

# Vote 27

## Environmental Affairs and Tourism

	2005/06		2006/07	2007/08
	<b>To be appropriated</b>			
MTEF allocations of which:	R1 723 111 000		R1 872 900 000	R2 051 423 000
	<b>Current payments</b>	<b>Transfers</b>	<b>Capital payments</b>	
	R481 988 000	R1 190 330 000	R50 793 000	
<b>Statutory amounts</b>		-	-	-
Responsible minister	Minister of Environmental Affairs and Tourism			
Administering department	Department of Environmental Affairs and Tourism			
Accounting officer	Director-General of Environmental Affairs and Tourism			

### 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 purpose and measurable objectives

#### Programme 1: Administration

**Purpose:** Provide for the strategic leadership of the department, as well as for a variety of essential support services, such as financial, administrative and logistical, and for human resources management.

**Measurable objective:** Provide information and services to support effective environmental and tourism management and governance, as well as manage the follow-up of the World Summit on Sustainable Development.

#### 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 well-being.

**Measurable objective:** Reduce pollution and environmental degradation through legislative and other measures that give effect to the right of all South Africans to an environment that is not harmful to health and well-being.

#### Programme 3: Marine and Coastal Management

**Purpose:** Guide the development and management of South Africa's marine and coastal environments in a way that ensures sustainability of the marine resources while maximising the opportunities for economic endeavour, job-creation and poverty eradication.

**Measurable objective:** Through consultation with stakeholders and a robust administrative system, improve equity and fishing sector stability when allocating long-term commercial fishing rights, and improve access and service to subsistence and recreational users of South Africa's coast.

#### **Programme 4: Tourism**

**Purpose:** Implement policy and market the tourism industry, and implement programmes linked to the regulation, transformation, growth and development of the tourism industry.

**Measurable objective:** Increase international and domestic tourism by developing appropriate products and marketing strategies to promote economic growth and sustainable development.

#### **Programme 5: Biodiversity and Conservation**

**Purpose:** Promote the conservation and sustainable use of natural resources to improve economic growth and poverty eradication.

**Measurable objective:** Develop a national system and programmes for the protection and conservation of biodiversity that will contribute to economic growth.

#### **Programme 6: Social Responsibility and Projects**

**Purpose:** Promote job-creation through the expanded public works programme by implementing projects in areas such as sustainable land-based livelihoods, coast care, people and parks, growing a tourism economy and cleaning up South Africa.

**Measurable objective:** Number of job opportunities created through environment and tourism projects.

### **Strategic overview and key policy developments: 2001/02 – 2007/08**

The overarching vision of the Department of Environmental Affairs and Tourism is a prosperous and equitable society living in harmony with its natural resources.

The department manages the development and implementation of policies governing three interrelated components of South Africa's socio-economic development: tourism, the fishing industry and environmental management. The department ensures that the potential for economic growth within these sectors is maximised, that trade-offs between the environment and development are managed, and that, wherever possible, developments in tourism, fishing and environmental management complement each other and stimulate economic growth.

#### *Tourism*

Tourism is already a key growth sector for South Africa, with potential for even greater growth in both the international and domestic markets. The department's objective is to develop the sector by stimulating domestic and international demand and removing obstacles to growth. As a labour-intensive industry, tourism helps to create jobs and attracts foreign investment. The department aims to expand its support for tourism while promoting job-creation, broad-based BEE and transformation.

South Africa is one of the fastest growing tourism destinations in the world. Despite the recent general slowdown, it is one of the few countries where tourism has grown significantly. This is largely due to the establishment of an invigorated South African Tourism, which is implementing government's international tourism growth and marketing strategy. The strategy has been developed on the basis of detailed market research, and focuses marketing efforts on priority markets and market segments that will generate maximum tourism revenue for South Africa.

Tourism forms an integral part of the spatial development initiative (SDI) and transfrontier conservation area (TFCA) programmes. These programmes are strategic initiatives aimed at unlocking the inherent and under-used economic development potential of certain locations across

South Africa. Furthermore, they are development instruments with the potential to expand the tourism product portfolio and maximise the establishment of SMMEs and income opportunities for rural communities.

Raising awareness about the opportunities for domestic travel continues to be a priority and is facilitated through initiatives such as the Tourism Month and Welcome campaigns. The aims are to encourage South Africans to travel within their country, make tourism products accessible to all South Africans, and promote a culture of tourism, encouraging South Africans to create a safe and welcoming environment for visitors.

Transformation of ownership patterns in the tourism industry will remain a key challenge, as will increasing international and domestic tourism. A priority area for the department over the next three years will be implementing the international and domestic tourism growth strategies and finalising and implementing a broad-based BEE charter and scorecard for tourism in partnership with the Tourism Business Council of South Africa. The purpose of the charter and scorecard is to empower black South Africans and make the tourism sector more accessible, relevant and beneficial to all South Africans.

#### *Fisheries, oceans and coasts*

The sustainable exploitation of marine resources on the one hand and the demand for fish products from local and foreign consumers on the other, pose a growing challenge globally, and South Africa is no exception. The Marine Living Resources Act (1998) sets out the broad objectives of fishery management and access rights. It also sets empowerment and broad transformation objectives for the fishing industry.

The department's objectives are to find new, improved solutions that adequately and appropriately address the competing challenges of sustainability and exploitation. To do this, fish species not formerly commercially exploited are being researched and in an experimental period they are assessed to increase the current 22 sectors to a potential 34 commercial fishing sectors. Over the past year, three new sectors have been introduced while others are being investigated. The research on some of the existing commercial species is being refined, with a view to establishing more realistic sustainability targets. A concerted effort is being made to consolidate the regulatory framework for South Africa's mariculture/aquaculture industry that will put the industry on a sound footing. The anticipated jobs and wealth that this will create will lead to better social stability in coastal towns.

Arrangements for the next round of fishing rights allocations (quotas) at the end of 2005 are well under way. Principal objectives are to allocate rights for up to 15 years in various sectors, to continue the transformation of ownership and management in the industry, and to contribute to a stable and productive environment. Policies that govern the next round of allocations are ready for public comment, administrative systems have been put in place, and rights advisors and a verification capacity have been established to ensure a smooth, transparent and credible process.

By the middle of 2005, the department will have taken possession of four environmental protection vessels, two of which are operational. Their impact both as a deterrent and for law enforcement is already evident.

#### *The environment*

The department's objectives for the environment are to ensure the sustainable management of natural resources and to protect the environmental rights of all South Africans, particularly the previously disadvantaged.

Many of the more obvious impacts of pollution on health, safety and the environment have been identified in policy and are being addressed through legislative and other means, including: the

integrated pollution and waste management policy; the increasingly effective environmental impact assessment process; and the plastic bags agreement and regulations. The following legislation has been approved by Parliament: the National Environmental Management Air Quality Bill; the first National Environmental Management Amendment Act (2003); the Environmental Conservation Amendment Act (1994); and the second National Environmental Management Amendment Act (2003). However, much work still needs to be done to identify and manage less obvious, but undoubtedly significant, pollution issues. Work will begin on legislation on waste management and soil contamination. In essence, although an environment that is not harmful to health and well-being is slowly being defined and protected, a number of South Africans are still not protected by this constitutional right. To address this, through legislative and other measures, the department will use the environmental impact assessment process to: ensure that the potential negative impacts of all significant developments are prevented or managed; ensure compliance with the environmental management system; prevent and reduce pollution and waste; and ensure the mitigation of air pollution and better management of emissions to the atmosphere.

Furthermore, the department, in conjunction with provinces, will be implementing a national environmental awareness campaign to educate South Africans and involve them in managing the environment.

South Africa is the third most biodiverse country in the world, and through sustainable use of its natural resources the environment will not only be protected, but may also yield major social and economic benefits. The potential for tourism is directly linked to South Africa's rich natural and cultural heritage, and this informs the department's approach to protection and development.

The National Environmental Management: Protected Areas Act (2003) and the National Environmental Management: Biodiversity Act (2004) both ensure regulated management and use of South Africa's biodiversity. One of the department's main objectives is to develop transfrontier conservation areas as a mechanism for both conservation and economic development in Southern Africa. Government is continuously increasing the land under conservation and protection.

The World Summit on Sustainable Development, which South Africa successfully hosted in 2002, showcased South Africa's and Africa's ability to take up the challenge of integrating social development with economic prosperity and environmental protection. Global partnerships were formed to address poverty, and South Africa will play an important role in supporting the implementation of the summit agreements over the next decade.

Government also hosted the very successful 2003 World Parks Congress in Durban, a 10-yearly international meeting of professionals in protected area management. The biggest achievement was the paradigm shift from the traditional, exclusive, conservation and park management approach to one that fosters partnerships with local communities, indigenous people, the private sector and other stakeholders. This ensures the relevance of protected areas to the broader development agenda. The department wants to make sure that the congress's outcomes are implemented by implementing the various provisions in the National Environmental Management: Protected Areas Act (2003).

## Expenditure estimates

Table 27.1: Environmental Affairs and Tourism

Programme	Expenditure outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome			2005/06	2006/07	2007/08
R thousand	2001/02	2002/03	2003/04	2004/05				
1. Administration	127 386	337 233	107 348	128 181	128 181	143 015	151 013	167 762
2. Environmental Quality and Protection	100 757	102 201	119 742	162 671	162 671	196 442	216 599	227 474
3. Marine and Coastal Management	252 499	261 342	344 662	353 523	323 523	278 415	260 423	263 430
4. Tourism	235 058	237 673	324 034	375 281	375 281	403 333	506 254	542 318
5. Biodiversity and Conservation	151 608	198 637	215 338	246 612	246 612	287 906	298 751	343 586
6. Social Responsibility and Projects	196 757	226 000	320 761	386 000	386 000	414 000	439 860	506 853
<b>Total</b>	<b>1 064 065</b>	<b>1 363 086</b>	<b>1 431 885</b>	<b>1 652 268</b>	<b>1 622 268</b>	<b>1 723 111</b>	<b>1 872 900</b>	<b>2 051 423</b>
Change to 2004 Budget estimate				28 861	(1 139)	71 768	118 449	209 249

