

To be appropriated by Vote in 2006/07	R229 805 000
Statutory amount	R882 217
Responsible MEC	MEC for Tourism, Environmental and Economic Affairs
Adminstrating Department	Department of Tourism, Environmental and Economic Affairs
Accounting Officer	Superintendent General: Tourism, Environmental and Economic Affairs

1 Overview

The objective of the Department of Tourism, Environmental and Economic Affairs is to facilitate economic growth and development in the province by creating an environment that promotes investment by the private sector. This objective is pursued within the environment of high unemployment, poverty, vulnerability and huge backlogs in social and economic infrastructure. The responsibility of the Department is to implement new initiatives in economic policies related to manufacturing, development, black economic empowerment and the promotion of small business enterprise through the following functions:

- Investment promotion
- Business support services
- Regulatory services.
- Economic sector development
- Bio-diversity conservation
- Environmental quality management services
- Sustainable development support service

1.1 Vision

Dedicated towards economic prosperity and environmental conservation for all

1.2 Mission

To provide an economic and environmental governance system that contributes towards sustainable livelihoods together with relevant stakeholders to ensure job creation and poverty alleviation within the Free State Province.

The department came up with the following three strategic goals that will be focused upon in the medium term:

- To promote sustainable economic activity within the province
- To promote sustainable environmental conservation within the province
- To ensure internal departmental business process excellence.

1.3 Legislative and Other Mandates

The Departments mandates are derived from a wide range of national and provincial legislation, including policy specification by the department of Trade and Industry (DTI) and the Department of Environmental and Tourism (DEAT). Key mandates are indicated in Table 1, as derived from the constitution of the Republic of South Africa (Constitution Act 108 of 1996)

Programme Number, Name and Core Function	Mandate	Description
Administration: Strategic Planning research, Policy Analysis and FSDP Development, review and assessment of policy planning issues and associated research Economic Affairs Gambling & Racing administration Economic Affairs: Tourism	MEC's Policy Speech Strategic Plan Goals. All legislation, regulations and policy, which may impact on the mandate of the Department, such as the DTI Gambling and Racing Act of 1996 Tourism development strategy.	An important aspect of the research and policy planning function is to be aware of the commitments made by the MEC and the kinds of activities that are reflected in the Department's Strategic Plan. Regulation and administration of gambling and betting activities in the Province Provides operational frameworks for tourism promotion
Economic Affairs: Consumer Protection	Consumer Affairs Act 5 of 1998	Establishment of services and facilities for protecting the interests of consumers
Economic Affairs: Consumer Education	Consumer Affairs Act 5 of 1998. Credit Agreement Act 75 of 1980. Usury Act, 1968. Sales & Services Act 25 of 1965	
Economic Affairs: Trade Inspection	Trade Metrology Act of 1973. Credit Agreement Act 75 of 1980	
Economic Affairs: Liquor Administration	Liquor Act 27 of 1989. National Liquor Bill of 2001.	
Environmental Affairs: Protected Area Management	Environmental Management White Paper. Bio-diversity White Paper.	
Environmental Affairs: Environmental Education Community Liaison Services	Environmental Management White Paper. Biodiversity White Paper, National Environmental Management Act 107 of 1998. Environmental Conservation Act, 1989	Promotion of environmental understanding through the implementation of environmental education services.

2. Review of the current financial year

2.1. Introduction

The primary goal during the current financial year was to improve the effectiveness and efficiency of organizational systems. Attention was therefore paid to the following systemic interventions and strategic issues: Alignment of departmental strategic objectives with the Free State Growth and Development Strategy; revision of the departmental organizational structure; Improvement in financial management; improvement of departmental capacity to deliver services; management and governance of public entities.

2.2. Alignment of departmental strategic objectives with the Free State Growth and Development Strategy.

The Five-Year Strategic Plan of the Department was adopted and implemented before the launch and adoption of the FSGDS. It was therefore important to link the strategic objectives of the FSGDS with the departmental strategic objectives. The Department plays the lead role in the implementation of the strategic objectives of the FSGDS that relate to its core functions such as economic development; tourism and environmental management. These are the objectives which are also the responsibility of the Economic, Employment and Investment cluster, which is led by this Department.

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The alignment of the Strategic plan with the FSGDS also meant that the relevant programmes and projects of the Programme of Action had to be incorporated into the operational plans of the various components of the Department. This resulted in putting pressure on the departmental budget as some of these programmes and projects were not budgeted for. The Department did not have capacity in some cases to develop and implement these programmes and projects. The identified budget pressures were discussed in the bilateral meetings held with Treasury. It was important for the Department to clearly show how its programmes and projects contributed to the realisation of provincial strategic objectives such as economic growth, trade and investment promotion and creation of job opportunities.

