

Estimates of Public Expenditure

2009

Environmental Affairs and Tourism

**National Treasury
Republic of South Africa**



ISBN: 978-2-621-38384-3

RP: 01/2009

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Published by the National Treasury

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Printed by FormeSet Printers Cape (Pty) Ltd

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Vote 25

Environmental Affairs and Tourism

Budget summary

R thousand	2009/10				2010/11	2011/12
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	217 504	215 788	–	1 716	246 686	286 622
Environmental Quality and Protection	293 929	121 666	161 617	10 646	313 244	347 090
Marine and Coastal Management	583 626	232 912	205 005	145 709	933 464	987 532
Tourism	750 292	35 274	714 766	252	753 908	780 709
Biodiversity and Conservation	413 310	49 679	363 499	132	434 436	463 940
Sector Services and International Relations	1 222 122	160 643	1 061 179	300	1 202 338	1 281 571
Total expenditure estimates	3 480 783	815 962	2 506 066	158 755	3 884 076	4 147 464
Executive authority	Minister of Environmental Affairs and Tourism					
Accounting officer	Director-General of Environmental Affairs and Tourism					
Website address	www.deat.gov.za					

Aim

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

Programme purposes

Programme 1: Administration

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

Programme 2: Environmental Quality and Protection

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

Programme 3: Marine and Coastal Management

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

Programme 4: Tourism

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

Programme 5: Biodiversity and Conservation

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

Programme 6: Sector Services and International Relations

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

Strategic overview: 2005/06 – 2011/12

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

Sustainable tourism

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

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

Conservation and use of natural resources

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

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

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

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

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

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

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

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

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

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

Promoting the global agenda

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

Transformation

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

Selected performance and operations indicators

Table 25.1 Environmental Affairs and Tourism

Indicator	Programme	Past			Current	Projections		
		2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Percentage of all new national environmental impact management applications processed within stipulated timeframes	Environmental Quality and Protection	-	-	80	85	90	95	98
Number of unauthorised waste disposal sites per year		-	-	580	406	290	116	87
Total number of environmental management inspectors designated		300	700	750	950	1 000	1 200	1 500
Total number of ambient air quality monitoring stations established		-	6	11	18	24	30	36
Total number of annual relief voyages for South African research teams at Antarctica and Marion and Gough islands	Marine and Coastal Management	3	3	3	3	3	3	3

Table 25.1 Environmental Affairs and Tourism (continued)

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

Expenditure estimates

Table 25.2 Environmental Affairs and Tourism

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand								
1. Administration	144 219	167 276	193 120	194 096	194 096	217 504	246 686	286 622
2. Environmental Quality and Protection	185 287	199 232	241 503	270 119	270 119	293 929	313 244	347 090
3. Marine and Coastal Management	262 428	324 048	349 298	429 035	429 035	583 626	933 464	987 532
4. Tourism	427 236	547 248	612 477	690 784	690 784	750 292	753 908	780 709
5. Biodiversity and Conservation	283 195	279 579	359 833	396 561	396 561	413 310	434 436	463 940
6. Sector Services and International Relations	473 321	542 281	1 032 526	1 225 962	1 225 962	1 222 122	1 202 338	1 281 571
Total	1 775 686	2 059 664	2 788 757	3 206 557	3 206 557	3 480 783	3 884 076	4 147 464
Change to 2008 Budget estimate				144 871	144 871	33 923	121 403	533 291

Economic classification

	511 741	543 802	663 918	765 189	765 189	815 962	916 759	1 040 367
Current payments								
Compensation of employees	209 664	262 506	342 195	413 224	413 224	432 810	477 047	514 448
Goods and services	301 906	281 093	321 514	351 965	351 965	383 152	439 712	525 919
<i>of which:</i>								
Administrative fees	453	1 233	556	395	395	571	661	785
Advertising	5 838	7 803	6 292	6 254	6 254	8 512	9 847	11 616
Assets less than R5 000	4 555	3 144	4 154	1 335	1 335	1 813	2 088	2 439
Audit costs: External	117	3 134	3 407	3 555	3 555	4 243	4 947	5 771
Bursaries: Employees	497	541	531	245	245	483	553	668
Catering: Departmental activities	917	1 745	2 066	2 105	2 105	2 861	3 331	3 931
Communication	6 908	7 951	7 639	8 897	8 897	12 546	14 400	16 908
Computer services	7 599	7 041	6 000	11 043	11 043	13 022	15 103	17 548
Consultants and professional services: Business and advisory services	175 413	112 557	127 559	113 996	113 996	108 533	124 503	146 744
Consultants and professional services: Infrastructure and planning	11	142	–	–	–	–	–	–

Table 25.2 Environmental Affairs and Tourism (continued)

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand								
Economic classification								
Current payments	511 741	543 802	663 918	765 189	765 189	815 962	916 759	1 040 367
<i>Consultants and professional services:</i>	1 582	1 229	1 536	674	674	934	1 094	1 301
<i>Legal costs</i>								
<i>Contractors</i>	3 462	5 581	8 603	12 443	12 443	19 122	22 307	24 692
<i>Agency and support / outsourced services</i>	4 113	2 070	2 311	82	82	235	270	334
<i>Entertainment</i>	711	577	152	114	114	151	174	204
<i>Inventory: Food and food supplies</i>	863	1 387	3 493	486	486	538	558	584
<i>Inventory: Fuel, oil and gas</i>	4 287	5 849	5 732	10 945	10 945	7 829	8 190	8 621
<i>Inventory: Materials and supplies</i>	200	911	1 669	598	598	687	734	791
<i>Inventory: Medical supplies</i>	42	205	146	239	239	264	273	284
<i>Inventory: Other consumables</i>	284	616	703	1 502	1 502	1 868	2 079	2 351
<i>Inventory: Stationery and printing</i>	3 433	4 132	4 755	5 954	5 954	7 674	8 847	10 373
<i>Lease payments</i>	5 833	33 110	37 617	49 752	49 752	61 269	71 540	83 516
<i>Owned and leasehold property expenditure</i>	2	4 098	952	966	966	1 204	1 396	1 629
<i>Transport provided: Departmental activities</i>	40	52	31	353	353	919	1 054	1 296
<i>Travel and subsistence</i>	52 370	53 773	60 075	78 857	78 857	72 128	84 701	106 360
<i>Training and development</i>	9 397	3 807	5 290	2 970	2 970	3 479	4 036	4 683
<i>Operating expenditure</i>	7 509	8 931	16 127	17 807	17 807	20 362	21 745	23 827
<i>Venues and facilities</i>	5 470	9 474	14 118	20 398	20 398	31 905	35 281	48 663
<i>Financial transactions in assets and liabilities</i>	171	203	209	–	–	–	–	–
Transfers and subsidies	1 207 809	1 505 963	2 114 491	2 427 335	2 427 335	2 506 066	2 484 429	2 588 671
Provinces and municipalities	595	160	–	–	–	–	–	–
Departmental agencies and accounts	806 558	1 042 176	1 373 701	1 565 771	1 565 771	1 638 448	1 538 809	1 610 746
Universities and technikons	–	–	300	–	–	–	–	–
Foreign governments and international organisations	6 000	12 421	–	9 000	9 000	9 000	9 000	9 000
Non-profit institutions	12 000	44 622	87 852	94 240	94 240	90 971	64 874	44 874
Households	382 656	406 584	652 638	758 324	758 324	767 647	871 746	924 051
Payments for capital assets	56 136	9 899	10 348	14 033	14 033	158 755	482 888	518 426
Buildings and other fixed structures	44 836	–	–	–	–	–	–	–
Machinery and equipment	10 800	7 036	10 131	13 717	13 717	158 437	482 521	518 038
Software and other intangible assets	500	2 863	217	316	316	318	367	388
Total	1 775 686	2 059 664	2 788 757	3 206 557	3 206 557	3 480 783	3 884 076	4 147 464

Expenditure trends

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

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

Savings and reprioritisation

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

Infrastructure spending

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

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

Departmental receipts

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

Table 25.3 Departmental receipts

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

Programme 1: Administration

Table 25.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Minister ¹	895	885	951	1 612	1 709	1 811	1 913
Deputy Minister ¹	618	719	773	1 328	1 407	1 492	1 575
Director-General	1 797	1 965	2 825	1 855	3 233	3 514	3 834
Ministry	19 226	18 959	23 345	20 473	27 013	31 345	35 665
Corporate Affairs	1 300	796	1 266	3 485	4 440	4 899	4 256
Communications	30 304	19 883	21 223	17 444	20 815	24 530	27 945
Internal Audit	847	1 804	2 333	2 115	2 480	3 136	3 674
Office of the Chief Financial Officer	11 109	16 202	18 755	19 476	24 867	27 692	34 740
Information Technology and Administration	31 735	37 101	42 368	50 179	42 505	48 762	63 252
Property Management	29 532	31 317	38 860	38 404	43 205	48 104	51 781
Human Resources and Transformation	14 023	33 704	33 593	30 365	35 228	39 138	43 530
Legal Services	2 833	3 941	6 828	7 360	10 602	12 263	14 457
Total	144 219	167 276	193 120	194 096	217 504	246 686	286 622
Change to 2008 Budget estimate				(4 270)	8 397	19 924	45 465