### Economic classification

<b>Current payments</b>	<b>230 575</b>	<b>254 140</b>	<b>309 490</b>	<b>377 359</b>	<b>377 359</b>	<b>481 988</b>	<b>557 399</b>	<b>602 997</b>
Compensation of employees	111 450	127 304	139 390	172 531	172 531	223 164	235 362	247 130
Goods and services	119 125	126 836	170 100	204 828	204 828	258 824	322 037	355 867
of which:								
Consultants and contractors	82 879	82 310	109 917	129 205	129 205	178 070	200 048	205 642
Travel and subsistence	18 223	23 267	31 038	37 691	37 691	39 340	46 052	49 125
Inventory	10 188	8 437	5 153	9 535	9 535	10 065	11 443	12 075
Communication	3 467	5 057	7 878	6 159	6 159	7 174	8 453	8 865
<b>Transfers and subsidies to:</b>	<b>824 198</b>	<b>1 098 751</b>	<b>1 079 482</b>	<b>1 200 491</b>	<b>1 200 491</b>	<b>1 190 330</b>	<b>1 311 243</b>	<b>1 443 976</b>
Provinces and municipalities	348	356	380	412	412	578	610	642
Departmental agencies and accounts	627 093	872 395	773 502	830 079	830 079	801 648	899 748	967 987
Foreign governments and international organizations	–	–	–	–	–	6 000	6 000	6 000
Households	196 757	226 000	305 600	370 000	370 000	382 104	404 885	469 347
<b>Payments for capital assets</b>	<b>9 292</b>	<b>10 195</b>	<b>42 913</b>	<b>74 418</b>	<b>44 418</b>	<b>50 793</b>	<b>4 258</b>	<b>4 450</b>
Buildings and other fixed structures	800	5 424	36 431	70 188	40 188	46 700	–	–
Machinery and equipment	8 492	4 771	6 482	4 230	4 230	4 093	4 258	4 450
<b>Total</b>	<b>1 064 065</b>	<b>1 363 086</b>	<b>1 431 885</b>	<b>1 652 268</b>	<b>1 622 268</b>	<b>1 723 111</b>	<b>1 872 900</b>	<b>2 051 423</b>

## Expenditure trends

The department's overall allocation has seen steady growth over the seven-year period. Expenditure is expected to increase from R1,1 billion in 2001/02 to R1,7 billion in 2004/05 and further increase to R2,1 billion in 2007/08. This represents an annual average increase of 7,5 per cent over the next three years, compared to the average annual increase of 15,8 per cent evident between 2001/02 and 2004/05.

Transfers and subsidies are a significant part of the department's budget, taking up almost three-quarters of the total allocation in 2004/05. These transfers go to a wide range of bodies, but are mostly for organisations promoting tourism and managing national parks and gardens, for fisheries, for social responsibility policy and projects, and for the weather services. The fastest growing programme is *Social Responsibility and Projects*, which is responsible for the department's share of the expanded public works programme (EPWP). It has grown from

R196,8 million in 2001/02 to an expected R506,9 million in 2007/08, an annual average growth rate of 17,1 per cent. The *Environmental Quality and Protection* and *Tourism* programmes have also seen significant growth.

Compensation of employees has increased rapidly, rising from R111,5 million in 2001/02 to R247,1 million in 2007/08.

Infrastructure investment includes allocations for combating coastal erosion at Langebaan, upgrading fishing harbours, establishing and developing parks and maintaining existing roads in the national parks. Most of this expenditure is included in capital transfers.

Additional allocations to the department's baseline in the 2005 Budget are R72,8 million, R119,5 million and R215,4 million for 2005/06, 2006/07 and 2007/08, respectively.

## Departmental receipts

Departmental receipts are forecast to be R895 000 in 2005/06, and to rise to just over R1 million in 2007/08. These receipts come from un-utilised poverty relief funds from previous years and revenue from environmental impact assessments.

**Table 27.2: Departmental receipts**

	Receipts outcome			Adjusted appropriation	Medium-term receipts estimate		
	Audited	Audited	Preliminary outcome				
	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
R thousand							
Sales of goods and services produced by department	3 669	363	190	3 652	895	956	1 034
Sales of capital assets	495	–	–	–	–	–	–
Financial transactions in assets and liabilities	818	1 047	–	–	–	–	–
<b>Total</b>	<b>4 982</b>	<b>1 410</b>	<b>190</b>	<b>3 652</b>	<b>895</b>	<b>956</b>	<b>1 034</b>

## Programme 1: Administration

The aim of *Administration* is to provide strategic direction and oversee the overall management of the department. The programme includes policy formulation by the minister, the deputy minister and senior management. Other activities are: the provision of administrative, legal, and office support services; managing personnel and financial administration; managing departmental communication; co-operative governance; and co-ordinating the international programme, including promoting a global sustainable agenda, negotiating and implementing multilateral environmental and tourism agreements, and implementing NEPAD programmes.

## Expenditure estimates

Table 27.3: Administration

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Minister <sup>1</sup>	782	887	907	791	842	898	942
Deputy Minister <sup>2</sup>	670	728	736	643	685	730	766
Office of the Director-General	2 145	2 679	2 692	2 104	7 910	7 994	8 094
Office of the Chief Operations Officer	–	–	1 470	2 096	12 032	17 423	27 793
International Co-ordination	–	–	–	–	1 371	1 436	1 508
Ministry	11 421	14 709	12 158	14 121	14 816	15 551	16 329
Corporate Affairs	42 914	32 142	33 177	50 668	49 531	47 446	49 820
Planning and Co-ordination	41 427	9 028	23 869	14 427	24 503	27 187	28 545
Communications	17 598	266 525	18 353	30 602	17 310	18 159	19 066
Internal Audit	583	483	1 526	1 478	1 993	1 527	1 604
Office of the Chief Financial Officer	9 846	10 052	12 460	11 251	12 022	12 662	13 295
<b>Total</b>	<b>127 386</b>	<b>337 233</b>	<b>107 348</b>	<b>128 181</b>	<b>143 015</b>	<b>151 013</b>	<b>167 762</b>
Change to 2004 Budget estimate				22 526	18 062	19 817	30 006

<sup>1</sup> Payable as from 1 April 2004. Salary: R633 061. Car allowance: R158 265.

<sup>2</sup> Payable as from 1 April 2004. Salary: R514 537. Car allowance: R128 634.

## Economic classification

<b>Current payments</b>	<b>87 638</b>	<b>80 847</b>	<b>95 158</b>	<b>115 951</b>	<b>133 955</b>	<b>141 843</b>	<b>158 457</b>
Compensation of employees	29 832	38 933	43 635	53 203	66 231	69 865	73 358
Goods and services	57 806	41 914	51 523	62 748	67 724	71 978	85 099
of which:							
Consultants and contractors	36 090	18 502	27 890	14 141	27 551	31 802	32 659
Travel and subsistence	11 728	14 397	15 702	14 701	16 029	17 663	18 546
Inventory	6 604	4 295	2 389	6 136	7 052	8 002	8 403
Communication	2 994	4 278	5 228	4 211	5 043	6 123	6 429
<b>Transfers and subsidies to:</b>	<b>36 312</b>	<b>248 228</b>	<b>606</b>	<b>614</b>	<b>6 660</b>	<b>6 670</b>	<b>6 705</b>
Provinces and municipalities	112	128	106	114	160	170	180
Departmental agencies and accounts	36 200	248 100	500	500	500	500	525
Foreign governments and international organisations	–	–	–	–	6 000	6 000	6 000
<b>Payments for capital assets</b>	<b>3 436</b>	<b>8 158</b>	<b>11 584</b>	<b>11 616</b>	<b>2 400</b>	<b>2 500</b>	<b>2 600</b>
Buildings and other fixed structures	800	5 424	7 105	9 327	–	–	–
Machinery and equipment	2 636	2 734	4 479	2 289	2 400	2 500	2 600
<b>Total</b>	<b>127 386</b>	<b>337 233</b>	<b>107 348</b>	<b>128 181</b>	<b>143 015</b>	<b>151 013</b>	<b>167 762</b>

## Details of transfers and subsidies:

Departmental agencies and accounts							
<b>Current</b>	<b>36 200</b>	<b>248 100</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>525</b>
Council for Scientific and Industrial Research	983	500	500	500	500	500	525
Johannesburg World Summit Company	34 517	247 600	–	–	–	–	–
South African Local Authority Association	700	–	–	–	–	–	–
<b>Total departmental agencies and accounts</b>	<b>36 200</b>	<b>248 100</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>525</b>

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary		2005/06	2006/07	2007/08
	2001/02	2002/03	outcome 2003/04				
<b>Foreign governments and international organisations</b>							
<b>Current</b>	-	-	-	-	6 000	6 000	6 000
Global Environmental Fund (GEF)	-	-	-	-	6 000	6 000	6 000
<b>Total foreign governments and international organisations</b>	-	-	-	-	6 000	6 000	6 000

## Expenditure trends

Expenditure trends between 2001/02 and 2004/05 were driven by the large transfers made to the Johannesburg World Summit Company for hosting the World Summit on Sustainable Development. Expenditure rose from R127,4 million in 2001/02 to R337,2 million in 2002/03, then fell to R128,2 million in 2004/05. It is expected to increase steadily over the next three years, rising to R168,8 million in 2007/08, an annual average increase of 9,4 per cent.

An institutional review has just been completed to align the department's resource requirements with its constitutional and legal mandate. The review indicated that line management required a significant number of new posts for core areas. R5 million, R10 million and R20 million was allocated for this for the MTEF.

## Service delivery objectives and indicators

### Recent outputs

#### *Highlights of 2004/05*

Improving service delivery, strengthening the intergovernmental system, ensuring good governance in the department and its public entities, and getting more South Africans to participate in the environment, fishing and tourism remain the main areas of focus. Highlights of 2004/05 include :

- the national department and provinces both adopting the sector plan for the environment as a basis for the two spheres to collaborate and jointly implement key programmes
- hosting the Johannesburg+2 conference, where government and civil society reviewed progress in promoting sustainable development priorities by implementing targets agreed in the implementation plan for Johannesburg
- improved service delivery through setting up a call centre and redesigning the department's front desk and website
- successfully implementing the electronic document management system
- launching the environmental awareness campaign.



## Selected medium-term output targets

### Administration

**Measurable objective:** Provide information and services to support effective environmental and tourism management and governance, as well as managing the follow-up of the World Summit on Sustainable Development.

Subprogramme	Output	Measure/Indicator	Target
Corporate Affairs	Improved customer service	Call centre established and fully functional	By December 2005
Planning and Co-ordination	Promote intergovernmental relations	Aligned implementation of the department's strategies and plans	Ongoing
	Co-ordinate the development of a National Strategy for Sustainable Development (NSDS)	NSDS developed	First draft by December 2005

## Programme 2: Environmental Quality and Protection

*Environmental Quality and Protection* aims to protect the constitutional right of all South Africans to an environment that is not harmful to health and well-being, through legislative and other measures.

