The budget for this service in 2011/12 was R80 million, which represents growth of 13 per cent over the 2010/11 period due to the under recovery of the tariff in the prior financial period. Aviation income is expected to decline to R78 million in 2012/13 due to over recovery of the tariff, and will peak up to R87 million in 2013/14 and R91 million in 2014/15 due to under recovery of the tariff. In August 2010, a memorandum of agreement between the South African Weather Service and the Air Traffic and Navigation Services company under which the South African Weather Service will provide meteorological services to the company for international and national air navigation.

Over the medium term, the South African Weather Service will focus on delivering on the strategic goals approved by its board: aligning the service with relevant national priorities and outcomes by being the foremost provider of relevant meteorological goods and services in South Africa; growing commercial revenue through the development of relevant products and services, ensuring the safety of life and property through innovation to ensure a broader reach and greater accessibility; adapting to technological advances, providing scientific information to mitigate and adapt to climate change; meeting national and international obligations; and attracting and retaining skilled personnel.

Two key objectives achieved by the organisation are the enhanced severe weather prediction capability, which includes collaboration with European Organisation of the Exploitation of Meteorological Satellites; and the development of weather related disaster risk applications, which included the rollout of the South African flash flood guidance system and the implementation of the severe weather warning system for South Africa.

The total operational budget of the South African Weather Service for 2011/12 was R224 million, of which 56 per cent was allocated to the public good programme, 7 per cent to commercial goods and 36 per cent to aviation.

Performance

The entity is heavily reliant on government transfers to fulfil its obligations. As a result, the entity has targeted an increase in its commercial revenue from R16.5 million in 2011/12 to R25 million in 2014/15, through increased marketing.

The entity currently has a forecasting and warning service accuracy level of 70 per cent and plans to increase this to 74 per cent by 2014/15. The entity plans to achieve its target by upgrading existing equipment and increasing the number of weather stations around the country.

Selected performance indicators

Table 30.23 South African Weather Service

Indicator	Activity/Objective/Programme/Project	Past			Current	Projected		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Value of strategic partnerships that convert into revenue	Commercial	R1 m	R1 m	R1 m	R2 m	R2.5 m	R2.5 m	R3m
Value of research and consulting	Public good	R3 m	R2 m	R2.1 m	R3.3 m	R3.3 m	R3.3 m	R3.5m
Value of other revenue collected	Commercial	R8.3 m	R12.7m	R14 m	R16.5m	R20m	R23m	R25m
Cash management ratio	All	–	1:3.44 of target of 1.3 achieved	1:1.3	1:1.3	1:1.3	1:1.3	1:1.3

Savings and cost effectiveness measures

Measures taken to ensure that savings are realised include taking advantage of the stronger rand currency compared to international currencies when making foreign denominated payments, and postponing incurring expenses. Furthermore, following the completion of the new radar network, a reduction in breakdowns led to savings in repairs and maintenance in 2011/12.

Table 30.24 South African Weather Service

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Public good	110 493	122 334	119 672	131 649	138 253	150 179	159 570
Aviation	67 913	66 648	71 247	82 822	87 152	94 518	100 440
Commercial	19 404	19 042	20 357	23 663	24 899	27 004	28 698
Total expense	197 810	208 024	211 276	238 134	250 304	271 701	288 708

The South African Weather Service had a total budget of R238.1 million in 2011/12, of which 54.8 per cent was used for compensation of employees.

Expenditure estimates

Table 30.25 South African Weather Service

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2011/12	2012/13	2013/14	2014/15
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	68 666	66 868	101 335	89 652	99 723	108 758	116 219
Sale of goods and services other than capital assets <i>of which:</i>	60 032	58 238	79 020	76 408	88 859	97 297	103 569
<i>Sales by market establishments</i>	58 656	54 573	77 291	74 908	87 089	95 446	101 122
<i>Other sales</i>	1 376	3 665	1 729	1 500	1 770	1 851	2 447
<i>Other non-tax revenue</i>	8 635	8 630	22 315	13 244	10 864	11 461	12 650
Transfers received	124 933	273 282	233 179	148 482	150 581	162 943	172 489
Total revenue	193 600	340 150	334 514	238 134	250 304	271 701	288 708
Expenses							
Current expenses	195 359	206 242	209 343	236 634	249 004	270 051	286 976
Compensation of employees	108 154	114 780	121 178	130 481	138 290	148 221	158 487
Goods and services	70 977	76 756	74 261	88 673	91 538	100 757	106 830
Depreciation	15 226	14 274	13 520	17 060	18 766	20 643	21 209
Interest, dividends and rent on land	1 002	432	384	420	410	430	450
Transfers and subsidies	2 451	1 782	1 933	1 500	1 300	1 650	1 732
Total expenses	197 810	208 024	211 276	238 134	250 304	271 701	288 708