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

Table 25.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Economic classification							
Current payments	136 750	160 312	188 691	192 607	215 788	244 869	284 704
Compensation of employees	46 158	44 889	78 391	80 672	88 208	96 949	111 507
Goods and services	90 440	115 277	110 271	111 935	127 580	147 920	173 197
<i>of which:</i>							
Administrative fees	259	710	218	113	135	158	184
Advertising	2 547	4 075	2 265	2 300	2 745	3 201	3 734
Assets less than R5 000	1 417	1 308	1 291	667	796	929	1 083
Audit costs: External	–	3 134	3 407	3 555	4 243	4 947	5 771
Bursaries: Employees	349	369	325	56	67	78	91
Catering: Departmental activities	556	748	830	799	953	1 112	1 297
Communication	5 677	6 639	5 477	5 657	6 751	7 872	9 182
Computer services	7 184	5 266	4 761	7 972	9 514	11 094	12 941
Consultants and professional services: Business and advisory services	26 099	20 662	25 842	9 798	8 693	8 635	10 405
Consultants and professional services: Infrastructure and planning	11	142	–	–	–	–	–
Consultants and professional services: Legal costs	90	305	536	269	321	374	436
Contractors	2 619	4 087	4 185	5 928	7 075	8 249	9 623
Agency and support / outsourced services	1 125	1 576	2 311	4	5	6	7
Entertainment	572	355	95	91	109	127	148
Inventory: Food and food supplies	–	5	9	15	18	21	25
Inventory: Fuel, oil and gas	323	304	379	610	728	849	990
Inventory: Materials and supplies	137	222	323	125	149	173	202
Inventory: Medical supplies	8	2	–	–	–	–	–
Inventory: Other consumables	204	322	329	544	650	757	883
Inventory: Stationery and printing	1 910	1 774	1 781	1 855	2 214	2 582	3 012
Lease payments	3 943	31 545	31 190	47 550	56 745	66 326	77 185
Owned and leasehold property expenditure	–	4 049	935	880	1 050	1 225	1 429
Transport provided: Departmental activities	30	10	17	22	27	31	36
Travel and subsistence	20 756	18 666	17 271	18 384	18 935	22 577	26 836
Training and development	8 693	2 863	2 214	498	594	693	809
Operating expenditure	4 132	2 187	2 358	1 806	2 156	2 514	2 932
Venues and facilities	1 799	3 952	1 922	2 437	2 907	3 390	3 956
Financial transactions in assets and liabilities	152	146	29	–	–	–	–
Transfers and subsidies	656	1 211	253	–	–	–	–
Provinces and municipalities	170	22	–	–	–	–	–
Households	486	1 189	253	–	–	–	–
Payments for capital assets	6 813	5 753	4 176	1 489	1 716	1 817	1 918
Machinery and equipment	6 313	3 029	4 036	1 271	1 700	1 800	1 900
Software and other intangible assets	500	2 724	140	218	16	17	18
Total	144 219	167 276	193 120	194 096	217 504	246 686	286 622
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	170	22	–	–	–	–	–
Regional Services Council levies	170	22	–	–	–	–	–
Households							
Social benefits							
Current	486	1 189	253	–	–	–	–
Bursaries	486	1 189	253	–	–	–	–

Expenditure trends

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

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

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

Programme 2: Environmental Quality and Protection

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

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

Objectives and measures

- Minimise non-compliance with environmental legislation by increasing the number of environmental management inspectors in all spheres of government from 750 in 2007/08 to 1 500 in 2011/12.
- Prevent and reduce pollution by:
 - reducing the number of unauthorised waste disposal sites by 85 per cent in 2011/12
 - training officials in 91 municipalities to facilitate universal access to basic waste management services by 2009/10.
- Increase the turnaround time for processing basic national environmental impact assessment applications from 80 per cent of new applications processed within 45 days in 2007/08 to 98 per cent in 2012.
- Improve air and atmospheric quality by:
 - reducing the number of metropolitan and district municipalities with ambient air quality problems by 90 per cent in 2011/12, by ensuring alignment of municipal ambient air quality management plans with national norms and standards through an annual review of these plans
 - increasing the number of ambient air quality monitoring stations that provide information to the South African Air Quality Information System from 18 in 2008/09 to 36 in 2011/12.
- Establish a coherent approach to climate change response for South Africa by developing a climate change response policy by 2011/12.

Service delivery and spending focus

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

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

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

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

Expenditure estimates

Table 25.5 Environmental Quality and Protection

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand							
Environmental Quality and Protection Management	5 163	4 700	5 562	7 884	6 516	6 940	7 322
Regulatory Services	12 709	13 105	17 628	18 715	19 479	24 935	32 187
Pollution and Waste Management	15 443	12 018	19 696	28 334	28 301	29 610	39 946
Environmental Impact Management	18 015	29 841	31 613	35 149	39 365	40 280	41 774
Air Quality Management and Climate Change	18 267	25 175	26 892	35 121	39 731	45 942	47 492
Buyisa-e-Bag	12 000	–	20 000	20 000	30 000	35 000	40 000
South African Weather Service	103 690	114 393	120 112	124 916	130 537	130 537	138 369
Total	185 287	199 232	241 503	270 119	293 929	313 244	347 090
Change to 2008 Budget estimate				1 163	15 521	25 376	41 950
Economic classification							
Current payments	68 731	73 797	97 493	113 219	121 666	134 854	154 709
Compensation of employees	20 986	27 530	41 065	53 184	55 370	58 584	65 453
Goods and services	47 742	46 254	56 413	60 035	66 296	76 270	89 256
<i>of which:</i>							
Administrative fees	54	21	132	146	158	182	213
Advertising	1 084	2 149	976	1 967	2 134	2 455	2 873
Assets less than R5 000	622	833	931	159	172	198	231
Bursaries: Employees	44	23	26	22	24	27	32
Catering: Departmental activities	203	247	309	426	462	532	623
Communication	204	223	299	442	480	552	646
Computer services	26	1 441	856	1 945	2 110	2 428	2 841
Consultants and professional services: Business and advisory services	33 018	25 400	32 734	32 207	36 109	41 542	48 615
Consultants and professional services: Legal costs	1 281	924	280	135	146	168	197

Table 25.5 Environmental Quality and Protection (continued)

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand							
Economic classification							
Current payments	68 731	73 797	97 493	113 219	121 666	134 854	154 709
Contractors	113	243	918	67	73	84	98
Agency and support / outsourced services	57	92	–	–	–	–	–
Entertainment	16	76	17	2	2	2	3
Inventory: Materials and supplies	3	32	6	6	6	7	8
Inventory: Medical supplies	1	–	–	–	–	–	–
Inventory: Other consumables	6	115	85	129	140	161	189
Inventory: Stationery and printing	455	975	762	796	864	993	1 163
Lease payments	267	234	153	364	395	455	532
Owned and leasehold property expenditure	2	4	–	–	–	–	–
Travel and subsistence	6 921	8 528	11 055	15 518	16 834	19 367	22 665
Training and development	64	577	2 765	1 241	1 346	1 548	1 812
Operating expenditure	922	1 689	1 512	1 419	1 539	1 771	2 073
Venues and facilities	2 379	2 428	2 597	3 044	3 302	3 798	4 442
Financial transactions in assets and liabilities	3	13	15	–	–	–	–
Transfers and subsidies	115 742	123 423	141 854	145 996	161 617	166 617	179 449
Provinces and municipalities	52	16	–	–	–	–	–
Departmental agencies and accounts	103 690	114 393	120 112	124 916	130 537	130 537	138 369
Foreign governments and international organisations	–	8 000	–	–	–	–	–
Non-profit institutions	12 000	822	21 100	21 080	31 080	36 080	41 080
Households	–	192	642	–	–	–	–
Payments for capital assets	814	2 012	2 156	10 904	10 646	11 773	12 932
Machinery and equipment	814	2 012	2 150	10 806	10 344	11 423	12 562
Software and other intangible assets	–	–	6	98	302	350	370
Total	185 287	199 232	241 503	270 119	293 929	313 244	347 090

Details of transfers and subsidies

Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	52	16	–	–	–	–	–
Regional Services Council levies	52	16	–	–	–	–	–
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	103 690	114 393	120 112	124 916	130 537	130 537	138 369
South African Weather Service	103 690	114 393	120 112	124 916	130 537	130 537	138 369
Foreign governments and international organisations							
Current	–	8 000	–	–	–	–	–
Foreign governments	–	8 000	–	–	–	–	–
Non-profit institutions							
Current	12 000	822	21 100	21 080	31 080	36 080	41 080
Buyisa-e-Bag	12 000	–	20 000	20 000	30 000	35 000	40 000
South African Climate Action Network	–	822	600	–	–	–	–
National Associations for Clean Air	–	–	500	580	580	580	580
National Off-Road Workshop	–	–	–	500	500	500	500
Households							
Other transfers to households							
Current	–	192	642	–	–	–	–
Gifts and donations	–	–	–	–	–	–	–
Households	–	192	642	–	–	–	–

Expenditure trends

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

The *Air Quality Management and Climate Change* subprogramme receives an additional R55 million over the MTEF period for purchasing air quality monitoring equipment (R15 million, R20 million, and R20 million). These allocations will result in a baseline growth at an average annual rate of 10.6 per cent over the medium term.

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

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

Public entity

South African Weather Service

Strategic overview: 2005/06 - 2011/12

The South African Weather Service was established by the South African Weather Service Act (2001). Key activities include maintaining, extending and improving the quality of meteorological services, providing risk management information, which is essential for disaster impact minimisation, collecting meteorological data over South Africa and the surrounding southern oceans, and fulfilling government's international obligations under the Convention of the World Meteorological Organisation and the Convention of the International Civil Aviation Organisation as South Africa's aviation meteorological authority.

The South African Weather Service contributes to increased socioeconomic welfare, particularly for the most vulnerable communities. The service provides an informed scientific basis for protecting the quality of the natural environment in relation to climate change and variability, which impact on food security and water resource management, among others.

The South African Weather Service has developed a commercialisation strategy to guide its repositioning over the medium term.

Selected performance and operations indicators

Table 25.6 South African Weather Service

Indicator	Past			Current 2008/09	Projections		
	2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
Commercial revenue generated each year	R48.7m	R49.5m	R57.2m	R58m	R63.9m	R72.4m	R82.2m
Number of old weather radars maintained each year	11	12	13	0	0	0	0
Number of new weather radars installed each year	0	0	0	3	4	5	0

Service delivery and spending focus

In 2007/08, new radars were installed at Skukuza in the Kruger National Park.

In 2008/09, 12 new meteorological radars were ordered, the budget for which is R240 million.