The programme has the following five subprogrammes:

- *Management*.
- *Regulatory Services* ensures that: the possible negative impacts of new developments are minimised, mitigated or managed; environmental quality and protection-related authorisations are legally robust and enforceable; compliance with all environmental quality and protection related legislation, and regulations is efficiently and effectively monitored; and effective enforcement measures are taken for cases of serious, significant or continuous non-compliance with environmental quality and protection-related legislation
- *Pollution and Waste Management* seeks to reduce the impact of chemicals and hazardous waste on safety, health and the environment; efficiently and effectively restore, enhance, protect and maintain ambient air quality; reduce the waste of energy and raw materials and the impact of non-hazardous waste on safety, health and the environment; and devise, develop, test and inform various pollution and waste management strategies and interventions, including the use of economic instruments, aimed at encouraging cleaner production
- *Financial Contributions* provides for contributions to the South African Weather Service
- *Financial Assistance* provides funding to the section 21 company Buyisa-e-Bag as part of the implementation of the plastic bag regulations.

## Expenditure estimates

**Table 27.4: Environmental Quality and Protection**

Subprogramme	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome	2004/05		2005/06	2006/07	2007/08
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	
Management	1 625	3 252	13 454	5 030	5 329	5 525	5 801	
Regulatory Services	5 714	3 878	5 808	18 132	27 427	31 086	32 638	
Pollution and Waste Management	12 498	15 725	19 839	30 585	39 996	45 595	48 923	
Financial Contributions	80 920	79 346	80 641	96 924	103 690	114 393	120 112	
Financial Assistance	–	–	–	12 000	20 000	20 000	20 000	
<b>Total</b>	<b>100 757</b>	<b>102 201</b>	<b>119 742</b>	<b>162 671</b>	<b>196 442</b>	<b>216 599</b>	<b>227 474</b>	
Change to 2004 Budget estimate				(9 151)	4 260	4 147	4 399	

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04	2004/05			
<b>Economic classification</b>							
<b>Current payments</b>	<b>19 819</b>	<b>22 053</b>	<b>38 545</b>	<b>53 087</b>	<b>72 275</b>	<b>81 687</b>	<b>86 821</b>
Compensation of employees	14 180	9 545	9 292	16 526	26 417	27 804	29 192
Goods and services	5 639	12 508	29 253	36 561	45 858	53 883	57 629
<i>of which:</i>							
Consultants and contractors	2 759	7 970	20 559	26 379	30 508	35 447	38 235
Travel and subsistence	1 468	3 042	7 520	8 342	12 948	15 668	16 452
<b>Transfers and subsidies to:</b>	<b>80 938</b>	<b>79 365</b>	<b>80 675</b>	<b>108 962</b>	<b>123 747</b>	<b>134 452</b>	<b>140 173</b>
Provinces and municipalities	18	19	34	38	57	59	61
Departmental agencies and accounts	80 920	79 346	80 641	108 924	123 690	134 393	140 112
<b>Payments for capital assets</b>	<b>–</b>	<b>783</b>	<b>522</b>	<b>622</b>	<b>420</b>	<b>460</b>	<b>480</b>
Machinery and equipment	–	783	522	622	420	460	480
<b>Total</b>	<b>100 757</b>	<b>102 201</b>	<b>119 742</b>	<b>162 671</b>	<b>196 442</b>	<b>216 599</b>	<b>227 474</b>

**Details of transfers and subsidies:**

<b>Departmental agencies and accounts</b>							
<b>Current</b>	<b>80 920</b>	<b>79 346</b>	<b>80 641</b>	<b>108 924</b>	<b>123 690</b>	<b>134 393</b>	<b>140 112</b>
South African Weather Service	80 920	79 346	80 641	96 924	103 690	114 393	120 112
Buyisa e-Bag	–	–	–	12 000	20 000	20 000	20 000
<b>Total departmental agencies and accounts</b>	<b>80 920</b>	<b>79 346</b>	<b>80 641</b>	<b>108 924</b>	<b>123 690</b>	<b>134 393</b>	<b>140 112</b>

**Expenditure trends**

Expenditure on the programme is expected to increase steadily over the seven-year period, rising from R100,8 million in 2001/02 to R162,7 million in 2004/05, and then increasing further to R227,5 million in 2007/08, an average annual increase of 15,5 per cent over the full seven-year period.

The *Pollution and Waste Management* subprogramme has seen the fastest growth, rising from R12,5 million in 2001/02 to R48,9 million in 2007/08, an annual average increase of 25,5 per cent over the seven years. There will be a large increase in the number of employees in 2005/06, to support the implementation and enforcement of pollution and waste management policy and legislation, increasing compensation of employees from R16,5 million in 2004/05 to R26,4 million in 2005/06.

**Service delivery objectives and indicators****Recent outputs***Highlights of 2004/05*

The impact of pollution on health, safety and the environment has been documented both locally and internationally (for example, the recent NEDLAC report on the health impacts of air pollution in South Africa) and is being addressed through legislation and other measures. The work is ongoing and highlights of 2004/05 include:

- Passing the National Environmental Air Quality Bill through Parliament. This bill establishes a coherent planning, monitoring, permitting and enforcement system for air quality management.
- The clean-up of contaminated mercury waste at Thor Chemicals is under way and an environmental impact assessment to determine an appropriate clean-up technology is in process.
- The Buyisa-e-Bag section 21 company, which will promote waste minimisation and awareness initiatives in the plastics industry, has been set up.
- The newly established enforcement directorate has already had an impact by exposing illegal hazardous waste operations (such as the Mandara Trust case that is currently in court) and bringing a significant air polluter into full compliance (the Vesuvius government-business-community memorandum of understanding). The initial success of this structure has resulted in its being popularised in the press as the 'Green Scorpions'.
- The president has assented to amendments to the National Environmental Management Act (1998), which provide for dedicated environmental enforcement officers (environmental management inspectors) and a streamlined environmental impact assessment process.
- The president has assented to amendments to the Environment Conservation Act (1989) that provide for a permitting procedure for waste disposal facilities administered by the department, the power to outlaw products that pose an unacceptable impact on the environment and the power to charge pollution levies on the use of products that result in pollution.

### Selected medium-term output targets

#### Environmental Quality and Protection

**Measurable objective:** Reduce pollution and environmental degradation through legislative and other measures that give effect to the right of all South Africans to an environment that is not harmful to health and well-being.

Subprogramme	Output	Measure/Indicator	Target
Regulatory Services	Prevent or manage the potential negative impacts of all significant developments	Effective and efficient environmental impact assessment system	Full system in place and being implemented by end 2005
		Other impact assessment and planning tools established	Strategic environmental assessments in use by 2007
Pollution and Waste Management	Less waste pollution produced	3 voluntary industry waste minimisation initiatives	By 2006
	Improved management of waste	Remedial/rehabilitation projects Permitting of landfills	1 project in 2005 All identified landfills permitted by 2007

### Programme 3: Marine and Coastal Management

*Marine and Coastal Management* aims to guide the conservation and development of the marine and coastal environment and to ensure the sustainable use of marine and coastal resources through its four subprogrammes:

- *Administrative Support Services* administers the Marine Living Resources Fund.
- The *Antarctic Supply Vessel* provides sea transport for research conducted at the meteorological observation stations in the Antarctic and on Marion Island and Gough Island.
- The *Financial Contribution* subprogramme provides financial assistance to the Marine Living Resources Fund to promote the objectives and principles described in the Marine Living Resources Act (1998).
- *Antarctic and Island Research* manages the South African National Antarctic Programme and the three bases on Marion Island, Gough Island and in Antarctica.

## Expenditure estimates

**Table 27.5: Marine and Coastal Management**

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2005/06	2006/07	2007/08
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Administrative Support Services	54 013	60 480	62 773	71 436	83 290	87 873	92 297
Antarctic Supply Vessel	18 026	24 255	25 511	16 000	26 000	33 000	30 000
Financial Contribution	150 968	155 025	205 497	169 225	93 322	109 057	109 115
Antarctic and Island Research	29 492	21 582	50 881	96 862	75 803	30 493	32 018
<b>Total</b>	<b>252 499</b>	<b>261 342</b>	<b>344 662</b>	<b>353 523</b>	<b>278 415</b>	<b>260 423</b>	<b>263 430</b>
Change to 2004 Budget estimate				81 562	68 886	29 061	20 500

### Economic classification

<b>Current payments</b>	<b>96 252</b>	<b>106 150</b>	<b>109 661</b>	<b>123 170</b>	<b>138 155</b>	<b>151 114</b>	<b>154 050</b>
Compensation of employees	58 815	63 432	69 223	78 095	92 396	97 477	102 352
Goods and services	37 437	42 718	40 438	45 075	45 759	53 637	51 698
<i>of which:</i>							
Consultants and contractors	32 534	37 977	30 851	41 541	40 868	46 854	43 843
Travel and subsistence	1 296	2 306	1 766	7 330	3 106	4 851	5 806
<b>Transfers and subsidies to:</b>	<b>151 160</b>	<b>155 192</b>	<b>205 675</b>	<b>169 412</b>	<b>93 560</b>	<b>109 309</b>	<b>109 380</b>
Provinces and municipalities	192	167	178	187	238	252	265
Departmental agencies and accounts	150 968	155 025	205 497	169 225	93 322	109 057	109 115
<b>Payments for capital assets</b>	<b>5 087</b>	<b>–</b>	<b>29 326</b>	<b>60 941</b>	<b>46 700</b>	<b>–</b>	<b>–</b>
Buildings and other fixed structures	–	–	29 326	60 861	46 700	–	–
Machinery and equipment	5 087	–	–	80	–	–	–
<b>Total</b>	<b>252 499</b>	<b>261 342</b>	<b>344 662</b>	<b>353 523</b>	<b>278 415</b>	<b>260 423</b>	<b>263 430</b>

### Details of transfers and subsidies:

Departmental agencies and accounts							
<b>Current</b>	<b>3 968</b>	<b>8 025</b>	<b>19 497</b>	<b>50 225</b>	<b>46 020</b>	<b>47 110</b>	<b>84 115</b>
Marine Living Resources Fund	3 968	8 025	19 497	50 225	46 020	47 110	84 115
<b>Capital</b>	<b>147 000</b>	<b>147 000</b>	<b>186 000</b>	<b>119 000</b>	<b>47 302</b>	<b>61 947</b>	<b>25 000</b>
Marine Living Resources Fund	147 000	147 000	186 000	119 000	47 302	61 947	25 000
<b>Total departmental agencies and accounts</b>	<b>150 968</b>	<b>155 025</b>	<b>205 497</b>	<b>169 225</b>	<b>93 322</b>	<b>109 057</b>	<b>109 115</b>

## Expenditure trends

*Marine and Coastal Management* saw steady increases in expenditure over the last four years, rising from R252,5 million in 2001/02 to R353,5 million in 2004/05, an average annual increase of 11,9 per cent. This increase was mainly driven by transfers to the Marine Living Resources Fund, in particular for the purchase of four new patrol vessels, which will cost R501 million in total. The first two vessels have been delivered, and with the remaining two due in 2005/06, expenditure is expected to decline to R263,4 million in 2007/08. The operational costs of the patrol vessels are included in the transfers to the Marine Living Resources Fund, with expected costs of R26,3 million in 2007/08.