Table 30.25 South African Weather Service (continued)

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Surplus / (Deficit)	(4 211)	132 126	123 238	-	-	-	-
Statement of financial position							
Carrying value of assets	147 273	253 233	341 886	372 166	379 048	372 020	369 032
<i>of which:</i>							
Acquisition of assets	16 735	139 869	95 673	47 340	25 648	13 615	18 221
Inventory	8 455	6 719	4 774	6 589	6 489	6 489	6 200
Receivables and prepayments	14 951	14 241	15 462	12 629	12 129	12 078	12 400
Cash and cash equivalents	68 439	84 049	141 715	129 120	93 898	130 803	120 206
Total assets	239 118	358 242	503 837	520 504	491 564	521 390	507 838
Accumulated surplus / (deficit)	80 312	211 789	335 027	335 027	335 027	335 027	335 027
Capital and reserves	61 274	57 509	57 185	81 463	58 778	68 640	76 851
Finance lease	50 475	36 062	51 852	53 848	66 852	49 915	42 900
Deferred income	-	-	-	-	12 122	46 244	35 000
Trade and other payables	20 940	25 855	29 174	16 755	12 655	18 455	16 455
Provisions	26 117	27 027	30 599	33 411	6 130	3 109	1 605
Total equity and liabilities	239 118	358 242	503 837	520 504	491 564	521 390	507 838

Expenditure trends

Revenue increased from R193.6 million in 2008/09 to R238.1 million in 2011/12, at an average annual rate of 7.1 per cent, due to increases in sales to the aviation industry and other commercial clients. Revenue is projected to increase to R288.4 million in 2014/15, at an average annual rate of 6.6 per cent, in line with inflation.

Expenditure increased from R197.8 million in 2008/09 to R288.1 million in 2011/12, at an average annual rate of 6.4 per cent, due to various factors including the influence of exchange rate fluctuations on imports as well as increases in salaries as negotiated with unions. A total of R126 million was received in the form of a government grant to assist the South African Weather Service with its operational and administrative expenses as well as the attainment of its key objectives as outlined in the organisational strategy.

Over the medium term, expenditure is expected to increase to R288.7 million, at an average annual rate of 6.6 per cent. The main cost drivers are personnel costs and goods and services. The entity had surpluses of R132.1 million and R123.2 million in 2009/10 and 2010/11 due to a large increase in transfer payments to fund the acquisition of important capital assets.

Personnel information

Table 30.26 South African Weather Service

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Executive board members	10	9	-	10	10	9	9	9	9	9
Executive management	5	5	-	5	5	5	5	4	4	4
Senior management	16	16	4	15	14	13	16	16	16	16
Middle management	20	20	2	20	19	20	20	22	22	22
Professionals	63	63	5	62	63	61	63	75	77	80
Skilled	127	126	3	127	127	127	126	127	127	130
Semi-skilled	95	94	1	96	95	95	95	96	96	98
Very low skilled	39	39	-	39	39	39	39	39	39	39
Total	375	372	15	374	372	369	373	388	390	398
Compensation (R thousand)				108 154	114 780	121 178	130 481	138 290	148 221	158 487
Unit cost (R thousand)				289	309	328	350	356	380	398

1. As at 30 September 2011.

As part of the human resources development strategy as outlined in the strategic plan, the entity intends to maintain turnover percentage on critical and scarce skills to 6 per cent over the MTEF period. The turnover on critical and scarce skills for the period ending in 2010/11 was 2.2 per cent.

The entity had 373 filled posts in 2011/12 and this number is expected to rise to 398 over the medium term. This is driven by the need for specialised human capital within meteorology, such as hydrometeorology skills, to complement core competencies within the organisation. Line staff comprises 72 per cent of the total staff complement, with the remaining 28 per cent being support staff.