To contribute to building meteorological capacity for South Africa and the region, 20 previously disadvantaged students a year will be placed on a bursary programme for BSc honours degrees in meteorology. The South African Weather Service will also work towards establishing a regional meteorological training centre by 2011/12. These will be the primary spending focus over the medium term.

Expenditure estimates

Table 25.7 South African Weather Service: Financial information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue							
Non-tax revenue	66 694	60 541	69 732	65 059	71 826	79 867	90 459
Sale of goods and services other than capital assets	50 480	50 044	57 331	58 330	64 626	73 397	83 692
of which:							
Sales by market establishments	48 690	49 485	57 176	58 029	63 876	72 397	82 192
Other sales	1 790	559	155	301	750	1 000	1 500
Other non-tax revenue	16 214	10 497	12 401	6 729	7 200	6 470	6 767
Transfers received	103 743	114 398	120 112	124 916	185 744	230 691	148 571
Total revenue	170 437	174 940	189 844	189 975	257 570	310 558	239 030
Expenses							
Current expense	162 161	158 038	183 363	187 830	255 211	307 963	236 175
Compensation of employees	71 399	86 743	93 799	105 033	115 529	127 082	139 790
Goods and services	79 762	59 400	73 995	64 593	119 657	158 854	72 156
Depreciation	10 026	10 782	14 482	18 204	20 024	22 027	24 230
Interest, dividends and rent on land	975	1 113	1 088	–	–	–	–
Transfers and subsidies	1 500	2 207	2 870	2 145	2 359	2 595	2 855
Total expenses	163 661	160 245	186 233	189 975	257 570	310 558	239 030
Surplus / (Deficit)	6 776	14 695	3 611	–	–	–	–
Statement of financial position							
Carrying value of assets	112 44	131 250	147 707	246 297	301 273	395 495	407 016
of which: Acquisition of assets	12 116	24 588	23 732	114 544	70 750	111 500	30 000
Inventory	634	4 675	8 236	7 000	7 000	7 000	7 000
Receivables and prepayments	11 353	8 818	16 829	12 000	16 000	15 000	10 000
Cash and cash equivalents	39 397	45 762	99 999	64 190	76 714	90 242	103 971
Total assets	163 428	190 505	272 771	329 487	400 987	507 737	527 987
Accumulated surplus / deficit	66 286	80 984	84 595	84 595	84 595	84 595	84 595
Capital and reserves	54 165	57 781	61 434	149 792	231 292	344 042	368 292
Post-retirement benefits	18 110	21 096	23 070	23 000	23 000	23 000	23 000
Trade and other payables	13 473	18 681	32 077	28 000	18 000	12 000	8 000
Provisions	1 924	1 911	1 234	1 100	1 100	1 100	1 100
Liabilities not classified elsewhere	9 470	10 052	70 361	43 000	43 000	43 000	43 000
Total equity and liabilities	163 428	190 505	272 771	329 487	400 987	507 737	527 987

Expenditure trends

Approximately 67 per cent of revenue over the seven-year period is in the form of a transfer payment from the Department of Environmental Affairs and Tourism, and the other 33 per cent is from sales of services. Aviation income comprises 90 per cent of sales revenue over the seven-year period. The transfer from the department for 2009/10 is R185.7 million, comprising R130.5 million for operational expenditure, R52.5 million for infrastructure investment and R1.7 million for the modernisation programme. The South African Weather Service is aiming to increase its commercial revenue from R48.7 million in 2005/06 to R82.2 million in 2011/12 through its commercialisation strategy.

Compensation of employees remains a key cost driver over the MTEF period, growing at an average annual rate of 10 per cent. Capital expenditure is mainly driven by the replacement of the radar network.

Acquisition of assets increased greatly between 2005/06 and 2008/09 because of the modernisation of observation infrastructure, which included the automation of observing systems and ICT infrastructure

Capital and reserves for the seven-year period grow significantly, because annual valuations of the land and aircraft belonging to the South African Weather Service increase the value of these items.

Programme 3: Marine and Coastal Management

- *Administrative Support Services* provides for the administration of the overall programme activities.
- *Antarctic Supply Vessel* provides sea transport for research at the meteorological observation stations at Antarctica and Marion and Gough islands. Funding is provided for operating the vessel.

- *Antarctic and Island Research* manages the South African national Antarctic programme and the three bases located at Antarctica and Marion and Gough islands. Funding is mainly used for maintenance and logistical support.
- *Marine Living Resources Fund* makes transfers to the public entity responsible for the management and sustainable use of marine and coastal resources to supplement the revenue received. Funding is based on the approved business plan of the entity.

Objectives and measures

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

Service delivery and spending focus

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

Expenditure estimates

Table 25.8 Marine and Coastal Management

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand							
Administrative Support Services	76 500	89 239	116 968	151 730	155 038	172 457	182 055
Antarctic Supply Vessel	15 763	22 285	10 500	34 000	181 491	504 168	538 958
Antarctic and Island Research	76 843	49 467	74 018	47 954	42 092	46 595	48 213
Marine Living Resources Fund	93 322	163 057	147 812	195 351	205 005	210 244	218 306
Total	262 428	324 048	349 298	429 035	583 626	933 464	987 532
Change to 2008 Budget estimate				32 293	13 615	46 220	324 053
Economic classification							
Current payments	121 537	160 822	200 807	233 034	232 912	254 862	266 450
Compensation of employees	87 014	102 426	127 598	170 581	170 081	190 338	199 778
Goods and services	34 523	58 396	73 179	62 453	62 831	64 524	66 672
<i>of which:</i>							
<i>Administrative fees</i>	7	29	105	–	–	–	–
<i>Advertising</i>	29	73	47	33	36	37	38
<i>Assets less than R5 000</i>	448	128	369	60	66	68	71
<i>Bursaries: Employees</i>	–	–	–	26	29	30	31
<i>Catering: Departmental activities</i>	7	–	9	8	9	9	10
<i>Communication</i>	22	21	121	1 068	1 179	1 219	1 267

Table 25.8 Marine and Coastal Management (continued)

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand							
Economic classification							
Current payments	121 537	160 822	200 807	233 034	232 912	254 862	266 450
<i>Computer services</i>	–	–	–	85	94	97	101
<i>Consultants and professional services: Business and advisory services</i>	25 281	48 143	54 700	35 474	39 364	40 696	42 304
<i>Contractors</i>	235	274	1 261	741	818	846	879
<i>Agency and support / outsourced services</i>	2 002	–	–	–	–	–	–
<i>Entertainment</i>	1	8	7	–	–	–	–
<i>Inventory: Food and food supplies</i>	863	1 382	3 484	471	520	537	559
<i>Inventory: Fuel, oil and gas</i>	3 963	5 543	5 348	10 335	7 101	7 341	7 631
<i>Inventory: Materials and supplies</i>	47	641	1 319	457	504	522	542
<i>Inventory: Medical supplies</i>	33	203	146	239	264	273	284
<i>Inventory: Other consumables</i>	68	149	203	585	646	667	694
<i>Inventory: Stationery and printing</i>	47	90	109	85	94	97	101
<i>Lease payments</i>	21	22	4 231	33	36	37	38
<i>Owned and leasehold property expenditure</i>	–	–	–	53	58	60	63
<i>Travel and subsistence</i>	909	1 064	1 224	991	1 094	1 131	1 176
<i>Training and development</i>	6	1	–	24	27	28	29
<i>Operating expenditure</i>	533	625	496	11 684	10 891	10 828	10 853
<i>Venues and facilities</i>	1	–	–	1	1	1	1
Financial transactions in assets and liabilities	–	–	30	–	–	–	–
Transfers and subsidies	93 551	163 112	148 185	195 351	205 005	210 044	218 306
Provinces and municipalities	229	55	–	–	–	–	–
Departmental agencies and accounts	93 322	163 057	147 812	195 351	205 005	210 044	218 306
Households	–	–	373	–	–	–	–
Payments for capital assets	47 340	114	306	650	145 709	468 558	502 776
Buildings and other fixed structures	44 836	–	–	–	–	–	–
Machinery and equipment	2 504	114	306	650	145 709	468 558	502 776
Total	262 428	324 048	349 298	429 035	583 626	933 464	987 532
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	229	55	–	–	–	–	–
Regional Services Council levies	229	55	–	–	–	–	–
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	46 020	101 110	126 612	195 351	205 005	210 044	218 306
Marine Living Resources Fund	46 020	101 110	126 612	195 351	205 005	210 044	218 306
Capital	47 302	61 947	21 200	–	–	–	–
Marine Living Resources Fund	47 302	61 947	21 200	–	–	–	–
Households							
Other transfers to households							
Current	–	–	373	–	–	–	–
Households	–	–	373	–	–	–	–

Expenditure trends

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

Public entities

Marine Living Resources Fund

Strategic Overview: 2005/06 – 2011/12

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

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

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

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

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

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

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

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

Selected performance and operations indicators

Table 25.9 Marine Living Resources Fund

Indicator	Programme	Past			Current	Projections		
		2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Number of aquaculture (fish farming) pilot projects launched	Integrated Coastal Management	-	-	-	2	3	-	-
Number of marine aquaculture pilot projects operational	Integrated Coastal Management	-	-	-	-	2	5	-

Service delivery and spending focus

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

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

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

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

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

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

Expenditure Estimates

Table 25.10 Marine Living Resources Fund: Programme information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Administration	68 507	45 591	62 143	46 280	47 405	48 900	50 232
Marine Resource Management	34 665	12 351	9 360	20 762	21 267	21 938	22 535
Integrated Coastal Management	14 776	13 752	24 418	25 524	26 145	26 969	27 703
Research, Antarctica and Islands	61 863	88 034	79 308	114 706	117 495	121 201	124 500
Monitoring, Control and Surveillance	96 005	118 669	82 101	125 150	132 193	138 236	142 836
Total expense	275 816	278 397	257 330	332 422	344 505	357 244	367 806