R9 million, R14 million and R15 million in 2005/06, 2006/07 and 2007/08 respectively, has been allocated for the emergency project to control coastal erosion at Langebaan.

R107,7 million has been allocated over the next three years for replacing one research vessel.

Additional allocations in the 2005 Budget were R45 million in 2005/06 for building at the Marion Island base and R5 million in 2006/07 for pre-tender work related to replacing the Antarctic supply vessel.

In 2005/06, R93,3 million is specifically and exclusively allocated to the Marine Living Resources Fund to pay for the operational costs of the new patrol vessels and for activities related to the development and conservation of the marine and coastal environment.

## **Service delivery objectives and indicators**

### **Recent outputs**

#### *Framework for revenue collection*

To ensure the sustainability of the Marine Living Resources Fund, a revenue collection framework will be developed during 2005/06. The levies charged on fish landed and fish products are being investigated and will be adjusted. The rates charged for harbour services have already been investigated and adjusted.

#### *Illegal fishing and corruption*

To counter illegal fishing and corruption, the department undertook a number of successful operations with various law enforcement agencies during 2002, resulting in a number of high profile prosecutions and convictions. Through plea bargains and the attachment of assets such as ocean going vessels, assets with a value of around R45 million were ceded to the state in 2001/02 as penalties for illegal fishing. Since 2003/04, there has been greater co-operation among all law enforcement agencies, resulting in an increase in arrests and confiscations of illegally harvested marine products. The Hermanus environmental court has imposed fines and convictions, which have contributed to greater compliance. The increase in maximum fines for poaching has helped to curtail the operations of gangs and syndicates. Another court was opened in Port Elizabeth and this should further strengthen law enforcement.

South Africa has played a positive role in responding to international requests for help when dealing with alleged IUU (illegal/unreported/underreported) vessels. The request at the end of 2003, from Australia, to assist in the pursuit of the Viarsa 1 is the most prominent example of this kind. The vessel was accused of harvesting Patagonian toothfish in Australia before she fled to the high seas broadly in the direction of South Africa. The department is making it obligatory for more fishing vessels to have satellite technology on board so it can monitor their movements. This strategy has already resulted in the arrest of 26 West Coast rock lobster vessels in 2003. Prosecutions against the owners are in progress.

Two patrol vessels have been commissioned to protect South Africa's coastline and assist neighbouring countries. Two more will be delivered during 2005/06. They will do surveillance of the coastline for poaching and illegal harvesting, but will also be used for pollution monitoring and fisheries protection.

#### *Blue flag beaches*

In 2004, 14 South African beaches were awarded the European-based blue flag for excellent beach management. South Africa is the first and only country outside Europe to be granted the right to implement the system.

## Selected medium-term output targets

### Marine and Coastal Management

**Measurable objective:** Through consultation with stakeholders and a robust administrative system, enhance equity and fishing sector stability when allocating long-term commercial fishing rights, and improve access and service to subsistence and recreational users of South Africa's coast.

Subprogramme	Output	Measure/Indicator	Target
Antarctic Supply Vessel	Relief voyages to Antarctica and Marion and Gough islands	Number of voyages resulting in the successful transportation of equipment and personnel	1 voyage per year to each destination
Contributions (to Marine Living Resources Fund)	Levies and fees collected as required by the Marine and Living Resources Act (1998)	Revenue collected	Increase revenue to exceed total revenue of R150 million by December 2005
	Allocate long-term fishing rights timeously and equitably	Percentage of allocated fishing rights to broad-based BEE groups	40% in 2005
	Sustainable use of marine resources	Number of new fisheries established	3 per year
	Protection of coastline	Number of enforcement officers per kilometre of coastline	1 officer per 5km of coastline by 2006/07

## Programme 4: Tourism

*Tourism* aims to create the conditions for the sustainable growth and development of tourism. In addition to a management subprogramme, there are three subprogrammes:

- *Tourism Support* leverages support for tourism SMME development, including incentives, business linkages and training, and facilitates investment in tourism.
- *Tourism Development* tracks and monitors tourism performance and provides tourism information to government and the industry to inform decision-making.
- The *Financial Contribution* subprogramme provides for government's contribution to South African Tourism's operational budget as well as for international tourism marketing.

## Expenditure estimates

Table 27.6: Tourism

Subprogramme	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome	2004/05		2005/06	2006/07	2007/08
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	
Management	5 288	6 372	10 718	4 195	5 039	5 325	5 592	
Tourism Support	3 508	7 025	11 673	7 791	14 538	14 166	14 875	
Tourism Development	8 391	4 694	5 243	21 464	36 787	76 576	91 405	
Financial Contribution	217 871	219 582	296 400	341 831	346 969	410 187	430 446	
<b>Total</b>	<b>235 058</b>	<b>237 673</b>	<b>324 034</b>	<b>375 281</b>	<b>403 333</b>	<b>506 254</b>	<b>542 318</b>	
Change to 2004 Budget estimate				(340)	4 372	84 625	99 608	

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2005/06	2006/07	2007/08
R thousand	2001/02	2002/03	2003/04	2004/05			
<b>Economic classification</b>							
<b>Current payments</b>	<b>16 405</b>	<b>17 676</b>	<b>27 379</b>	<b>33 084</b>	<b>55 994</b>	<b>95 693</b>	<b>111 479</b>
Compensation of employees	4 331	7 426	8 905	11 320	11 559	12 194	12 805
Goods and services	12 074	10 250	18 474	21 764	44 435	83 499	98 674
<i>of which:</i>							
Consultants and contractors	9 785	6 540	10 221	16 911	32 241	35 799	37 598
Travel and subsistence	1 553	2 267	3 107	3 123	3 894	4 162	4 370
<b>Transfers and subsidies to:</b>	<b>217 884</b>	<b>219 604</b>	<b>296 434</b>	<b>341 872</b>	<b>347 011</b>	<b>410 231</b>	<b>430 492</b>
Provinces and municipalities	13	22	34	41	42	44	46
Departmental agencies and accounts	217 871	219 582	296 400	341 831	346 969	410 187	430 446
<b>Payments for capital assets</b>	<b>769</b>	<b>393</b>	<b>221</b>	<b>325</b>	<b>328</b>	<b>330</b>	<b>347</b>
Machinery and equipment	769	393	221	325	328	330	347
<b>Total</b>	<b>235 058</b>	<b>237 673</b>	<b>324 034</b>	<b>375 281</b>	<b>403 333</b>	<b>506 254</b>	<b>542 318</b>
<b>Details of transfers and subsidies:</b>							
<b>Departmental agencies and accounts</b>							
<b>Current</b>	<b>217 871</b>	<b>219 582</b>	<b>296 400</b>	<b>341 831</b>	<b>346 969</b>	<b>410 187</b>	<b>430 446</b>
South African Tourism	217 871	219 582	296 400	341 831	346 969	410 187	430 446
<b>Total departmental agencies and accounts</b>	<b>217 871</b>	<b>219 582</b>	<b>296 400</b>	<b>341 831</b>	<b>346 969</b>	<b>410 187</b>	<b>430 446</b>

## Expenditure trends

Expenditure grows steadily over the seven-year period, rising from R235,1 million in 2001/02 to R542,3 million in 2007/08, at an annual average growth rate of 15 per cent. Part of this increase is due to the transfer to International Tourism Marketing increasing from R150,0 million in 2001/02 to R333,7 million in 2007/08.

R4 million, R5 million and R3 million have been allocated in 2005/06, 2006/07 and 2007/08 respectively to the development of tourism satellite accounts, which will accurately determine the economic contribution of tourism in terms of revenue generated and employment creation. This falls under the *Financial Contribution* subprogramme, and is part of additional funding.

The Tourism Enterprise Programme, under the *Tourism Development* subprogramme, receives R12,0 million, R40,0 million and R45,8 million in each of the medium-term years respectively, to assist SMMEs and develop employment opportunities in the tourism sector.

There has been a significant increase in the allocation for consultants and special services: from R9,8 million in 2001/02 to R37,6 million in 2007/08, an average annual increase of 25,2 per cent.

In the 2005 Budget, additional allocations over the baseline are:

- *Tourism Development*: R25 million in 2006/07 and R30 million in 2007/08 for TEP; R10 million in 2006/07 and R20 million in 2007/08 for tourism SMME development.
- *Financial Contribution*: R4 million in 2005/06, R5 million in 2006/07 and R3 million in 2007/08 for the tourism satellite account R45 million in 2006/07 and R47 million in 2007/08 for international tourism marketing

In 2005/06, R347 million is exclusively and specifically allocated to South African Tourism.

## Service delivery objectives and indicators

### Recent outputs

Total visitor arrivals increased by 0,3 per cent between January and July 2004 compared to the same period last year. This is largely due to the successful implementation of focused tourism marketing, based on the international tourism growth strategy. A number of key initiatives have been undertaken to support the international tourism marketing campaign and to grow tourism's economic contribution, including the following:

- A domestic tourism growth strategy was launched in 2004, aimed at growing domestic tourism's economic contribution (R47 billion in 2003/04). This strategy informs and guides the domestic tourism marketing activities of provincial and local tiers of government, and forms the basis of the highly successful Sho't Left domestic tourism marketing campaign. The campaign was rolled out on a budget of approximately R6 million and South African Tourism recorded a return on investment of approximately R18 million. It stimulated enormous demand from South Africans to experience tourism within their own country.
- Phase 1 of the global competitiveness project has been finalised and presented to Cabinet. The project provides direction to all tourism stakeholders on the actions required to ensure that South Africa grows its tourism market share in the very competitive global market.
- For tourism enterprise development and support, the department is now the main funder of the Tourism Enterprise Programme (TEP). The Business Trust has given additional funding and TEP continues to be implemented as a highly effective PPP. TEP has exceeded R1 billion worth of transactions since it began operations in 2000. A training package for tourism entrepreneurs is also being developed with funding from the department and the Development Bank of Southern Africa. The package will be implemented under the auspices of TEP.
- There has been a strong focus on emphasising and promoting the role of tourism in the NEPAD process. A Tourism NEPAD Action Plan has been developed under the auspices of the NEPAD secretariat, and has been adopted by the AU.

### Selected medium-term output targets

#### Tourism

**Measurable objective:** Increase international and domestic tourism by developing appropriate products and marketing strategies to promote economic growth and sustainable development.