2.3. Revision of the departmental organizational structure

The changing service delivery challenges and opportunities required the repositioning of the Department. One way of achieving this was to revise the organizational structure in order to adapt the purpose and functions of the components of the Department to the changing service delivery environment

The first phase of this process was the revision of the macro-structure which was completed in September. This covered all posts from the level of Assistant Director and above. The revision of the micro-structure, which refers to all posts below Assistant Director is planned to be completed in the new financial year.

The revision of the organizational structure was also intended to enable the Department to identify and fill critical vacant posts. Most of the critical vacant posts were in the Chief Directorate for Financial Management as well as Corporate Services. It was because of these vacant posts that the Department had serious capacity problems in financial and human resources areas. The poor management of budgetary processes experienced during this financial year was the result of this problem. Eighteen posts ranging from the Deputy Director-General level to posts at the level of Deputy Director were eventually advertised and candidates interviewed. The successful candidates assumed duty in January 2006.

As a result of the revision of the structure, the directorate for conservation was moved from the Chief Directorate of Environment Affairs to the Chief Directorate of Tourism. This change was informed by the view that protected areas such as reserves have to be managed in such a way that they become tourist destinations which will contribute significantly to economic development. Several new posts were created including the Chief Operations Officer at Deputy Director-General and Deputy Director for the Secretariat in the Office of the Head of Department.

The high number of vacant posts that had been budgeted for resulted in a high under - expenditure of funds set aside for personnel. These funds were subsequently shifted to areas where there was over - expenditure such as in goods and services.

2.4, Participation in government cluster activities

The Department leads the Economic, Employment and Investment Cluster and it is also a member of Governance and Administration Cluster. This participation in cluster activities has facilitated improved coordination of activities with other Departments

One of the most important activities of the cluster was EXCO Meets the People Programme. This enabled the Department to get feedback about the impact of its services on the communities in the province.

2.5. Governance and management of Public Entities.

In order to improve the governance and management of public entities, the new boards for the Gambling and Racing and the Free State Development Corporation were established. Furthermore, the Tourism Authority was established as the new public entity to manage the marketing of the province as a tourist destination. Preparations are already being on course for the establishment of the Free State Investment Promotion Agency.

The capacity of the Department to play its oversight role over public entities will be enhanced by the establishment of the Secretariat to coordinate matters relating to public entities. The transfer agreement with public entities was also revised to improve the way the Department monitors and supports the public entities.

The Free State Development Corporation is being repositioned to focus only on providing support to Small Medium and Micro Enterprises. Developing and providing support to SMMEs has also been identified as one of the flagship projects in the FSGDS.

3. Outlook for the coming financial year

The Department will continue with its plans to improve the systems of the Department. The implementation of the Annual Performance Plan that was developed this year will facilitate the performance management and improve service delivery.

All the policies that were developed during the current financial year will be in operation as they will be approved. This will improve implementation of controls and therefore minimise risks in the department. The reduction in the number of vacant posts will improve the capacity of the Department to handle its operations and to improve service delivery. The budgetary problems that were experienced this year, as well as the problems regarding human resource management are expected to be addressed.

The Department of Tourism, Environmental and Economic Affairs has revisited its strategic objectives to ensure alignment with National and Provincial priorities. The annual performance plan for the forthcoming year is based on these reviewed objectives. This plan documents the breakdown of the strategic plan into meaningful, adequately resourced, service delivery programmes. In order to reach the strategic objectives, the department has realigned its macro - organisational structure to some extent in order to address challenges and functions that need to be addressed as part of new competencies delegated from National.

Most of these changes took place in the Environmental Affairs Chief Directorate. The department has also established the Tourism Authority to focus on marketing the Free State province as a tourist destination.

The responsibility of the department is to implement new initiatives in economic policies related to manufacturing development, black economic empowerment and the promotion of small business enterprise. In the forthcoming year the following vehicles will be used:

- Investment promotion
- Business support services
- Regulatory services
- Economic sector development
- Bio-diversity conservation
- Environmental quality management
- Sustainable development support services
- Tourism development

As part of departmental special projects, funds has been set aside for the establishment of an office at or near the Vredefort Dome to develop and initiate the implementation of the integrated management plan that must be compiled for the Vredefort Dome World Heritage site.