Table 25.11 Marine Living Resources Fund: Financial information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2005/06	2006/07	2007/08		2008/09	2009/10	2010/11
Statement of financial performance							
Revenue							
Non-tax revenue	151 588	179 323	155 105	137 071	139 500	147 000	149 500
Sale of goods and services other than capital assets	142 800	174 098	147 146	129 271	130 500	135 500	140 500
<i>of which:</i>							
<i>Licences and permits</i>	114 040	91 866	87 248	69 283	100 000	105 000	110 000
<i>Sales by market establishments</i>	12 981	58 076	40 281	34 988	500	500	500
<i>Levies on fish and fish products</i>	15 779	24 156	19 617	25 000	30 000	30 000	30 000
<i>Other non-tax revenue</i>	8 788	5 225	7 959	7 800	9 000	11 500	9 000
Transfers received	60 020	151 388	144 350	195 351	205 005	210 244	218 306
Total revenue	211 608	330 711	299 455	332 422	344 505	357 244	367 806
Expenses							
Current expense	275 816	278 397	257 330	332 422	344 505	357 244	367 806
Goods and services	273 844	274 196	250 748	328 119	339 650	352 219	362 431
Depreciation	1 967	3 956	6 582	4 303	4 855	5 025	5 375
Interest, dividends and rent on land	5	245	–	–	–	–	–
Total expenses	275 816	278 397	257 330	332 422	344 505	357 244	367 806
Surplus / (Deficit)	(64 208)	52 314	42 125	–	–	–	–
Statement of financial position							
Carrying value of assets	9 238	14 466	15 226	16 984	17 480	18 655	18 480
<i>of which: Acquisition of assets</i>	6 673	10 471	7 342	6 061	5 351	6 200	5 200
Inventory	2 943	17 647	3 475	–	–	–	–
Receivables and prepayments	27 000	6 821	23 131	15 000	18 000	19 000	20 000
Cash and cash equivalents	9 571	28 103	60 232	35 000	40 000	45 000	50 000
Total assets	48 752	67 037	102 064	66 984	75 480	82 655	88 480
Accumulated surplus / deficit	(65 243)	(12 929)	29 196	35 000	40 000	45 000	50 000
Borrowings	–	378	–	–	–	–	–
Trade and other payables	70 858	41 469	46 747	21 984	32 480	35 655	36 480
Liabilities not classified elsewhere	43 137	38 119	26 121	10 000	3 000	2 000	2 000
Total equity and liabilities	48 752	67 037	102 064	66 984	75 480	82 655	88 480

Expenditure trends

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

Programme 4: Tourism

- *Tourism Management* provides for the administration of the overall programme activities.
- *Tourism Industry Promotion* improves the competitiveness of the tourism industry through developing adequate skills, promoting service excellence, and unblocking barriers to tourism growth.
- *Tourism Industry Development* promotes SMME development in the tourism sector, product development, sector regulation and research aimed at improving tourism products and services in South Africa.
- *South African Tourism* provides financial assistance to the public entity responsible for marketing South Africa as a preferred tourism destination both locally and internationally. The entity is also responsible for assuring quality of products and services, and facilitating the transformation of the sector through the implementation of BEE.
- *Business Trust* makes transfer payments for the implementation of the tourism enterprise partnership responsible for facilitating business linkages between established enterprises and SMMEs.

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

Objectives and measures

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

Service delivery and spending focus

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

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

Expenditure estimates

Table 25.12 Tourism

Subprogramme	Audited outcome			Adjusted	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	appropriation	2009/10	2010/11	2011/12
R thousand							
Tourism Management	5 902	14 890	8 545	6 134	5 006	5 761	6 041
Tourism Industry Promotion	9 754	13 015	13 108	12 208	15 839	18 618	20 490
Tourism Industry Development	48 847	54 156	7 518	20 941	21 681	24 010	24 428
South African Tourism	362 733	465 187	517 556	582 135	655 669	685 519	729 750
Business Trust	–	–	65 750	69 366	52 097	20 000	–
Total	427 236	547 248	612 477	690 784	750 292	753 908	780 709
Change to 2008 Budget estimate				(2 238)	(14 665)	(41 839)	(62 783)

Table 25.12 Tourism (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Economic classification							
Current payments	64 232	39 532	28 068	35 836	35 274	40 129	47 689
Compensation of employees	12 799	16 028	16 307	16 058	18 549	21 921	23 022
Goods and services	51 433	23 486	11 735	19 778	16 725	18 208	24 667
<i>of which:</i>							
Administrative fees	36	25	67	32	27	30	30
Advertising	793	717	444	679	569	641	653
Assets less than R5 000	121	214	41	241	202	228	232
Bursaries: Employees	28	13	17	16	13	15	15
Catering: Departmental activities	53	115	117	216	181	204	207
Communication	103	106	108	323	271	305	311
Computer services	2	1	38	826	692	779	793
Consultants and professional services: Business and advisory services	45 442	12 665	2 258	231	1 450	1 632	1 662
Contractors	297	615	561	518	4 661	5 444	5 457
Agency and support / outsourced services	589	391	–	–	–	–	–
Entertainment	87	43	12	10	8	9	9
Inventory: Fuel, oil and gas	1	1	–	–	–	–	–
Inventory: Materials and supplies	3	3	1	–	–	–	–
Inventory: Other consumables	1	6	7	124	104	117	119
Inventory: Stationery and printing	245	574	373	1 363	1 142	1 285	1 308
Lease payments	144	233	90	304	255	287	293
Owned and leasehold property expenditure	–	10	–	–	–	–	–
Transport provided: Departmental activities	–	–	–	38	32	36	37
Travel and subsistence	2 851	4 587	3 178	10 757	3 684	3 333	9 607
Training and development	118	139	5	547	458	515	524
Operating expenditure	270	2 424	2 315	1 100	921	1 036	1 055
Venues and facilities	249	604	2 103	2 453	2 055	2 312	2 355
Financial transactions in assets and liabilities	–	18	26	–	–	–	–
Transfers and subsidies	362 775	507 198	584 111	654 501	714 766	713 519	732 750
Provinces and municipalities	40	11	–	–	–	–	–
Departmental agencies and accounts	362 733	465 187	517 556	582 135	655 669	685 519	729 750
Non-profit institutions	–	42 000	66 550	72 366	59 097	28 000	3 000
Households	2	–	5	–	–	–	–
Payments for capital assets	229	518	298	447	252	260	270
Machinery and equipment	229	379	234	447	252	260	270
Software and other intangible assets	–	139	64	–	–	–	–
Total	427 236	547 248	612 477	690 784	750 292	753 908	780 709
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	40	11	–	–	–	–	–
Regional Services Council levies	40	11	–	–	–	–	–
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	362 733	465 187	517 556	582 135	655 669	685 519	729 750
South African Tourism	362 733	465 187	517 556	582 135	655 669	685 519	729 750
Non-profit institutions							
Current	–	42 000	66 550	72 366	59 097	28 000	3 000
Business Trust	–	42 000	65 750	69 366	52 097	20 000	–
Federated Hospitality Association of Southern Africa	–	–	300	500	500	500	500
Tourism Business Council	–	–	500	500	500	500	500
National Business Initiative	–	–	–	2 000	2 000	2 000	2 000
Tourism Hospitality and Sports Education and Training Authority	–	–	–	–	4 000	5 000	–

Table 25.12 Tourism (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Details of transfers and subsidies							
Households							
Social benefits							
Current	2	-	-	-	-	-	-
Households	2	-	-	-	-	-	-
Households							
Other transfers to households							
Current	-	-	5	-	-	-	-
Households	-	-	5	-	-	-	-

Expenditure trends

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

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

Public entities

South African Tourism

Strategic overview: 2005/06 – 2011/12

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

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

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

Selected performance and operations indicators

Table 25.13 South African Tourism

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

Service delivery and spending focus

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

There were 9.1 million foreign tourist arrivals in 2007/08. Of the 9.7 million targeted for 2008/09, 5.5 million tourists arrived in the first half of the year. International marketing brand alignment has been completed and will ensure increased brand recognition of South Africa at the international level.

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

Expenditure estimates

Table 25.14 South African Tourism: Financial information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Statement of financial performance							
Revenue							
Non-tax revenue	59 755	72 993	82 248	53 239	40 130	41 620	43 180
Sale of goods and services other than capital assets	2	–	1 346	–	–	–	–
<i>of which:</i>							
<i>Sales by market establishments</i>	2	–	1 346	–	–	–	–
<i>Other non-tax revenue</i>	59 753	72 993	80 902	53 239	40 130	41 620	43 180
Transfers received	412 823	517 783	574 621	651 125	721 929	755 349	804 470
Total revenue	472 578	590 776	656 869	704 364	762 059	796 969	847 650
Expenses							
Current expense	465 594	588 113	633 306	706 264	762 059	796 969	847 650
Compensation of employees	71 810	86 620	95 270	107 705	114 167	121 017	128 278
Goods and services	391 886	494 296	530 061	588 409	636 895	664 033	706 450
Depreciation	1 898	7 197	4 147	5 950	6 545	7 200	7 919
Interest, dividends and rent on land	–	–	3 828	4 200	4 452	4 719	5 002
Total expenses	465 594	588 113	633 306	706 264	762 059	796 969	847 650
Surplus / (Deficit)	6 984	2 663	23 563	(1 900)	–	–	–
Statement of financial position							
Carrying value of assets	23 601	52 865	62 504	63 304	70 839	69 810	67 570
<i>of which: Acquisition of assets</i>	7 048	24 257	13 857	6 750	14 080	6 170	5 680
Receivables and prepayments	5 597	6 785	38 859	25 000	20 000	15 000	10 000
Cash and cash equivalents	96 686	149 573	181 728	248 725	232 465	233 495	235 734
Total assets	125 884	209 223	283 091	337 029	323 304	318 305	313 304
Accumulated surplus / deficit	20 899	23 560	47 371	45 471	45 471	45 471	45 471
Capital and reserves	–	14 966	14 718	14 718	14 718	14 718	14 718
Post-retirement benefits	15 805	19 633	23 102	24 950	26 447	28 034	29 716
Trade and other payables	87 604	117 664	188 926	249 990	234 768	228 182	221 499
Provisions	–	33 377	7 303	–	–	–	–
Liabilities not classified elsewhere	1 576	23	1 671	1 900	1 900	1 900	1 900
Total equity and liabilities	125 884	209 223	283 091	337 029	323 304	318 305	313 304

Expenditure trends

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

Programme 5: Biodiversity and Conservation

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

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

Objectives and measures

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

Service delivery and spending focus

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

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

Over the MTEF period, the department will focus on: the development of policies; building a sound scientific base for the management of natural resources; combating desertification; ensuring regulated bio-prospecting; assessing the environmental impact of genetically modified organisms; controlling species migration; and

ensuring sustainable use of species. Other activities include: the planning of protected areas; promoting participation and beneficiation of indigenous and local communities in these areas; establishing, developing and managing the cross-border conservation within the SADC region through the transfrontier conservation areas' initiative; coordinating the national implementation of the World Heritage Convention; and supporting the establishment and management of world heritage sites in the country.