Additional tables

Table 30.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 thousand	2010/11		2010/11	2011/12			2011/12
Administration	255 037	270 225	360 749	380 729	6 813	387 542	387 542
Environmental Quality and Protection	321 311	322 789	295 833	330 661	6 053	336 714	336 714
Oceans and Coasts	711 452	644 256	644 256	723 279	125 273	848 552	848 552
Climate Change	91 769	94 769	11 760	223 232	(94 024)	129 208	129 208
Biodiversity and Conservation	399 588	405 887	421 974	430 441	41 911	472 352	472 352
Environmental Sector Programmes and Projects	778 637	700 588	1 544 894	757 721	1 269 527	2 027 248	2 027 248
Total	2 557 794	2 438 514	3 279 466	2 846 063	1 355 553	4 201 616	4 201 616
Economic classification							
Current payments	868 393	802 975	1 699 921	1 119 080	425 073	1 544 153	1 544 153
Compensation of employees	325 209	333 112	400 058	405 158	85 772	490 930	490 930
Goods and services	543 184	469 863	1 299 486	713 922	339 301	1 053 223	1 053 223
Interest and rent on land	–	–	377	–	–	–	–
Transfers and subsidies	1 220 337	1 166 475	1 165 369	1 218 976	791 690	2 010 666	2 010 666
Provinces and municipalities	–	–	69	–	–	–	–
Departmental agencies and accounts	610 883	625 781	644 281	611 831	42 300	654 131	654 131
Higher education institutions	–	–	980	968	–	968	968
Foreign governments and international organisations	9 000	9 000	19 077	9 000	3 890	12 890	12 890
Public corporations and private enterprises	–	–	4 127	–	–	–	–
Non-profit institutions	36 080	39 124	35 024	44 603	(4 500)	40 103	40 103
Households	564 374	492 570	461 811	552 574	750 000	1 302 574	1 302 574
Payments for capital assets	469 064	469 064	413 781	508 007	138 790	646 797	646 797
Buildings and other fixed structures	–	–	390 607	504 876	130 773	635 649	635 649
Machinery and equipment	468 704	468 704	22 809	2 751	8 017	10 768	10 768
Software and other intangible assets	360	360	365	380	–	380	380
Payments for financial assets	–	–	395	–	–	–	–
Total	2 557 794	2 438 514	3 279 466	2 846 063	1 355 553	4 201 616	4 201 616

Table 30.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Compensation of employees (R thousand)	257 357	333 733	400 058	490 930	533 752	564 630	598 094
Training expenditure (R thousand)	2 205	2 315	6 402	3 400	4 209	4 327	4 600
Training as percentage of compensation	0.9%	0.7%	1.6%	0.7%	0.8%	0.8%	0.8%
Total number trained in department (head count)	98	86	94	95			
<i>of which:</i>							
<i>Employees receiving bursaries (headcount)</i>	19	23	27	32			
<i>Learnerships (headcount)</i>	13	14	15	15			
<i>Internships (headcount)</i>	62	58	64	66			
Households receiving bursaries (R thousand)	900	975	1 050	1 200	1 101	1 203	1 400
Households receiving bursaries (headcount)	30	32	33	36			

Table 30.C Summary of departmental public private partnership projects

Project description: Procurement of a suitable new head office building for the Department of Environmental Affairs	Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
			2011/12	2012/13	2013/14
R thousand					
Projects in preparation, registered in terms of Treasury Regulation 16	25 000	10 000	220 000	146 000	123 000
Public private partnership unitary charge	–	–	220 000	146 000	123 000
Advisory fees	25 000	10 000	–	–	–
Total	25 000	10 000	220 000	146 000	123 000

Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	New Head Office Building
Brief description	Procurement of a suitable new head office building for the Department of Environmental Affairs
Date public private partnership agreement was signed	Agreement not signed yet
Duration of public private partnership agreement	25 years after construction and occupation
Escalation index for unitary fee	0
Net present value of all payment obligations discounted at appropriate duration government bond yield	0
Variations and amendments to public private partnership agreement	0
Cost implications of variations and amendments	0
Significant contingent fiscal obligations including termination payments, guarantees, warranties and indemnities and maximum estimated value of such liabilities	0