4. Receipts and financing

4.1 Summary of receipts

The following sources of funding are used for the Vote:

Table 2.1: Departmental receipts: Department of Tourism, Environmental and Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
Equitable share	188,204	193,677	231,450	191,280	191,280	191,280	210,905	221,462	236,754
Conditional grants	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Own Revenue	6,100	6,922	7,600	8,800	8,800	8,800	8,900	9,295	10,581
Total receipts	204,304	210,599	249,050	210,080	210,080	210,080	229,805	240,757	257,335

4.2 Departmental receipts collection

Table 2.2: Departmental receipts: Department of Tourism, Environmental and Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
Tax receipts		17,698	16,204	16,010	18,791	16,104	20,829	25,220	26,643
Casino taxes		10,818	8,716	8,519	11,600	9,418	14,804	18,724	18,775
Horseracing		4,574	5,036	5,089	4,790	5,070	3,503	3,848	5,088
Other taxes		2,306	2,452	2,402	2,401	1,616	2,522	2,648	2,780
Non tax receipts	15,223	24,002	13,092	8,800	8,800	14,684	8,900	9,295	9,310
Sales of goods and services other than c	15,223	11,578	12,401	8,800	8,800	14,684	8,900	9,295	9,310
Transfers received		2,257							
Fines, penalties and forfeits									
Interest, dividends and rent on land		99	18			9			
Sales of capital assets									
Recoverable revenue received		10,068							
Financial transactions in assets and liabilities			673			179			
Total departmental receipts	15,223	41,700	29,296	24,810	27,591	30,976	29,729	34,515	35,953

5. Payment summary

5.1 Key Assumptions

When crafting 2006/07 departmental budget, the following assumptions were taken into account:

- The Tourism Marketing Authority will be fully operational in the 2006/07 financial year
- All specified policies, priorities and strategic objectives as outlined in the departmental annual performance plan will be fully implemented and monitored during 2006/07 financial year.
- Salary increases of 5,5 per cent for 2006/07, 4,8 per cent in 2007/08 and 4,5 per cent in 2008/09 effective 1 July of the year the budget is tabled
- Eighteen strategic positions that have been advertised will be filled before the beginning of the financial 2006/07
- The department will develop, finalise and implement a list of critical posts/vacancies during 2006/07 financial year

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5.2 Programme Summary

Table 2.3: Summary of payments and estimates: Department of Tourism, Environmental and Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2002/03	2003/04	2004/05						
1. Administration	23,160	40,830	39,209	40,186	40,186	35,436	54,522	57,399	60,862
2. Tourism	7,423	9,933	7,639	25,200	22,220	19,533	69,932	73,781	80,462
3. Environmental Affairs	57,522	77,484	72,602	62,900	69,900	60,622	23,910	25,057	26,296
4. Economic Affairs	28,155	36,561	17,103	23,800	19,800	15,268	20,343	21,322	22,457
5. Transversal Functions	56,523	50,720	103,564	57,994	57,974	52,563	61,098	63,198	67,258
Theft and losses			939						
Total payments and estimates	172,783	215,528	241,056	210,080	210,080	183,422	229,805	240,757	257,335

1. Programme 1 includes MEC remuneration payable as from 1 April 2006. Salary: R882 217, Car allowance: R224 755.

5.3 Summary of economic classification

Table 2.4: Summary of provincial payments and estimates by economic classification: Department of Tourism, Environmental and Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2002/03	2003/04	2004/05						
Current payments	94,157	143,344	129,493	140,850	141,763	128,757	159,069	167,129	176,815
Compensation of employees	56,333	65,275	79,060	101,955	99,975	78,289	106,154	111,249	116,256
Goods and services	37,824	68,142	49,494	38,895	41,788	50,468	52,915	55,880	60,559
Interest and rent on land									
Financial transactions in assets and liabilities		487	939						
Unauthorised expenditure		9,440							
Transfers and subsidies to:	73,273	50,720	102,613	55,400	54,425	46,033	51,964	53,890	55,166
Provinces and municipalities			258		14	280	251	263	281
Departmental agencies and accounts	73,273	50,720	102,355	55,400	54,400	45,626	51,557	53,463	54,709
Universities and technikons									
Non-profit institutions									
Households					11	127	156	164	176
Payments for capital assets	5,453	21,464	8,950	13,830	13,892	8,632	18,772	19,738	25,354
Buildings and other fixed structures			8,571		62	1,457	10,200	11,100	14,000
Machinery and equipment	5,453	21,464	379	13,830	13,830	7,175	1,935	2,020	2,145
Cultivated assets									
Land and subsoil assets							6637	6618	9209
Total economic classification	172,883	215,528	241,056	210,080	210,080	183,422	229,805	240,757	257,335

5.3 Transfers to public entities

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Table 2.5: Summary of departmental transfers to public entities

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2002/03	2003/04	2004/05						
1. Free State Development Corp	55,330	50,720	86,855	30,000	30,000	30,000	26,500	26,500	26,500
2. Free State Gambling and Racing	16,200	15,563	15,500	13,900	13,900	15,626	14,557	15,963	16,209
3. Tourism Marketing Authority				10,000	10,000		10,500	11,000	12,000
Total transfers to public entities	71,530	66,283	102,355	53,900	53,900	45,626	51,557	53,463	54,709