Expenditure estimates

Table 25.15 Biodiversity and Conservation

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand							
Biodiversity and Conservation Management	3 357	2 197	3 249	4 404	4 606	5 123	5 370
Biodiversity and Heritage	14 426	11 877	18 463	16 679	17 118	18 569	19 584
Transfrontier Conservation and Protected Areas	29 099	16 166	17 800	21 209	31 620	37 829	46 237
iSimangaliso Wetland Park Authority	12 111	12 427	18 169	18 701	20 736	21 365	22 347
South African National Parks	143 833	151 940	191 456	202 269	205 406	213 973	226 970
South African National Biodiversity Institute	80 369	84 972	110 696	128 831	133 824	137 577	143 432
Management of Blyde National Park	-	-	-	4 468	-	-	-
Total	283 195	279 579	359 833	396 561	413 310	434 436	463 940
Change to 2008 Budget estimate				219	3 411	10 811	14 897

Economic classification

	46 080	28 032	37 748	41 315	49 679	58 447	67 377
Current payments							
Compensation of employees	15 389	15 408	19 075	20 611	21 948	24 552	25 774
Goods and services	30 675	12 608	18 649	20 704	27 731	33 895	41 603
<i>of which:</i>							
<i>Administrative fees</i>	11	6	20	35	47	57	68
<i>Advertising</i>	179	789	1 124	448	598	721	859
<i>Assets less than R5 000</i>	383	119	200	22	29	35	42
<i>Bursaries: Employees</i>	16	25	25	10	13	16	19
<i>Catering: Departmental activities</i>	55	620	801	419	559	674	803
<i>Communication</i>	251	176	286	170	227	273	325
<i>Computer services</i>	-	2	9	12	16	20	23
<i>Consultants and professional services: Business and advisory services</i>	21 927	2 383	5 461	9 038	12 168	15 145	19 250
<i>Consultants and professional services: Legal costs</i>	211	-	688	203	271	326	389
<i>Contractors</i>	111	192	442	473	631	760	906
<i>Agency and support / outsourced services</i>	82	10	-	-	-	-	-
<i>Entertainment</i>	17	66	7	1	2	2	2
<i>Inventory: Fuel, oil and gas</i>	-	1	-	-	-	-	-
<i>Inventory: Materials and supplies</i>	1	3	2	1	2	2	2
<i>Inventory: Other consumables</i>	1	14	15	15	20	24	28
<i>Inventory: Stationery and printing</i>	396	462	475	406	541	652	777
<i>Lease payments</i>	166	316	401	358	478	575	686
<i>Owned and leasehold property expenditure</i>	-	3	-	-	-	-	-
<i>Transport provided: Departmental activities</i>	10	42	14	-	-	-	-
<i>Travel and subsistence</i>	5 142	4 562	5 335	6 404	8 544	10 293	12 271
<i>Training and development</i>	64	67	21	551	735	886	1 056
<i>Operating expenditure</i>	1 186	1 375	1 691	268	357	430	513
<i>Venues and facilities</i>	466	1 375	1 632	1 870	2 493	3 004	3 584
<i>Financial transactions in assets and liabilities</i>	16	16	24	-	-	-	-
Transfers and subsidies	236 425	251 311	321 506	355 063	363 499	375 849	396 413
Provinces and municipalities	48	10	-	-	-	-	-
Departmental agencies and accounts	236 313	249 339	320 321	354 269	362 705	375 055	395 619
Universities and technikons	-	-	300	-	-	-	-
Non-profit institutions	-	1 800	202	794	794	794	794
Households	64	162	683	-	-	-	-

Table 25.15 Biodiversity and Conservation (continued)

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand							
Economic classification							
Payments for capital assets	690	236	579	183	132	140	150
Machinery and equipment	690	236	572	183	132	140	150
Software and other intangible assets	-	-	7	-	-	-	-
Total	283 195	279 579	359 833	396 561	413 310	434 436	463 940
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	48	10	-	-	-	-	-
Regional Services Council levies	48	10	-	-	-	-	-
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	183 313	234 039	257 221	284 989	287 627	296 453	311 842
South African National Biodiversity Institute	80 369	84 972	110 696	128 831	133 824	137 577	143 432
South African National Parks	90 833	136 640	128 356	132 989	133 067	137 511	146 063
iSimangaliso Wetland Park Authority	12 111	12 427	18 169	18 701	20 736	21 365	22 347
Management of Blyde National Park	-	-	-	4 468	-	-	-
Capital	53 000	15 300	63 100	69 280	75 078	78 602	83 777
South African National Parks	53 000	15 300	63 100	69 280	75 078	78 602	83 777
Universities and technikons							
Current	-	-	300	-	-	-	-
Nelson Mandela Metro University	-	-	300	-	-	-	-
Non-profit institutions							
Current	-	1 800	202	794	794	794	794
Non-profit institutions	-	1 800	-	-	-	-	-
Botanical Society	-	-	202	474	474	474	474
Endangered Wildlife Trust	-	-	-	320	320	320	320
Households							
Other transfers to households							
Current	64	162	683	-	-	-	-
Gifts and donations	64	162	-	-	-	-	-
Households	-	-	683	-	-	-	-

Expenditure trends

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

Public entities

South African National Parks

Strategic overview: 2005/06 - 2011/12

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

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

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

Selected performance and operations indicators

Table 25.16 South African National Parks

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

Service delivery and spending focus

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

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

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

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

Expenditure estimates

Table 25.17 South African National Parks: Programme information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Tourism	445 803	536 175	525 247	554 086	590 203	639 261	694 539
Conservation	312 107	372 597	365 002	385 043	410 142	444 233	482 646
Other programmes	-	30 795	33 264	-	-	-	-
Total expense	757 910	939 567	923 513	939 129	1 000 345	1 083 494	1 177 185

Table 25.18 South African National Parks: Financial information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue							
Non-tax revenue	630 655	670 186	696 323	760 735	792 596	869 185	956 107
Sale of goods and services other than capital assets	497 627	594 581	606 986	703 416	760 343	851 308	936 441
<i>of which:</i>							
<i>Tourism Revenue</i>	486 048	594 581	606 986	703 416	760 343	851 308	936 441
<i>Other sales</i>	11 579	–	–	–	–	–	–
<i>Other non-tax revenue</i>	133 028	75 605	89 337	57 319	32 253	17 877	19 666
Transfers received	155 909	298 476	278 202	202 832	238 138	248 014	262 373
Total revenue	786 564	968 662	974 525	963 567	1 030 734	1 117 199	1 218 480
Expenses							
Current expense	757 910	939 567	923 513	939 129	1 000 345	1 083 494	1 177 185
Compensation of employees	296 685	356 226	360 858	409 877	476 029	523 632	575 995
Goods and services	433 639	542 804	515 676	485 731	485 759	518 311	555 386
Depreciation	21 988	30 795	33 264	37 704	33 825	36 258	39 884
Interest, dividends and rent on land	5 598	9 742	13 715	5 817	4 732	5 293	5 920
Total expenses	757 910	939 567	923 513	939 129	1 000 345	1 083 494	1 177 185
Surplus / (Deficit)	28 654	29 095	51 012	24 438	30 389	33 705	41 295
Statement of financial position							
Carrying value of assets	704 287	775 609	817 157	805 553	799 995	807 203	815 696
<i>of which: Acquisition of assets</i>	17 280	18 176	51 180	30 000	40 000	44 000	48 401
Investments	1 218	887	24 103	70 600	70 600	70 600	70 600
Inventory	114 212	18 464	16 540	21 572	29 700	32 670	35 937
Receivables and prepayments	18 144	25 396	27 053	25 727	37 861	42 396	46 636
Cash and cash equivalents	255 030	172 582	257 157	(171 332)	–	–	–
Assets not classified elsewhere	7 643	210 517	381 701	456 027	176 064	141 762	133 269
Total assets	1 100 534	1 203 455	1 523 711	1 208 147	1 114 220	1 094 631	1 102 138
Accumulated surplus / deficit	304 513	387 452	438 465	462 903	357 281	390 986	432 281
Borrowings	336 036	44 210	39 976	36 500	36 500	36 500	36 500
Post-retirement benefits	181 935	143 347	146 089	173 455	194 270	217 582	239 340
Trade and other payables	278 050	97 228	162 338	100 000	23 801	26 182	28 800
Provisions	–	–	–	16 000	–	–	–
Liabilities not classified elsewhere	–	531 218	736 843	419 289	502 368	423 381	365 217
Total equity and liabilities	1 100 534	1 203 455	1 523 711	1 208 147	1 114 220	1 094 631	1 102 138

Expenditure trends

Due to its ability to generate revenue, South African National Parks maintains a strong financial position over the medium term. Transfers from the department in 2009/10 amount to R238.1 million.