Subprogramme	Output	Measure/Indicator	Target
Tourism Support	Improved tourism industry service quality	Reduction in tourist complaints	60% decrease in complaints in 2005
Tourism Development	Promoting the transformation of the industry	Implementation of BEE scorecard targets per factor	30% implementation by March 2008
	Tourism enterprise development	Increase in the number of transactions achieved by the Tourism Enterprise Programme	400 more transactions in 2005

## Programme 5: Biodiversity and Conservation

*Biodiversity and Conservation* aims to promote and conserve South Africa's biological diversity and cultural heritage, and to ensure the sustainable and equitable use of resources through the following subprogrammes:

- *Management*



- *Biodiversity and Heritage* promotes the conservation of biological and cultural resources and ensures the sustainable use and equitable sharing of benefits derived from these resources
- *Transfrontier Conservation and Protected Areas* ensures the effective establishment of transfrontier conservation areas as well as the effective consolidation, establishment and management of protected areas
- *Financial Contributions* provides transfers to South African National Parks, the South African National Biodiversity Institute and the Greater St Lucia Wetland Park Authority.

## Expenditure estimates

Table 27.7: Biodiversity and Conservation

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2005/06	2006/07	2007/08
R thousand	2001/02	2002/03	2003/04	2004/05			
Management	2 822	16 259	4 161	2 186	1 557	1 652	1 734
Biodiversity and Heritage	6 826	7 040	7 889	14 029	19 457	20 244	21 257
Transfrontier Conservation and Protected Areas	826	4 996	12 824	20 798	29 725	31 244	32 806
Financial Contributions	141 134	170 342	190 464	209 599	237 167	245 611	287 789
<b>Total</b>	<b>151 608</b>	<b>198 637</b>	<b>215 338</b>	<b>246 612</b>	<b>287 906</b>	<b>298 751</b>	<b>343 586</b>
Change to 2004 Budget estimate				(30 204)	(15 420)	(17 993)	11 005

### Economic classification

<b>Current payments</b>	<b>10 461</b>	<b>27 414</b>	<b>24 031</b>	<b>36 289</b>	<b>50 009</b>	<b>52 405</b>	<b>55 025</b>
Compensation of employees	4 292	7 968	7 520	11 387	11 221	11 838	12 430
Goods and services	6 169	19 446	16 511	24 902	38 788	40 567	42 595
<i>of which:</i>							
<i>Consultants and contractors</i>	1 711	11 321	8 390	20 712	33 257	34 707	36 448
<i>Travel and subsistence</i>	2 178	1 255	1 300	2 108	2 130	2 330	2 446
<b>Transfers and subsidies to:</b>	<b>141 147</b>	<b>170 362</b>	<b>190 492</b>	<b>209 631</b>	<b>237 202</b>	<b>245 648</b>	<b>287 828</b>
Provinces and municipalities	13	20	28	32	35	37	39
Departmental agencies and accounts	141 134	170 342	190 464	209 599	237 167	245 611	287 789
<b>Payments for capital assets</b>	<b>–</b>	<b>861</b>	<b>815</b>	<b>692</b>	<b>695</b>	<b>698</b>	<b>733</b>
Machinery and equipment	–	861	815	692	695	698	733
<b>Total</b>	<b>151 608</b>	<b>198 637</b>	<b>215 338</b>	<b>246 612</b>	<b>287 906</b>	<b>298 751</b>	<b>343 586</b>

### Details of transfers and subsidies:

Departmental agencies and accounts							
<b>Current</b>	<b>116 134</b>	<b>128 342</b>	<b>131 464</b>	<b>142 099</b>	<b>174 167</b>	<b>182 611</b>	<b>194 789</b>
South African National Parks	74 183	78 832	65 823	68 631	87 187	91 212	99 044
Greater St Lucia Wetland Park Authority	–	2 500	8 187	10 196	12 111	12 427	13 049
South African National Biodiversity Institute	41 951	47 010	57 454	63 272	74 869	78 972	82 696
<b>Capital</b>	<b>25 000</b>	<b>42 000</b>	<b>59 000</b>	<b>67 500</b>	<b>63 000</b>	<b>63 000</b>	<b>93 000</b>
South African National Parks	17 000	32 000	49 000	53 000	53 000	53 000	83 000
South African National Biodiversity Institute	8 000	10 000	10 000	14 500	10 000	10 000	10 000
<b>Total departmental agencies and accounts</b>	<b>141 134</b>	<b>170 342</b>	<b>190 464</b>	<b>209 599</b>	<b>237 167</b>	<b>245 611</b>	<b>287 789</b>

## Expenditure trends

Expenditure on *Biodiversity and Conservation* increases steadily over the seven-year period, rising from R151,6 million in 2001/02 to R343,6 million in 2007/08, an annual average increase of

14,6 per cent. The increases are mainly due to increased allocations for establishing and developing parks, and reinstating the road subsidy for maintaining existing roads in national parks (R12 million per year). The *Transfrontier Conservation and Protected Areas* subprogramme has the fastest growth, rising from R0,9 million in 2001/02 to R32,8 million in 2007/08.

The newly established South African National Biodiversity Institute (SANBI) will receive R84,9 million, R89 million and R92,7 million in 2005/06, 2006/07 and 2007/08. SANBI requires additional capacity and finances, because its focus will be wider than its predecessor's, the National Botanical Institute.

Increases over baseline in the 2005 Budget are for VAT adjustments as follows:

- Greater St Lucia Wetland Park Authority: R1,9 million (2005/06), R1,9 million (2006/07), R2,0 million (2007/08)
- SANParks: R13,3 million (2005/06), R13,7 million (2006/07), R14,4 million (2007/08)
- SANBI: R2,9 million (2005/06); R3 million (2006/07) and R3,2 million (2007/08).

## **Service delivery objectives and indicators**

### **Recent outputs**

#### *Environmental legislation*

During 2004, both the National Environmental Management: Protected Areas Act (2003) and the National Environmental Management: Biodiversity Act (2004) were signed by the president, thus allowing them to be enforced. Key activities linked to the provisions in this legislation include: the establishment of SANBI; finalising the national biodiversity framework; finalising and implementing norms and standards for managing protected areas; finalising the species listing; and finalising other norms and standards.

#### *Heritage*

The Cape Floristic Protected Areas Region was inscribed on the World Heritage List in July 2004. Three other sites, Vredefort Dome, Makapans Valley and Taung Skull Fossil Site will be considered by the 29<sup>th</sup> session of the World Heritage Committee to be held in South Africa in July 2005. The latter two sites are extensions to the Cradle of Humankind. In 2005/06, the regulations will be drafted and the management authorities for the Mapungubwe cultural landscape and the Cape Floristic Protected Areas Region natural site will be set up.

#### *Natural resource use*

The National Action Programme (NAP), South Africa's national effort to address land degradation and poverty eradication in compliance with the United Nations Convention to Combat Desertification (UNCCD), was recently completed. The community-based natural resources management (CBNRM) guidelines will require additional funding along with the allocation from the Poverty Relief Unit. NAP and CBNRM indicate government's commitment to addressing sustainable livelihoods and sustainable natural resources and land management. Bioregions will be strengthened to contribute to NAP.

To improve the regulation of trade in endangered species in compliance with the Convention on International Trade in Endangered Species (CITES), an electronic permitting system will be

installed in all provinces. The Department of Environmental Affairs and Tourism will help provinces to set up the system and build capacity for law enforcement at the provincial level.

### Conservation

A treaty establishing /Ais-Ais/Richtersveld as a transfrontier conservation area was signed by the heads of state of South Africa and Namibia. Projects aimed at integrating Great Limpopo Transfrontier Park were initiated in 2003 in collaboration with the governments of Mozambique and Zimbabwe. Building the capacity of neighbouring communities to participate more in the management of protected areas is under way.

Between 2000 and 2004, SANParks acquired 228 478 hectares of land, bringing the total land under conservation to 1,6 million hectares. More programmes for park expansion and consolidation will be implemented in the coming period.

## Selected medium-term output targets

### Biodiversity and Conservation

**Measurable objective:** Develop a national system and programmes for the protection and conservation of biodiversity that will contribute to economic growth.

Subprogramme	Output	Measure/Indicator	Target
Biodiversity and Heritage	Maintain and restore the optimal health and integrity of ecosystems and their processes	An inventory of ecosystems needing protection	March 2007
		Number of biodiversity management plans in place for these ecosystems	5 biodiversity management plans by 2006
Transfrontier Conservation Areas and Protected Areas	Build conservation constituency	Establish community forums around protected areas	6 community forums by March 2006
		Increase number of jobs in and around protected areas	30% increase by March 2006
		Private and communal land brought into protected areas system	7 pieces of land by March 2007
	Establish and develop transfrontier conservation areas (TFCAs)	Free movement of tourists within parks	By 2007
		Amount of new land incorporated into TFCAs	5 000 hectares by 2006

## Programme 6: Social Responsibility and Projects

Through its single subprogramme *Expanded Public Works Programme*, the *Social Responsibility and Projects* subprogramme provides for projects, which are targeted at infrastructure development, job-creation and community training.

### Expenditure estimates

Table 27.8: Social Responsibility and Projects

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome	Adjusted appropriation	2005/06	2006/07	2007/08
R thousand	2001/02	2002/03	2003/04	2004/05			
Expanded Public Works Programme	196 757	226 000	320 761	386 000	414 000	439 860	506 853
<b>Total</b>	<b>196 757</b>	<b>226 000</b>	<b>320 761</b>	<b>386 000</b>	<b>414 000</b>	<b>439 860</b>	<b>506 853</b>
Change to 2004 Budget estimate				(35 532)	(8 392)	(1 208)	43 732

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04	2004/05			
<b>Economic classification</b>							
<b>Current payments</b>	–	–	14 716	15 778	31 600	34 657	37 165
Compensation of employees	–	–	815	2 000	15 340	16 184	16 993
Goods and services	–	–	13 901	13 778	16 260	18 473	20 172
<i>of which:</i>							
Consultants and contractors	–	–	12 006	9 521	13 645	15 439	16 859
Travel and subsistence	–	–	1 643	2 087	1 233	1 378	1 505
Inventory	–	–	237	1 732	1 152	1 413	1 543
<b>Transfers and subsidies to:</b>	<b>196 757</b>	<b>226 000</b>	<b>305 600</b>	<b>370 000</b>	<b>382 150</b>	<b>404 933</b>	<b>469 398</b>
Provinces and municipalities	–	–	–	–	46	48	51
Households	196 757	226 000	305 600	370 000	382 104	404 885	469 347
<b>Payments for capital assets</b>	<b>–</b>	<b>–</b>	<b>445</b>	<b>222</b>	<b>250</b>	<b>270</b>	<b>290</b>
Machinery and equipment	–	–	445	222	250	270	290
<b>Total</b>	<b>196 757</b>	<b>226 000</b>	<b>320 761</b>	<b>386 000</b>	<b>414 000</b>	<b>439 860</b>	<b>506 853</b>

**Details of transfers and subsidies:**

<b>Households</b>							
<b>Social benefits</b>							
<b>Current</b>	<b>196 757</b>	<b>226 000</b>	<b>305 600</b>	<b>370 000</b>	<b>382 104</b>	<b>404 885</b>	<b>469 347</b>
Expanded Public Works Programme	196 757	226 000	305 600	370 000	382 104	404 885	469 347
<b>Total households</b>	<b>196 757</b>	<b>226 000</b>	<b>305 600</b>	<b>370 000</b>	<b>382 104</b>	<b>404 885</b>	<b>469 347</b>

**Expenditure trends**

Expenditure on *Social Responsibility and Projects* increases from R196,8 million in 2001/02 to R506,9 million in 2007/08, an annual average increase of 17,1 per cent. The vast majority of this expenditure is made up of transfers to the EPWP.