Table 30.D Summary of donor funding

Donor	Project	Departmental programme name	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate			Medium-term expenditure estimate		
							2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15		
R thousand Foreign In cash															
Norway	New environmental cooperation programme	Environmental Quality and Protection	5 years	25 000	Goods and services	Monitoring of the environmental quality in climate change	4 529	5 539	6 322	-	-	-	-	-	-
Norway	New environmental cooperation programme	Biodiversity and Conservation	5 years	23 000	Goods and services	Listing and control of endangered species and bio-safety	2 752	3 885	4 923	-	-	-	-	-	-
Norway	New environmental cooperation programme	Environmental Sector Programmes and Projects	5 years	18 000	Goods and services	Development in greening the country with the focus on urban areas	2 495	3 201	3 672	-	-	-	-	-	-
Denmark	Air quality management programme	Environmental Quality and Protection	5 years	2 274	Goods and services	Measurable improvement in air quality in South Africa	823	539	-	-	-	-	-	-	-
Denmark	National waste management programme	Environmental Quality and Protection	6 years	48 000	Goods and services	National waste management strategy developed and implemented	1 100	-	-	-	-	-	-	-	-
Denmark	National waste management programme: extended	Administration	2 years	5 000	Goods and services	National waste management strategy developed and implemented	-	4 400	600	-	-	-	-	-	-
Denmark	Environmental capacity building programme	Administration	5 years	14 000	Goods and services	Environmental capacity building in municipalities	1 089	563	-	-	-	-	-	-	-
Denmark	Urban environmental development programme	Environmental Quality and Protection	5 years	47 000	Goods and services	Development programme for urban areas on the environment management	1 983	2 156	3 385	-	-	-	-	-	-
Denmark	Programme and institutional support for Africa Institute for Environmentally Sound Management of Hazardous and Other Wastes	Environmental Quality and Protection	10 years	10 000	Goods and services	Establishment of the African Institute for African countries	-	1 000	1 000	1 000	1 000	-	-	-	-
World Bank	African stockpile programme	Environmental Quality and Protection	4 years	34 000	Goods and services	Tracing and collection of all redundant pesticides in the country and disposal thereof, and establishing a system to ensure long term collection and disposal of pesticides	674	738	1 576	2 754	-	-	-	-	-
United Nations Environment Programme	Hazardous materials management programme	Environmental Quality and Protection	6 years	5 400	Goods and services	Management of hazardous materials	1 170	540	-	-	-	-	-	-	-

Table 30.D Summary of donor funding (continued)

Donor	Project	Departmental programme name	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Medium-term expenditure estimate			
							2008/09	2009/10	2010/11	Estimate 2011/12	2012/13	2013/14	2014/15
R thousand													
Foreign													
In cash													
United Nations Development Programme	Rotterdam convention	Environmental Sector Programmes and Projects	2 years	600	Goods and services	Rotterdam Convention	349	221	-	-	-	-	-
Tanzania	Programme and institutional support for the Africa Institute for Environmentally Sound Management of Hazardous and Other Wastes	Environmental Sector Programmes and Projects	10 years	1 463	Goods and services	Establishment of the African Institute for African countries	-	146	146	146	146	146	-
Lesotho	Programme and institutional support for the Africa Institute for Environmentally Sound Management of Hazardous and Other Wastes	Environmental Sector Programmes and Projects	3 years	732	Goods and services	Establishment of the African Institute for African countries	-	-	144	144	144	-	-
Mauritius	Programme and institutional support for the Africa Institute for Environmentally Sound Management of Hazardous and Other Wastes	Environmental Sector Programmes and Projects	3 years	462	Goods and services	Establishment of the African Institute for African countries	-	-	154	154	154	-	-
Total				234 931			16 964	22 928	21 922	4 198	1 444	146	-

Table 30.E Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
				2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand										
Departmental infrastructure										
Polar research vessel	Vessel for research voyages to Marion Island, Gough Island and Antarctica replaced	Construction	1 100 222	-	131 438	467 308	632 249	-	-	-
South African National Parks	Roads upgraded	Construction	500 000	69 280	75 078	34 261	19 118	27 366	28 303	30 001
South African National Parks	Tourism accommodation facilities upgraded	Construction	1 282 825	232 600	185 825	-	60 000	63 000	216 843	270 854
South African weather stations	Weather station facilities upgraded	Various	260 563	35 000	55 207	100 154	10 202	-	-	-
Marion Island base	Base building replaced	Various	350 000	-	-	-	-	-	-	-
Research vessel	Marine environment research vessel replaced	Handed over	150 000	-	-	-	-	-	-	-
Lubombo	Environmental development	Handed over	56 500	30 000	-	-	-	-	-	-
Pondoland	Environmental development	Handed over	11 716	4 072	-	-	-	-	-	-
Blyde National Park	Environmental development	Handed over	11 609	4 468	-	-	-	-	-	-
iSimangaliso Wetland Park Authority	Office facilities upgraded	Various	655 200	30 000	30 000	23 000	42 000	44 100	76 790	81 397
South African National Biodiversity Institute	Facilities upgraded and new facilities in botanical gardens	Various	-	-	-	13 000	15 000	15 250	15 570	16 504
Total			4 378 635	405 420	477 548	637 723	778 569	149 716	337 506	398 756

National Treasury
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