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

South African National Biodiversity Institute

Strategic overview: 2005/06 - 2011/12

The South African National Biodiversity Institute was established in September 2004 in terms of the National Environmental Management: Biodiversity Act (2004). The institute's mandate is to ensure compliance with the prescribed requirements for biodiversity research, management and education, and to promote the wealth of indigenous floral and faunal life in South Africa, Southern Africa, and beyond.

The South African National Biodiversity Institute's activities are conducted through: three systematic research and collections centres; four bioregional programmes, conservation and sustainable use research centres; nine

countrywide national botanical gardens; and equally well distributed environmental outreach, education and ecosystem rehabilitation programmes.

The institute's strategic focuses for the medium term include: leadership in biodiversity knowledge management and information generation and dissemination, highlighting the status and trends in South Africa; co-ordinated research on South Africa's biodiversity; managing a national system of bioregional programmes; implementing priority components of the national biodiversity strategy and action plan; further development and management of the national botanical gardens; monitoring biodiversity in South Africa; guidelines and best practices on identifying and conserving threatened species and ecosystems, as well as the sustainable use of biodiversity; rehabilitation programmes that systematically target threatened ecosystems and; continuing support for the goals of the expanded public works programme.

Selected performance and operations indicators

Table 25.19 South African National Biodiversity Institute

Indicator	Programme name	Past			Current	Projections		
		2005/06	2006/07	2007/08		2008/09	2009/10	2010/11
Total number of national botanical gardens representative of South Africa's biodiversity	Biodiversity and conservation management	8	8	9	9	10	10	10
Total number of provinces with national botanical gardens	Biodiversity and conservation management	5	5	6	6	7	7	7
Number of visitors to national botanical gardens each year	Biodiversity and conservation management	1 250 748	1 258 032	1 265 000	1 270 000	1 290 000	1 300 000	1 310 000
Revenue generated at gates of national botanical gardens each year	Biodiversity and conservation management	R23.2m	R23.5m	R24m	R24.5m	R25m	R26m	R27m
Number of learners from previously disadvantaged communities put through garden based environmental education outreach programmes each year	Biodiversity and conservation management	46 000	41 000	45 000	46 000	47 000	49 000	50 000
Number of school gardens greened each year	Biodiversity and conservation management	113	128	130	100	110	120	130
Number of research outputs published and disseminated each year	Biodiversity and conservation management	350	520	360	350	370	400	420

Service delivery and spending focus

In 2008/09, the South African National Institute for Biodiversity upgraded the Karoo Desert national botanical garden in Worcester and the Walter Sisulu national botanical garden in Roodepoort, and completed phase 1 of the redevelopment of the Grahamstown botanical garden. The developments, totalling R10 million, formed part of the department's expanded public works programme. Good progress was made with the construction of new tourism facilities in the Harold Porter national botanical garden in Betty's Bay (restaurant and conference centre), and the KwaZulu-Natal national botanical garden in Pietermaritzburg.

1 088 images of Southern African medicinal plants were created from scanned slides and their metadata were captured. Resources for teachers and learners were provided digitally to the Department of Science and Technology to be made available on the Digital Doorway website. Teacher professional development and capacity building workshops were facilitated in all 5 , and in Northern Cape and Eastern Cape in partnership with education departments.

10 122 learners from previously disadvantaged communities attending the garden based programme in 6 education centres nationally, and 31 school community gardens had been developed nationally by the third quarter of 2008/09. As part of the greening programme in Limpopo, indigenous gardens and food gardens were

established at 17 schools and 1 community nursery in 3 areas: Thohoyandou, Mutale and Vuwani in the Vhembe district municipality.

The Working for Wetlands Maputaland project won the Kamoso award for best national project in the environment and culture cluster of the expanded public works programme.

Other outputs include workshops on genetically modified crops, assessments of threatened ecosystems and species, and market research.

Key priorities for the MTEF period include finalising the three-year redevelopment of the Grahamstown botanical garden, and new visitor and education facilities at the Karoo Desert, KwaZulu-Natal and Harold Porter national botanical gardens.

Expenditure estimates

Table 25.20 South African National Biodiversity Institute: Financial information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue							
Non-tax revenue	172 407	72 600	73 314	167 121	179 087	205 935	235 662
Sale of goods and services other than capital assets	24 222	31 514	31 213	30 472	33 100	35 599	38 293
<i>of which:</i>							
<i>Sales by market establishments</i>	21 933	29 440	28 908	29 545	32 100	34 529	37 148
<i>Other sales</i>	2 289	2 074	2 305	927	1 000	1 070	1 145
<i>Other non-tax revenue</i>	148 185	41 086	42 101	136 649	145 988	170 336	197 369
Transfers received	221 128	195 263	196 323	160 736	179 325	185 753	195 366
Total revenue	393 535	267 863	269 637	327 857	358 412	391 688	431 028
Expenses							
Current expense	393 495	269 148	283 285	339 297	358 412	391 688	431 028
Compensation of employees	83 376	92 923	108 203	108 972	121 300	133 430	146 773
Goods and services	302 733	168 212	165 854	219 755	225 063	240 117	259 613
Depreciation	7 260	7 916	9 162	10 500	11 972	18 057	24 549
Interest, dividends and rent on land	126	97	66	70	77	85	93
Total expenses	393 495	269 148	283 285	339 297	358 412	391 688	431 028
Surplus / (Deficit)	40	(1 285)	(13 648)	(11 440)	-	-	-
Statement of financial position							
Carrying value of assets	142 120	157 012	189 182	183 069	280 975	377 783	473 100
<i>of which: Acquisition of assets</i>	31 685	21 495	41 584	3 574	109 878	114 865	119 866
Investments	32 942	39 014	16 288	17 917	19 708	21 679	23 847
Inventory	123	130	476	139	153	168	185
Receivables and prepayments	2 303	1 894	3 008	3 000	3 300	3 630	3 993
Cash and cash equivalents	41 764	18 407	20 177	20 897	14 031	10 000	4 653
Assets not classified elsewhere	-	677	812	-	-	-	-
Total assets	219 252	217 134	229 943	225 022	318 167	413 261	505 778
Accumulated surplus / deficit	141 960	159 054	146 325	142 742	232 887	327 981	415 462
Borrowings	1 232	432	368	-	-	-	-
Post-retirement benefits	-	22 670	25 280	25 280	25 280	25 280	25 316
Trade and other payables	73 540	25 369	47 078	57 000	60 000	60 000	65 000
Provisions	2 520	-	-	-	-	-	-
Liabilities not classified elsewhere	-	9 609	10 892	-	-	-	-
Total equity and liabilities	219 252	217 134	229 943	225 022	318 167	413 261	505 778

Expenditure trends

Over the MTEF period, total revenue is expected to increase from R327.8 million in 2008/09 to R391.7 million in 2010/11.

Total transfers increase at an average annual rate of 7.5 per cent over the MTEF period, from R160.7 million in 2008/09 to R185.8 million in 2010/11. Included in these transfers, are grants from government of R128.8 million, R135.8 million and R140.6 million for the same period. In 2005/06 to 2007/08 transfers show a average decrease of 5.8 per cent per year due to a decrease in transfers from the private institutions.

The strong growth in compensation of employees in 2007/08 is because the institute appointed more staff in order to meet its new mandate. Spending on goods and services decreased by 44.4 per cent or R134.5 million in 2006/07 because of cuts in external funding which forced the institute to drastically cut its expenses.

The South African National Biodiversity Institution expects to fully utilise its budget, resulting in a zero balance over the MTEF period.

iSimangaliso Wetland Park Authority

Strategic overview: 2005/06 – 2011/12

The iSimangaliso Wetland Park consists of Maphelane, Cape Vidal, the Eastern and Western Shores, uMkhuze, Lake Sibaya, Sodwana Bay and the Coastal Forest Reserve. The park's zoning is set out in its integrated management plan and regulates the activities in each zone, which in turn determines the development and thus the revenue potential and economic benefits for adjacent communities.

The objectives of the iSimangaliso Wetland Park Authority, set out in the World Heritage Convention Act (1999), are:

- to protect, conserve and present the park
- to promote and facilitate optimal tourism and related development in the park
- to empower historically disadvantaged adjacent communities
- to optimise cost recovery.

These objectives are met through three programmes:

- The park operations programme aims to conserve the park's world heritage values and turn the iSimangaliso Wetland Park into one open ecological area. Land is incorporated on the basis of its ecological and biodiversity value and its conservation importance. Heritage values and biodiversity are considered on the basis of their impact on world heritage values and biodiversity, their tourism potential, and their potential to generate community benefits. Ongoing support to the Regional Land Claims Commissioner will assist in concluding the three remaining land claims and implementing co-management agreements for the settled land claims.
- The social, economic and environmental development programme aims to create economic benefits for claimants and local communities through conservation management initiatives, tourism development and other local economic development. Activities for the MTEF period include programmes in: capacity building for poverty alleviation, crafts, culture, tourism training, arts, entrepreneurship, and administration training for land claims trusts, and supporting other programmes to achieve their BEE goals.
- The commercial development programme guides the development of tourism products, creates an appropriate business environment and reduces risk for tourism, and ensures conservation and community beneficiation take place effectively. The strategy is to maintain a majority percentage of the mid to low market accommodation, introduce upmarket accommodation, and put in place measures to compel operators in the iSimangaliso Wetland Park to maintain certain minimum standards. In addition, the iSimangaliso Wetland Park Authority must ensure affordable public access and support the development of facilities in the immediate vicinity of the park. Activities for the MTEF period include: completing the construction of Rocktail Bay, regularising the tendering of the remaining activity concessions, concluding current accommodation public private partnerships, redeveloping existing public access accommodation and day visitor facilities, and rolling out the marketing and branding programmes.