Part of expenditure in this programme will be directed to projects in the government's prioritised rural and urban nodes in accordance with its integrated sustainable rural development programme and urban renewal programme strategy.

In the 2005 Budget, an additional allocation of R45 million was made for 2007/08.

**Service delivery objectives and indicators****Recent outputs***Tourism development and infrastructure in protected areas*

The expanded public works programme and its predecessor the poverty relief programme have funded more than 400 projects since 1999, including tourism development, with a significant contribution to infrastructure in protected areas (through the construction of accommodation, craft markets and information centres), waste recycling, and coast care projects. Road-building and small infrastructure projects (such as pathways, boardwalks and fencing) have also helped to attract commercial interest to previously isolated areas with tourism potential. Together these projects are reported to have created more than 3 513 666 temporary job days (equivalent to 30 554 job opportunities with 46 501 people directly employed) and 2 687 permanent jobs at the

end of projects with 366 572 training days provided to beneficiaries between 1999 and March 2004. The programme used 1 532 existing SMMEs and created 1 336 SMMEs.

In addition to focused training on areas related to service provision and management, training was also provided in literacy, numeracy and life skills.

### Selected medium-term output targets

#### Social Responsibility and Projects

Measurable objective: Number of job opportunities created through environment and tourism projects.			
Subprogramme	Output	Measure/Indicator	Target
Expanded Public Works Programme	Job-creation	Number of temporary job days created	5,1 million job days by March 2007
		Number of permanent jobs created	3 000 permanent jobs by March 2007

### Public entities reporting to the Minister

#### South African Tourism

The core business of South African Tourism (SA Tourism), established in terms of the Tourism Act (1993), is to market South Africa internationally as a tourism destination through regulation of the industry, maintaining and enhancing the standards of facilities and services for tourists, and co-ordinating the marketing activities of role-players in the industry.

Tourism is one of the sectors which has shown both continued growth and an increased contribution to GDP, despite a global slowdown in the tourism industry. Government's tourism marketing expenditure resulted in foreign tourism arrivals increasing to 6,5 million in 2003, from 3,7 million in 1994. Foreign tourists spent approximately R53,9 billion directly into the South Africa's economy in 2003 compared to R48,8 billion in 2002. It is estimated that 512 000 jobs were created through tourism in 2003.

Going forward, raising awareness about the opportunities for domestic travel will be a priority and will be facilitated through initiatives such as the Tourism Month and Welcome campaigns. The aim is to encourage South Africans to travel within their country, make tourism products accessible to all South Africans, promote a culture of tourism, and encourage South Africans to create a safe and welcoming environment for visitors.

Non-tax revenue consists mainly of deal driven campaigns like selling advertising space, recovery of exhibition costs and assessment fees collected by the Tourism Grading Council. While SA Tourism receives annual transfers from the Tourism Business Council, a substantial portion of its total revenue, 78,7 per cent in 2005/06, is in the form of transfers received from government. Government transfers are projected to increase from R341,8 million in 2004/05 to R430,4 million in 2007/08, representing an average annual growth of 8 per cent over the period.

Increased spending on goods and services from R361,6 million in 2005/06 to R425,0 million in 2007/08 will accommodate the rollout of the International Tourism Growth Strategy, in which there is particular focus on marketing activities for specific segments of tourists.

**Table 27.9: Financial summary for South African Tourism (SATOUR)**

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited		2004/05	2005/06	2006/07
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
<b>INCOME STATEMENT SUMMARY</b>							
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>19 770</b>	<b>25 704</b>	<b>57 260</b>	<b>90 892</b>	<b>41 758</b>	<b>62 963</b>	<b>66 224</b>
Interest	824	3 654	14 004	11 803	5 424	5 912	6 441
Other non-tax revenue	18 946	22 050	43 256	79 089	36 334	57 051	59 783
<b>Transfers received</b>	<b>333 720</b>	<b>273 249</b>	<b>378 464</b>	<b>389 831</b>	<b>398 969</b>	<b>421 187</b>	<b>443 446</b>
<b>Sale of capital assets</b>	<b>90</b>	<b>4 132</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenue</b>	<b>353 580</b>	<b>303 085</b>	<b>435 724</b>	<b>480 723</b>	<b>440 727</b>	<b>484 150</b>	<b>509 670</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>365 256</b>	<b>298 953</b>	<b>429 238</b>	<b>480 722</b>	<b>440 727</b>	<b>484 150</b>	<b>509 670</b>
Compensation of employees	54 540	63 305	61 250	65 794	77 336	78 976	83 139
Goods and services	308 425	233 453	365 947	412 929	361 591	403 574	425 031
Depreciation	1 966	1 851	2 022	2 000	1 800	1 600	1 500
Interest	324	344	18	-	-	-	-
<b>Total expenses</b>	<b>365 256</b>	<b>298 953</b>	<b>429 238</b>	<b>480 722</b>	<b>440 727</b>	<b>484 150</b>	<b>509 670</b>
<b>Surplus / (Deficit)</b>	<b>(11 676)</b>	<b>4 132</b>	<b>6 486</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

*Data provided by South African Tourism*

### South African National Biodiversity Institute

The South African National Biodiversity Institute (SANBI) was established on 1 September 2004 in terms of the National Environmental Management: Biodiversity Act (2004). The Act expands the mandate of the National Botanical Institute to include responsibilities relating to the full diversity of South Africa's fauna and flora, and builds on the internationally respected programmes in conservation, research, education and visitor services developed over the past century by the National Botanical Institute.

During the past year, the institute has improved facilities of various National Botanical Gardens (NBG). It has completed new education, visitor and conservation facilities in the Lowveld NBG in Nelspruit; a new restaurant and shop at the Walter Sisulu NBG in Roodepoort; a new education centre, restaurant, and shop in the Free State NBG in Bloemfontein and a new restaurant, wetland and parking facility in the Pretoria NBG. The developments, totalling over R30 million, formed part of the department's Poverty Relief Programme.

In its new role as SANBI, the institute produced the national biodiversity assessment part of the national biodiversity strategy and action plan, and has led the initiation of the global environment facility of the Grasslands Biome Project. It has also launched several biodiversity databases, including those on reptiles, butterflies, and marine and freshwater fishes. These surveys will result in the compilation of the state of South Africa's biological diversity.

Over the medium term, the institute will be implementing a three-year redevelopment of the Grahamstown Botanical Garden, also a Poverty Relief Programme initiative. The institute has also taken responsibility for the R40 million per year Working for Wetlands Project, a national habitat restoration and job-creation initiative.

Transfers to the institute over the MTEF period are R84,9 million in 2005/06, R89,0 million in 2006/07 and R92,7 million in 2007/08.

## **South African National Parks**

South African National Parks (SANParks), established in terms of the National Environmental Management: Protected Areas Act (2003), manages a system of 20 national parks representative of the country's most important fauna, flora and unique natural features. Tourism (in excess of 3 million visitors per year), conservation, and commercial development (with the involvement of local communities) comprise the core competencies of SANParks' bio-diversity management mandate.

During 2004, more land was brought under protection, resulting in the expansion of: the Addo Elephant and Mountain Zebra National Parks in the Eastern Cape; Marakele in the Limpopo Province; Namaqua in the Northern Cape; as well as Agulhas and Table Mountain in the Western Cape. The Qwa Qwa Reserve has been linked with Golden Gate Highlands National Park and the two areas are now under SANParks' management.

The Mapungubwe National Park was launched on National Heritage Day (September 2004) – signalling the beginning of a major tourism boost to the Limpopo Province. The park comprises the Mapungubwe Cultural Landscape and the Mapungubwe World Heritage Site. Declared a National Heritage Site in December 2001, it was listed as a World Heritage Site in July 2003 and has numerous archaeological sites dating from the Early Stone Age (1 million to 250 000 years BC) to the present.

The marine protected areas were included in the Table Mountain National Park, increasing the marine component managed by SANParks by 955 sq. kilometres of sea and 138 km of coastline. This is a major step closer to reaching government's target of protecting 20 per cent of coastline by 2012. The transfer of the Tokai and Cecilia plantations from the Department of Water Affairs and Forestry further consolidated Table Mountain National Park in 2004.

Going forward, SANParks will focus on the consolidation of the following marine protected areas: Aliwal Shoal, Pondoland, the Bird Island Group and Table Mountain National Park.

SANParks will continue to increase land under conservation and protection, with the intention of having 8 per cent of total land cover under conservation by 2014. Another initiative will be to improve revenue collection through membership fees, concessions in the parks, as well as revising the current gate fees.

Total expenditure of funds from the Poverty Relief Programme (now incorporated as part of the expanded public works programme (EPWP) from 2001 to 2004 was R237 million of the budgeted R255 million. Projects undertaken so far include: the building of 14 new rest camps; provision of 312 new tourism beds, 804km of new and upgraded fences; removal of 519km of old fences, provision of 254km of new and upgraded roads; 748km of existing roads were maintained and repaired while 490 redundant structures were removed.

Total revenue for SANParks increased from R408,8 million in 2001/02 to R568,5 million in 2004/05 and is expected to increase further to R708,1 million in 2007/08. This is primarily attributed to the introduction of the daily fee charged to visitors at national parks in July 2003. Special project income relates to earmarked funding received from donors as well as funding received for implementing projects related to the EPWP.

Since conservation is a labour-intensive business requiring skilled personnel such as veterinarians, conservationists, game rangers etc, compensation of employees remains a substantive portion of total expenses (at just over 40 per cent) for the MTEF. Expenditure on land acquisition for conservation purposes, as reflected under "Acquisition of assets", remains stable over the MTEF.

Table 27.10: Financial summary for the South African National Parks (SANP)

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited		2004/05	2005/06	2006/07
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
<b>INCOME STATEMENT SUMMARY</b>							
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>333 567</b>	<b>394 766</b>	<b>446 178</b>	<b>487 890</b>	<b>550 702</b>	<b>580 877</b>	<b>609 076</b>
Fees and special projects	303 546	362 020	434 075	443 980	501 139	528 598	554 259
Interest	8 272	15 358	8 564	8 150	5 000	5 346	5 607
Other non-tax revenue	21 749	17 388	3 539	35 760	44 563	46 933	49 210
<b>Transfers received</b>	<b>75 213</b>	<b>80 258</b>	<b>107 785</b>	<b>80 631</b>	<b>87 187</b>	<b>91 212</b>	<b>99 044</b>
<b>Sale of capital assets</b>	<b>-</b>	<b>13 844</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenue</b>	<b>408 780</b>	<b>488 868</b>	<b>553 963</b>	<b>568 521</b>	<b>637 889</b>	<b>672 089</b>	<b>708 120</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>363 851</b>	<b>438 898</b>	<b>510 029</b>	<b>565 250</b>	<b>645 863</b>	<b>671 731</b>	<b>708 016</b>
Compensation of employees	184 465	202 462	228 289	254 800	267 385	279 526	301 616
Goods and services	157 674	215 212	265 212	277 150	345 256	361 971	375 905
Depreciation	10 959	12 150	13 217	26 900	24 105	25 000	25 000
Interest	10 753	9 074	3 311	6 400	9 117	5 234	5 495
<b>Total expenses</b>	<b>363 851</b>	<b>438 898</b>	<b>510 029</b>	<b>565 250</b>	<b>645 863</b>	<b>671 731</b>	<b>708 016</b>
<b>Surplus / (Deficit)</b>	<b>44 929</b>	<b>49 970</b>	<b>43 934</b>	<b>3 271</b>	<b>(7 974)</b>	<b>358</b>	<b>104</b>
<b>BALANCE SHEET SUMMARY</b>							
Carrying value of assets	296 674	424 842	632 320	641 000	689 500	740 000	767 000
<i>of which: Acquisition of assets</i>	<i>60 833</i>	<i>144 557</i>	<i>77 890</i>	<i>30 944</i>	<i>62 000</i>	<i>51 250</i>	<i>52 000</i>
Long-term investments	24 734	8 261	10 100	-	-	-	-
Inventory	13 290	11 966	11 031	15 000	13 500	13 500	13 500
Receivables and prepayments	15 430	26 683	38 800	25 000	22 950	21 950	20 950
Cash and cash equivalents	157 779	213 124	199 764	234 070	252 526	294 884	345 580
<b>Total assets</b>	<b>507 907</b>	<b>684 876</b>	<b>892 015</b>	<b>915 070</b>	<b>978 476</b>	<b>1 070 334</b>	<b>1 147 030</b>
Capital and reserves	179 061	267 492	451 518	502 623	560 568	639 926	714 030
Borrowings	54 498	69 023	76 660	82 000	83 908	85 408	81 500
Post retirement benefits	90 725	100 172	114 743	133 447	145 000	158 000	170 000
Trade and other payables	67 861	82 041	118 435	110 000	108 500	109 000	109 500
Provisions	12 938	9 338	15 875	17 000	17 500	17 000	17 500
Managed funds	102 824	156 810	114 784	70 000	63 000	61 000	54 500
<b>Total equity and liabilities</b>	<b>507 907</b>	<b>684 876</b>	<b>892 015</b>	<b>915 070</b>	<b>978 476</b>	<b>1 070 334</b>	<b>1 147 030</b>

Data provided by the South African National Parks

### South African Weather Service

The South African Weather Service was established in accordance with the South African Weather Service Act (2001). The objectives of the South African Weather Service are to: maintain, extend and improve the quality of meteorological services; ensure the ongoing collection of meteorological data over South Africa and surrounding southern oceans; and fulfil 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.



Meteorological and climatological services provided by the South African Weather Service help to mitigate the impact of natural phenomena such as storms, droughts and other extreme weather related events that threaten human safety and lives. Some of the outputs relate to prediction of weather patterns for agricultural purposes.

For the future, the Weather Services will invest in upgrading its weather forecast infrastructure in order to provide accurate information. A project on improving revenue from the aviation industry is also underway.

Total revenue increases from R186,1 million in 2005/06 to R236,1 million in 2007/08, with slightly more than half being government transfers and the rest from income received from the aviation industry and the sale of information.

Compensation of employees remains the key cost driver over the MTEF period, amounting to R77 million in 2005/06, which represented 47,7 per cent of total expenditure. SA Weather Service expects a surplus of R24,6 million in 2005/06 increasing to R61,8 million in 2007/08 which will be utilised for the acquisition of capital assets such as weather radars and a Dobson Spectrophotometer.

**Table 27.11: Financial summary for the South African Weather Service**

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited		2005/06	2006/07	2007/08
R thousand	2001/02	2002/03	2003/04	2004/05			
<b>INCOME STATEMENT SUMMARY</b>							
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>3 346</b>	<b>15 919</b>	<b>59 297</b>	<b>62 812</b>	<b>82 430</b>	<b>98 133</b>	<b>116 000</b>
Aviation income	–	13 798	52 236	55 275	72 538	86 357	102 080
Interest	162	587	1 404	1 460	2 420	2 562	2 719
Other non-tax revenue	3 185	1 534	5 657	6 078	7 471	9 214	11 201
<b>Transfers received</b>	<b>57 649</b>	<b>78 346</b>	<b>80 641</b>	<b>96 924</b>	<b>103 690</b>	<b>114 393</b>	<b>120 112</b>
<b>Sale of capital assets</b>	<b>–</b>	<b>–</b>	<b>1 320</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total revenue</b>	<b>60 996</b>	<b>94 265</b>	<b>141 258</b>	<b>159 736</b>	<b>186 120</b>	<b>212 526</b>	<b>236 111</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>67 283</b>	<b>96 095</b>	<b>124 019</b>	<b>141 382</b>	<b>161 506</b>	<b>167 534</b>	<b>174 282</b>
Compensation of employees	41 887	53 101	60 301	69 747	76 982	82 756	89 376
Goods and services	25 351	37 873	53 828	62 027	74 582	73 912	73 338
Depreciation	–	4 658	9 160	9 240	9 501	10 380	11 033
Interest	46	463	729	368	442	486	534
<b>Total expenses</b>	<b>67 283</b>	<b>96 095</b>	<b>124 019</b>	<b>141 382</b>	<b>161 506</b>	<b>167 534</b>	<b>174 282</b>
<b>Surplus / (Deficit)</b>	<b>(6 288)</b>	<b>(1 830)</b>	<b>17 239</b>	<b>18 354</b>	<b>24 614</b>	<b>44 993</b>	<b>61 829</b>

*Data provided by the South African Weather Services*

### Marine Living Resources Fund

The Marine Living Resources Fund (MLRF), established in accordance with the Marine Living Resources Act (1998), aims to finance activities related to managing the sustainable use and conservation of marine living resources, preserving marine biodiversity and minimising marine pollution. Other socio-economic objectives include broadening access to resources by restructuring the industry to address historical imbalances and promote economic growth.

Recent outputs of the MLRF include: developing a framework for the allocation of fishing rights; developing a framework for revenue collection; fighting illegal fishing and corruption; and beach management. As a result, 14 South African beaches have been awarded the international Europe-

based blue flag for excellent management. The acquisition of four patrol vessels to protect South Africa's marine resources has also been completed.

Going forward, the MLRF will focus on: increasing the monitoring, control and surveillance of marine trade; the restoration of eroded Langebaan coast in the Western Cape; the replacement of two old marine research vessels; and the rehabilitation of fishing harbours. A project is also under way that will develop an appropriate fish-landing fee structure, charged to the fishing industry.

The fund is financed through its own revenue as well as transfers received from government. The transfer received from government decreases from R169,2 million in 2004/05 to R93,3 million in 2005/06 as expenditure on the acquisition of patrol vessels comes to an end. Own income is derived from fish levies, fishing permits, harbour fees and the proceeds from the sale of confiscated fish products, and is expected to increase from R285,3 million in 2005/06 to R305,0 million in 2007/08.

Departmental officials conduct management tasks related to the fund as part of *Programme 3: Marine and Coastal Management*, which is why no expenditure is recorded under compensation of employees.

**Table 27.12: Financial summary for the Marine Living Resources Fund (MLRF)**

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited		2005/06	2006/07	2007/08
R thousand	2001/02	2002/03	2003/04	2004/05			
<b>INCOME STATEMENT SUMMARY</b>							
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>99 220</b>	<b>118 414</b>	<b>168 265</b>	<b>290 000</b>	<b>295 250</b>	<b>299 000</b>	<b>308 000</b>
Sale of goods and services other than capital assets	95 097	102 035	151 481	283 000	285 250	295 000	305 000
Interest	4 123	16 379	16 784	7 000	10 000	4 000	3 000
<b>Transfers received</b>	<b>150 968</b>	<b>155 025</b>	<b>205 497</b>	<b>169 225</b>	<b>93 322</b>	<b>109 057</b>	<b>109 115</b>
<b>Total revenue</b>	<b>250 188</b>	<b>273 439</b>	<b>373 762</b>	<b>459 225</b>	<b>388 572</b>	<b>408 057</b>	<b>417 115</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>115 953</b>	<b>144 767</b>	<b>174 093</b>	<b>372 575</b>	<b>382 420</b>	<b>387 150</b>	<b>397 150</b>
Compensation of employees	-	-	-	-	-	-	-
Goods and services	112 091	140 115	170 393	364 225	355 270	360 000	370 000
Depreciation	3 862	4 652	3 700	8 350	27 150	27 150	27 150
<b>Total expenses</b>	<b>115 953</b>	<b>144 767</b>	<b>174 093</b>	<b>372 575</b>	<b>382 420</b>	<b>387 150</b>	<b>397 150</b>
<b>Surplus / (Deficit)</b>	<b>134 235</b>	<b>128 672</b>	<b>199 669</b>	<b>86 650</b>	<b>6 152</b>	<b>20 907</b>	<b>19 965</b>
<b>BALANCE SHEET SUMMARY</b>							
Carrying value of assets	10 517	154 153	358 292	508 665	516 467	537 914	537 414
<i>of which: Acquisition of assets</i>	6 614	148 287	207 145	161 816	37 402	51 047	29 100
Inventory	10 025	22 257	36 678	-	-	-	-
Receivables and prepayments	7 513	18 032	10 274	9 000	9 000	9 000	9 000
Cash and cash equivalents	177 613	144 220	147 603	102 988	100 338	98 798	118 263
<b>Total assets</b>	<b>205 668</b>	<b>338 662</b>	<b>552 847</b>	<b>620 653</b>	<b>625 805</b>	<b>645 712</b>	<b>664 677</b>
Capital and reserves	195 662	324 334	524 696	610 653	616 805	637 712	657 677
Borrowings	4 934	-	-	-	-	-	-
Trade and other payables	4 872	13 928	27 751	10 000	9 000	8 000	7 000
Provisions	200	400	400	-	-	-	-
<b>Total equity and liabilities</b>	<b>205 668</b>	<b>338 662</b>	<b>552 847</b>	<b>620 653</b>	<b>625 805</b>	<b>645 712</b>	<b>664 677</b>

*Data provided by the Marine Living Resources Fund*

### **Greater St Lucia Wetland Park Authority**

The Greater St Lucia Wetland Park Authority, which began operating in April 2002, was established through the World Heritage Convention Act (1999). Its objectives include conservation of the Greater St Lucia Wetland Park areas' world heritage values, optimising tourism development and contributing to local economic development and transformation.