Selected performance and operations indicators

Table 25.21 iSimangaliso Wetland Park Authority

Indicator	Activity / Objective / Programme / Project	Past			Current	Projections		
		2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue raised each year	Biodiversity and conservation management	R1.3m	R1.8m	R6.2m	R6.5m	R6.8m	R7.5m	R8.3m
Number of temporary jobs created each year	Biodiversity and conservation management	1 952	1 727	1 500	3 500	4 000	4 000	4 000
Number of permanent jobs created each year	Biodiversity and conservation management	–	–	35	30	30	300	100
Number of BEE SMMEs (ownership in business 40% or more) created through iSimangaliso programmes each year	Biodiversity and conservation management	–	–	–	–	5	2	2

Service delivery and spending focus

Since its inception six years ago, the authority has achieved the following:

A single management plan now consolidates 16 parcels of land.

Incompatible land uses such as forestry have been replaced with conservation land uses on 15000 ha.

Infrastructure has been improved, including 190 km of game fencing, road networks and water reticulation systems.

New game has been introduced such as tsessebe, oribi, elephant, wild dog, cheetah, white and black rhino, and buffalo.

Land claims on 75 per cent (165 000 hectares) of the area of the park have been settled.

The number of tourist facilities around the park has been increased by 59 per cent, and occupancies are higher than the national average of 48.5 per cent.

39 food gardens have been established.

48 local business owners are participating in the SMME development programme.

20 groups are involved in the craft programme, and sales of local crafts to major retailers have supported the creation of 3 500 temporary jobs per year.

The focus for the next five years will be: ongoing land rehabilitation and the restoration of habitats, upgrades to day visitor facilities and accommodation facilities in the park, expansion and deepening of local economic development programmes, and implementation of the co-management agreements with land claimants.

Expenditure estimates

Table 25.22 iSimangaliso Wetland Park Authority: Financial information

R thousand		Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance		2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue								
Non-tax revenue		4 207	4 072	12 398	14 811	14 394	15 982	19 093
Sale of goods and services other than capital assets of which:								
<i>Sales by market establishments</i>		–	1 753	6 254	6 850	8 466	11 228	14 239
<i>Other non-tax revenue</i>		–	1 753	6 254	6 850	8 466	11 228	14 239
Transfers received		4 207	2 319	6 144	7 961	5 928	4 753	4 854
Total revenue		29 617	41 483	54 585	48 701	50 736	44 365	64 347
Expenses								
Current expense		35 842	50 069	70 354	49 788	65 130	60 347	83 440
Compensation of employees		3 132	7 533	7 953	10 776	12 833	13 988	15 247
Goods and services		25 202	34 180	53 330	29 750	41 816	34 574	54 153
Depreciation		7 507	8 357	9 070	9 262	10 480	11 785	14 039
Total expenses		35 842	50 069	70 354	49 788	65 130	60 347	83 440
Surplus / (Deficit)		(2 018)	(4 514)	(3 371)	13 725	–	–	–
Statement of financial position								
Carrying value of assets of which: <i>Acquisition of assets</i>		166 423	162 087	177 292	195 816	219 344	237 569	268 540
Receivables and prepayments		18 516	4 023	25 737	27 785	58 002	30 009	45 010
Cash and cash equivalents		16 951	4 502	12 816	3 115	5 901	7 387	6 212
Assets not classified elsewhere		46 969	52 545	51 889	18 512	1 569	(1 538)	2 663
Total assets		232 260	220 939	243 757	217 443	226 814	243 418	277 415
Accumulated surplus / deficit		(11 424)	(15 938)	(19 308)	(16 755)	(11 361)	9 721	21 677
Capital and reserves		149 233	149 233	149 233	149 233	149 233	149 233	149 233
Trade and other payables		8 757	6 863	18 707	3 780	7 210	7 184	7 997
Provisions		–	–	572	1 392	2 024	2 206	2 404
Liabilities not classified elsewhere		85 693	80 781	94 553	79 792	79 708	75 073	96 103
Total equity and liabilities		232 260	220 939	243 757	217 443	226 814	243 418	277 415

Expenditure trends

The main source of revenue for the iSimangaliso Wetland Park Authority is transfers from the department, which grow from R50.7 million in 2009/10 to R64.3 million in 2011/12. The transfer for 2009/10 is R50.7 million, comprising R15.7 million for operational expenditure, R5 million for forestry rehabilitation and R30 million for infrastructure development. In 2007/08, the authority took transfer of access control from Ezemvelo KZN Wildlife. This is reflected in the strong growth in revenue in that year.

Goods and services includes expenditure on projects such as land rehabilitation, crafts, arts, tourism training, entrepreneurship, and repairs and maintenance of park infrastructure and day visitor facilities. Annual fluctuations reflect the availability of funds to execute these projects. Compensation for employees has also increased dramatically since the authority's inception. In particular, in 2006/07 there was a significant increase in new appointments, and in 2007/08 the authority conducted a survey to bring staff salaries in line with the national market.

Deficits incurred are non-cash deficits and the result of depreciation. Accordingly additional funds are not required to cover these.

Programme 6: Sector Services and International Relations

- *Management* provides for the administration of the overall programme activities.
- *Social Responsibility, Policy and Projects* facilitates environmental rehabilitation, and improvement and development of tourism infrastructure projects under the expanded public works programme through the use

of labour intensive methods targeting the unemployed, youth, women, the disabled and SMMEs. Funding is allocated on the basis of approved business plans for the poverty relief projects.

- *International Cooperation* provides international negotiations and relations expertise to promote South Africa's global sustainable development and tourism agenda. Bilateral and multilateral financial and technical resources are also mobilised in support of national, subregional and regional environment and tourism projects. Funding is based on salaries, and other personnel related costs.
- *Planning and Coordination* facilitates environmental cooperative governance across all spheres of government and provides geographically referenced environmental information for decision making. Funding is based on salaries, and other personnel related costs.
- *Business Performance Management* facilitates planning, corporate governance and business performance management to improve service delivery by the department and its public entities. Funding is based on salaries, and other personnel related costs.
- *Infrastructure Investment* provides for infrastructure investment allocations and project management across the department's programmes and its six public entities. Funding is allocated on the basis of approved business plans for the infrastructure projects.

Objectives and measures

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

Service delivery and spending focus

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

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

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

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

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

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

Expenditure estimates

Table 25.23 Sector Services and International Relations

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand							
Management	7 028	1 767	3 805	4 398	13 934	21 698	38 464
Social Responsibility, Policy and Projects	416 428	447 551	707 666	840 209	846 643	944 074	1 001 122
International Cooperation	18 058	23 876	28 590	42 582	47 065	63 777	77 248
Planning and Coordination	17 446	11 047	13 804	17 586	21 246	25 556	26 002
Business Performance Management	4 361	8 340	12 261	13 587	10 202	11 079	11 533
Infrastructure Investment	10 000	49 700	266 400	307 600	283 032	136 154	127 202
Total	473 321	542 281	1 032 526	1 225 962	1 222 122	1 202 338	1 281 571
Change to 2008 Budget estimate				117 704	7 644	60 911	169 709
Economic classification							
Current payments	74 411	81 307	111 111	149 178	160 643	183 598	219 438
Compensation of employees	27 318	56 225	59 759	72 118	78 654	84 703	88 914
Goods and services	47 093	25 072	51 267	77 060	81 989	98 895	130 524
<i>of which:</i>							
<i>Administrative fees</i>	86	442	14	69	204	234	290
<i>Advertising</i>	1 206	–	1 436	827	2 430	2 792	3 459
<i>Assets less than R5 000</i>	1 564	542	1 322	186	548	630	780
<i>Audit costs: External</i>	117	–	–	–	–	–	–
<i>Bursaries: Employees</i>	60	111	138	115	337	387	480
<i>Catering: Departmental activities</i>	43	15	–	237	697	800	991
<i>Communication</i>	651	786	1 348	1 237	3 638	4 179	5 177
<i>Computer services</i>	387	331	336	203	596	685	849
<i>Consultants and professional services: Business and advisory services</i>	23 646	3 304	6 564	27 248	10 749	16 853	24 508
<i>Consultants and professional services: Legal costs</i>	–	–	32	67	196	226	279
<i>Contractors</i>	87	170	1 236	4 716	5 864	6 924	7 729
<i>Agency and support / outsourced services</i>	258	1	–	78	230	264	327
<i>Entertainment</i>	18	29	14	10	30	34	42
<i>Inventory: Fuel, oil and gas</i>	–	–	5	–	–	–	–
<i>Inventory: Materials and supplies</i>	9	10	18	9	26	30	37
<i>Inventory: Other consumables</i>	4	10	64	105	308	353	438
<i>Inventory: Stationery and printing</i>	380	257	1 255	1 449	2 819	3 238	4 012
<i>Lease payments</i>	1 292	760	1 552	1 143	3 360	3 860	4 782
<i>Owned and leasehold property expenditure</i>	–	32	17	33	96	111	137
<i>Transport provided: Departmental activities</i>	–	–	–	293	860	987	1 223
<i>Travel and subsistence</i>	15 791	16 366	22 012	26 803	23 037	28 000	33 805
<i>Training and development</i>	452	160	285	109	319	366	453
<i>Operating expenditure</i>	466	631	7 755	1 530	4 498	5 166	6 401
<i>Venues and facilities</i>	576	1 115	5 864	10 593	21 147	22 776	34 325
Financial transactions in assets and liabilities	–	10	85	–	–	–	–
Transfers and subsidies	398 660	459 708	918 582	1 076 424	1 061 179	1 018 400	1 061 753
Provinces and municipalities	56	46	–	–	–	–	–
Departmental agencies and accounts	10 500	50 200	267 900	309 100	284 532	137 654	128 702
Foreign governments and international organisations	6 000	4 421	–	9 000	9 000	9 000	9 000
Households	382 104	405 041	650 682	758 324	767 647	871 746	924 051

Table 25.23 Sector Services and International Relations (continued)