Achievements to date include establishing an effective corporate governance structure, settling land claims and consolidating land in the park, constructing major infrastructure in the park, reintroducing game and rehabilitating large tracts of commercial forestry land for tourism and conservation. A commercialisation process includes tenders for tourism investment sites and concessioning activities. The first lodge, with 68 per cent community equity holding, has opened for business.

The authority's main focus over the medium term will be to actively market the St Lucia Wetland Park as a tourism destination in conjunction with SA Tourism and Tourism KZN. Also, a number of concession deals will be concluded to facilitate investment in accommodation and catering facilities within the park.

Transfers from government over the MTEF period amount to R12,1 million, R12,4 million and R13 million, respectively. Other sources of revenue for the park include critical infrastructure allocations from the Department of Trade and Industry for bulk infrastructure outlays, fees collected from park visitors and concession fees. Over the MTEF period, the estimated expenditure amounts to R27,3 million in 2005/06, R29,5 million in 2006/07 and R30,3 million for 2007/08.

## **Annexure**

### **Vote 27: Environmental Affairs and Tourism**

Table 27.A: Summary of expenditure trends and estimates per programme and economic classification

Table 27.B: Summary of personnel numbers and compensation of employees per programme

Table 27.C: Summary of expenditure on training per programme

Table 27.D: Summary of information and communications technology expenditure per programme

Table 27.E: Summary of official development assistance expenditure

Table 27.F: Summary of expenditure on infrastructure

Table 27.A: Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Preliminary outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2003/04			2004/05			
1. Administration	102 348	112 648	107 348	114 984	13 197	128 181	128 181
2. Environmental Quality and Protection	116 136	118 389	119 742	171 822	(9 151)	162 671	162 671
3. Marine and Coastal Management	351 755	376 618	344 662	328 164	25 359	353 523	323 523
4. Tourism	318 642	320 842	324 034	375 621	(340)	375 281	375 281
5. Biodiversity and Conservation	220 881	215 881	215 338	276 816	(30 204)	246 612	246 612
6. Social Responsibility and Projects	300 000	321 600	320 761	356 000	30 000	386 000	386 000
<b>Total</b>	<b>1 409 762</b>	<b>1 465 978</b>	<b>1 431 885</b>	<b>1 623 407</b>	<b>28 861</b>	<b>1 652 268</b>	<b>1 622 268</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>316 380</b>	<b>309 540</b>	<b>309 490</b>	<b>370 971</b>	<b>6 388</b>	<b>377 359</b>	<b>377 359</b>
Compensation of employees	155 569	148 518	139 390	174 616	(2 085)	172 531	172 531
Goods and services	160 811	161 022	170 100	196 355	8 473	204 828	204 828
<b>Transfers and subsidies</b>	<b>1 054 129</b>	<b>1 084 482</b>	<b>1 079 482</b>	<b>1 207 891</b>	<b>(7 400)</b>	<b>1 200 491</b>	<b>1 200 491</b>
Municipalities	380	380	380	412	–	412	412
Departmental agencies and accounts	769 749	778 502	773 502	867 479	(37 400)	830 079	830 079
Households	284 000	305 600	305 600	340 000	30 000	370 000	370 000
<b>Payments for capital assets</b>	<b>39 253</b>	<b>71 956</b>	<b>42 913</b>	<b>44 545</b>	<b>29 873</b>	<b>74 418</b>	<b>44 418</b>
Buildings and other fixed structures	34 082	65 945	36 431	33 327	36 861	70 188	40 188
<i>Buildings</i>	34 082	65 945	36 431	33 327	36 861	70 188	40 188
Machinery and equipment	5 171	6 011	6 482	11 218	(6 988)	4 230	4 230
<i>Other machinery and equipment</i>	5 171	6 011	6 482	11 218	(6 988)	4 230	4 230
<b>Total</b>	<b>1 409 762</b>	<b>1 465 978</b>	<b>1 431 885</b>	<b>1 623 407</b>	<b>28 861</b>	<b>1 652 268</b>	<b>1 622 268</b>

Table 27.B: Summary of personnel numbers and compensation of employees per programme<sup>1</sup>

Programme	2001/02	2002/03	2003/04	2004/05	2005/06
1. Administration	217	217	222	229	245
2. Environmental Quality and Protection	103	103	105	108	126
3. Marine and Coastal Management	558	558	562	562	562
4. Tourism	36	36	52	60	64
5. Biodiversity and Conservation	55	55	53	55	62
6. Social Responsibility and Projects	37	37	36	38	60
<b>Total</b>	<b>1 006</b>	<b>1 006</b>	<b>1 030</b>	<b>1 052</b>	<b>1 119</b>
Total personnel cost (R thousand)	111 450	127 304	139 390	172 531	223 164
Unit cost (R thousand)	111	127	135	164	199

<sup>1</sup> Budgeted full-time equivalent

**Table 27.C: Summary of expenditure on training per programme**

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04				
1. Administration	625	635	648	665	689	712	748
2. Environmental Quality and Protection	451	220	225	230	250	260	273
4. Tourism	60	75	90	120	130	140	147
5. Biodiversity and Conservation	60	80	90	120	140	160	168
6. Social Responsibility and Projects	15	20	30	30	40	50	53
<b>Total</b>	<b>1 211</b>	<b>1 030</b>	<b>1 083</b>	<b>1 165</b>	<b>1 249</b>	<b>1 322</b>	<b>1 388</b>

**Table 27.D: Summary of information and communications technology expenditure per programme**

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04				
<b>1. Administration</b>	<b>2 276</b>	<b>8 426</b>	<b>14 764</b>	<b>15 228</b>	<b>16 051</b>	<b>17 013</b>	<b>17 864</b>
Technology	2 231	1 170	1 100	1 180	1 230	1 450	1 523
IT services	45	7 256	13 664	14 048	14 821	15 563	16 341
<b>2. Environmental Quality and Protection</b>	<b>1 450</b>	<b>740</b>	<b>500</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>420</b>
Technology	1 450	740	500	400	400	400	420
<b>3. Marine and Coastal Management</b>	<b>15</b>	<b>25</b>	<b>15</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>32</b>
Technology	15	25	15	30	30	30	32
<b>4. Tourism</b>	<b>450</b>	<b>350</b>	<b>150</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>126</b>
Technology	450	350	150	120	120	120	126
<b>6. Social Responsibility and Projects</b>	<b>200</b>	<b>220</b>	<b>110</b>	<b>90</b>	<b>110</b>	<b>120</b>	<b>126</b>
Technology	200	220	110	90	110	120	126
<b>Total</b>	<b>4 391</b>	<b>9 761</b>	<b>15 539</b>	<b>15 868</b>	<b>16 711</b>	<b>17 683</b>	<b>18 567</b>

Table 27.E: Summary of official development assistance expenditure

Donor R thousand	Project	Cash/ kind	Outcome				Medium-term expenditure estimate		
			2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
<b>Foreign</b>									
Spain	Tourism Institute	Cash	5 085	4 077	–	–	–	–	–
United Nations	Biodiversity Programme	Cash	–	148	–	–	–	–	–
United Nations	Marine and Coastal Management	Cash	–	57	–	–	64	–	–
The Netherlands	Law Reform Programme	Cash	–	2 088	–	–	–	–	–
European Union	Spatial Development Initiatives	Cash	9 868	20 301	7 459	4 309	3 529	2 315	1 278
Norway	Environmental Co-operation Programme	Cash	8 551	9 511	10 862	5 220	4 267	2 145	2 100
Norway	Marine Fisheries Co-operation Programme	Cash	2 597	12 383	6 713	5 263	4 788	2 566	2 400
United Kingdom	Sustainable Coastal Livelihoods Programme	Cash	2 197	3 855	1 789	1 541	1 400	1 400	1 400
Denmark	ECBU Programme	Cash	1 644	186	442	250	1 056	1 287	807
Denmark	National Waste Management Strategy Project	Cash	–	–	512	3 673	12 000	7 000	–
Denmark	National Air Quality Project	Cash	–	–	–	120	353	1 000	831
Denmark	Knowfish Project	Cash	–	–	–	60	60	–	–
USA	Marine Living Resources	Cash	–	587	–	–	–	–	–
United Nations	Hazardous Materials Programme	Cash	–	–	250	270	300	300	300
USA	Youth Development Network Trust	Cash	–	490	370	–	–	–	–
<b>Total</b>			<b>29 942</b>	<b>53 683</b>	<b>28 397</b>	<b>20 706</b>	<b>27 817</b>	<b>18 013</b>	<b>9 116</b>

Table 27.F: Summary of expenditure on infrastructure

Projects R thousand	Description	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate		
		Audited 2001/02	Audited 2002/03	Preliminary outcome 2003/04	2004/05		2005/06	2006/07	2007/08
<b>Infrastructure programmes or large infrastructure projects</b>									
	Marion Island Base Building Project	–	–	29 326	60 861	46 700	–	–	–
	Feasibility Study Green Building	–	–	2 500	5 000	6 000	–	–	–
	Weather Services Equipment	–	–	–	5 000	10 000	15 000	–	–
	Langebaan Coastal Erosion Project	–	–	–	9 000	14 000	15 000	–	–
	National Botanical Institute	10 000	10 000	10 000	14 500	14 500	14 500	14 500	–
	SANPARKS: Parks Development and Establishment	–	–	35 000	41 000	41 000	41 000	41 000	–
	Patrol Vessel Acquisition	147 000	147 000	151 000	86 000	–	–	–	–
	Harbour Infrastructure Investment	–	30 000	35 000	15 000	–	–	–	–
	Research Vessel Replacement	–	–	–	9 000	33 302	52 783	50 000	–
	Replacement of Supply Vessel	–	–	–	–	–	–	–	200 000
<b>Total</b>		<b>157 000</b>	<b>187 000</b>	<b>262 826</b>	<b>245 361</b>	<b>165 502</b>	<b>138 283</b>	<b>305 500</b>	