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand							
Economic classification							
Payments for capital assets	250	1 266	2 833	360	300	340	380
Machinery and equipment	250	1 266	2 833	360	300	340	380
Total	473 321	542 281	1 032 526	1 225 962	1 222 122	1 202 338	1 281 571
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	56	46	-	-	-	-	-
Regional Services Council levies	56	46	-	-	-	-	-
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	500	500	1 500	1 500	1 500	1 500	1 500
Council for Scientific and Industrial Research	500	500	1 500	1 500	1 500	1 500	1 500
Capital	10 000	49 700	266 400	307 600	283 032	136 154	127 202
South African National Biodiversity Institute	10 000	10 000	12 500	10 000	12 000	13 000	15 000
South African National Parks	-	35 500	172 900	232 600	185 825	-	60 000
South African Weather Service	-	-	60 000	35 000	55 207	100 154	10 202
iSimangaliso Wetland Park Authority	-	4 200	21 000	30 000	30 000	23 000	42 000
Foreign governments and international organisations							
Current	6 000	4 421	-	9 000	9 000	9 000	9 000
Global Environmental Fund	6 000	4 421	-	9 000	9 000	9 000	9 000
Households							
Social benefits							
Current	382 104	404 541	650 682	758 324	767 647	871 746	924 051
Expanded public works programme: Environmental and tourism projects	382 104	404 541	650 682	758 324	767 647	871 746	924 051
Households							
Other transfers to households							
Current	-	500	-	-	-	-	-
Gifts and donations	-	500	-	-	-	-	-

Expenditure trends

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

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

Additional tables

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

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2007/08		2007/08	2008/09			2008/09
1. Administration	156 784	167 284	193 120	198 366	(4 270)	194 096	194 096
2. Environmental Quality and Protection	245 977	245 977	241 503	268 956	1 163	270 119	270 119
3. Marine and Coastal Management	333 845	340 945	349 298	396 742	32 293	429 035	429 035
4. Tourism	624 114	616 314	612 477	693 022	(2 238)	690 784	690 784
5. Biodiversity and Conservation	369 540	362 990	359 833	396 342	219	396 561	396 561
6. Sector Services and International Relations	860 511	1 057 011	1 032 526	1 108 258	117 704	1 225 962	1 225 962
Total	2 590 771	2 790 521	2 788 757	3 061 686	144 871	3 206 557	3 206 557

Economic classification

Current payments	639 646	672 879	663 918	729 224	35 965	765 189	765 189
Compensation of employees	296 230	344 312	342 195	394 575	18 649	413 224	413 224
Goods and services	343 416	328 567	321 514	334 649	17 316	351 965	351 965
Financial transactions in assets and liabilities	–	–	209	–	–	–	–
Transfers and subsidies	1 947 449	2 111 221	2 114 491	2 318 139	109 196	2 427 335	2 427 335
Departmental agencies and accounts	1 363 849	1 380 963	1 373 701	1 546 449	19 322	1 565 771	1 565 771
Universities and technikons	–	300	300	–	–	–	–
Foreign governments and international organisations	–	–	–	14 000	(5 000)	9 000	9 000
Non-profit institutions	86 350	88 054	87 852	89 366	4 874	94 240	94 240
Households	497 250	641 904	652 638	668 324	90 000	758 324	758 324
Payments for capital assets	3 676	6 421	10 348	14 323	(290)	14 033	14 033
Machinery and equipment	3 371	6 116	10 131	14 007	(290)	13 717	13 717
Software and intangible assets	305	305	217	316	–	316	316
Total	2 590 771	2 790 521	2 788 757	3 061 686	144 871	3 206 557	3 206 557

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

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Permanent and full time contract employees							
Compensation (R thousand)	209 533	262 353	341 995	413 014	432 590	476 816	514 203
Unit cost (R thousand)	169	186	199	241	252	278	300
Personnel numbers (head count)	1 240	1 410	1 716	1 716	1 716	1 716	1 716
Interns							
Compensation of interns (R thousand)	131	153	200	210	220	231	245
Unit cost (R thousand)	2	2	2	2	2	2	2
Number of interns	87	90	100	100	100	100	100
Total for department							
Compensation (R thousand)	209 664	262 506	342 195	413 224	432 810	477 047	514 448
Unit cost (R thousand)	158	175	188	228	238	263	283
Personnel numbers (head count)	1 327	1 500	1 816	1 816	1 816	1 816	1 816
Learnerships							
Payments for learnerships (R thousand)	38	44	60	63	66	69	70
Number of learnerships (head count)	25	26	30	30	30	30	30

Table 25.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Compensation of employees (R thousand)	209 664	262 506	342 195	413 224	432 810	477 047	514 448
Training expenditure (R thousand)	8 313	3 807	3 443	3 675	3 858	4 052	4 500
Training as percentage of compensation	4.0%	1.5%	1.0%	0.9%	0.9%	0.8%	0.9%
Total number trained in department (head count)	342	153	160	–			
<i>of which:</i>							
Employees receiving bursaries (head count)	23	32	32	–			
Leaverships trained (head count)	12	22	22	–			
Internships trained (head count)	89	94	100	–			
Households receiving bursaries (R thousand)	428	1 306	1 250	1 500	1 625	1 750	1 800
Households receiving bursaries (head count)	17	44	50	–			

Table 25.D Summary of departmental public private partnership projects

Project description: Department of Environmental Affairs and Tourism head office campus					
R thousand	Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
			2008/09	2009/10	2010/11
Projects signed in terms of Treasury Regulation 16	4 000	5 000	25 000	90 000	110 000
PPP unitary charge	–	–	–	90 000	110 000
Advisory fees	4 000	5 000	25 000	–	–
Projects in preparation, registered in terms of Treasury Regulation 16¹	–	5 000	–	90 000	80 000
PPP unitary charge	–	–	–	90 000	80 000
Advisory fees	–	4 000	–	–	–
Total	4 000	9 000	25 000	180 000	190 000

1. Only projects that have received Treasury Approval: 1

Disclosure notes for projects signed in terms of Treasury Regulation 16

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

Table 25.E Summary of donor funding

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome		Medium-term expenditure estimate					
						2005/06	2006/07	2007/08	Estimate 2008/09	2009/10	2010/11	2011/12	
R thousand													
Foreign In cash													
Norway	Environmental cooperation programme	Environmental Protection	25 000	Goods and services	Monitoring of the environmental quality in climate change	–	–	3 200	4 529	5 539	6 322	3 618	
Norway	Marine fisheries programme	Marine and Coastal Management	52 000	Goods and services	Development in sectors of marine fisheries	–	7 651	14 710	6 166	8 834	7 821	–	
Norway	Environmental cooperation programme	Biodiversity and Conservation	23 000	Goods and services	Listing and control of endangered species and bio-safety	–	–	1 920	2 752	3 885	4 923	1 284	
Norway	Environmental cooperation programme	Sector Services and International Relations	18 000	Goods and services	Development in greening the country with the focus on urban areas	–	–	1 529	2 495	3 201	3 672	1 195	
Denmark	Air quality management programme	Environmental Protection	2 274	Goods and services	Measurable improvement in air quality in South Africa	236	439	663	823	539	–	–	
Denmark	National waste management programme	Environmental Protection	48 000	Goods and services	National waste management strategy developed and currently being implemented.	7 955	10 000	1 300	1 100	–	–	–	
Denmark	Environmental capacity building programme	Administration	14 000	Goods and services	Environmental capacity building in municipalities	3 599	1 237	2 745	1 089	563	–	–	
Denmark	Urban environmental development programme	Environmental Protection	47 000	Goods and services	Development programme for urban areas on the environment management	–	–	–	1 983	2 156	3 385	4 326	
World Bank	African stockpile programme	Environmental Protection	34 000	Goods and services	Tracing and collection of all redundant pesticides in the country and disposal thereof, as establishing a system to ensure long term collection and disposal of pesticides.	–	–	–	674	738	1 576	2 754	
Total			263 274			11 790	19 327	26 067	21 611	25 455	27 699	13 177	

Table 25.F Summary of expenditure on infrastructure

R thousand	Type of infrastructure	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2008/09	Medium-term expenditure estimate		
					2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
	Mega projects or programmes (over R300 million per year for a minimum of three years or R900 million total project cost)										
	Vessel	Research vessel to Antarctic, Marion Island and Gough Island Aquilhas	Tender	1 113 300	-	-	-	-	144 500	467 300	501 500
	Large projects or programmes (costing between R50 million and R300 million per year within the MTEF period)										
	Buildings	Base building on Marion Island to replace old structures	Finalising project	350 000	46 700	-	35 000	-	-	-	-
	Vessels		Completed	150 000	33 302	51 947	20 000	-	-	-	-
	Accommodation facilities	Accommodation facilities in parks updated	Various stages	500 000	41 000	41 000	51 100	57 280	63 078	66 602	71 777
	Accommodation facilities	Accommodation facilities in parks updated	Various stages	635 325	-	29 000	157 900	202 600	185 825	-	60 000
	Equipment	Upgraded weather Stations	Various stages	240 000	-	-	60 000	35 000	52 500	92 500	-
	Facility upgrading	Upgraded facilities at iSimangaliso Wetland Park Authority	Various stages	150 000	-	-	21 000	30 000	30 000	23 000	37 000
	Roads		Various stages	200 000	12 000	12 000	12 000	12 000	12 000	12 000	12 000
			Various stages	150 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000
	Small projects or programmes (costing less than R50 million per annum)										
			Completed	56 500	-	6 500	20 000	30 000	-	-	-
			Completed	11 716	-	3 729	3 915	4 072	-	-	-
			Completed	68 000	14 000	15 000	-	-	-	-	-
	Facilities	Road construction on parks	Various stages	11 609	1 000	1 400	4 741	4 468	-	-	-
	Facilities	Road construction on parks	Completed	55 200	-	4 200	21 000	30 000	-	-	-
	Construction	Upgraded rehabilitation of Langebaan	Completed	85 000	14 000	15 000	-	-	-	-	-
	Construction	Upgraded South African National Biodiversity Institute facilities	Various stages	90 000	-	10 000	10 000	10 000	10 000	10 000	10 000
	Total										
				3 866 650	172 002	199 776	426 656	425 420	507 903	681 402	702 277