5.4 Transfer to other public entities

Table 2.6: Summary of departmental transfers to other entities

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2002/03	2003/04	2004/05						
1. Economic Advisory Council	1,293								
2. Micro-Enterprise & Local Development	450								
3. Households					11	127	156	164	176
Total departmental transfers	1,743				11	127	156	164	176

5.5 Transfers to local government

Table 2.7: Summary of departmental transfers to local government by category

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2002/03	2003/04	2004/05						
Category C			258	-	14	280	251	263	281
Total departmental transfers			258	-	14	280	251	263	281

6. Programme description

6.1 Programme 1: Administration

6.1.1 Description and Objectives

The programme leads and supports other programmes in the department. Its role is:

To provide the department with political and strategic leadership so as to enhance the broader government delivery mandate as enshrined in the relevant policy documents like; the constitution of the country, the Election Manifesto, Presidential State of the Nation Address, the Premier's State of the Province address, the MEC Budget Speech, the National and Provincial Government Cluster priorities and Provincial Growth and Development Strategy.

To enhance the effectiveness and efficiency of the department's quality management of financial, personnel and supply chain management, to ensure the establishment of a functional organisational structure, work procedures and the appointment of sufficiently skilled staff with special emphasis on women, youth and disabled.

To establish, maintain and extend monitoring and evaluation tools that will be used to monitor progress related to strategic objectives. Regular reporting on a quarterly basis is necessary to manage the performance of management.

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The unit has been restructured to also coordinate communication activities, special programmes including the EPWP, strategic planning and coordination, and the management of the provincial economic, employment and job creation cluster.

Key challenges facing the programme in the current MTEF cycle include the following:

- Implementation and monitoring of all HR policies
- Implementation and monitoring of all financial management policies
- Performance management
- Skills development and capacity building
- Creation of the positive image of the department
- Filling of all vacant posts
- Change management and transformation activities
- Functioning of the Audit Unit of the department
- Ensuring that National policies are implemented in the department.

Table 2.8: Summary of payments and estimates: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2002/03	2003/04	2004/05						
1: Office of the MEC			1,528	2,445	2,445	2,596	2,914	3,053	3,307
2: Office of the HOD	10,017	19,744	15,294	2,800	2,800	2,800	4,008	4,200	4,419
3: Office of the COO							908	951	994
4: Security Services				750	750	350	668	700	737
5: Special Programmes Unit		487		1,800	1,800	1,334	1,354	1,420	1,500
6: Internal Audit Unit			1,043	3,600	3,600	999	3,465	3,631	3,809
7: Executive Management			1,945	2,200	2,200	2,200	2,303	2,414	2,549
8: Financial Management	4,679	5,409	9,047	13,791	13,791	13,791	15,127	15,853	16,743
9: Corporate Services	8,464	15,190	10,352	12,800	12,800	11,366	23,775	25,177	26,804
Total payments and estimates	23,160	40,830	39,209	40,186	40,186	35,436	54,522	57,399	60,862

Table 2.9: Summary of provincial payments and estimates by economic classification: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2002/03	2003/04	2004/05						
Current payments	20,503	39,774	38,805	38,414	38,414	34,833	53,656	56,497	59,903
Compensation of employees	8,343	14,535	19,477	29,525	29,525	16,617	28,506	29,874	31,219
Goods and services	12,160	21,679	19,328	8,889	8,889	18,216	25,150	26,623	28,684
Financial transactions in assets and liabilities		487							
Unauthorised expenditure		3,073							
Transfers and subsidies to:			66			59	58	60	65
Provinces and municipalities			66			59	58	60	65
Departmental agencies and accounts									
Households									
Payments for capital assets	2,657	1,056	338	1,772	1,772	544	808	842	894
Buildings and other fixed structures									
Machinery and equipment	2,657	1,056	338	1,772	1,772	544	808	842	894
Land and subsoil assets									
Total economic classification	23,160	40,830	39,209	40,186	40,186	35,436	54,522	57,399	60,862

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6.2 Programme 2: Tourism

6.2.1 Description and objectives

Tourism directorate conducts the overall management of tourism development and promotion, which focuses on tourism investment initiatives and processes that will maximise investments in the identified tourism destinations of the province on one side, and the identified tourism destinations such as the Maluti-Drakensburg Transfrontier Project (MDTP), Xhariep and Vredefort Dome Development Initiatives as well as the Eco-Park Recreational at the Soetdoring Nature Reserve.

The Tourism Support, which has the core business of facilitating and co-ordinating activities around tourism quality assurance and standards of tourism facilities so as to enhance the experience derived from the tourism plan of the province; the tourist guiding sector; the tourism research and policy making efforts of the department, and lastly the tourism safety and awareness drive that is centred on the principles and practices of responsible tourism. Lastly, the transformation of provincial resorts into self sustaining business units.

Table 2.10: Summary of payments and estimates: Programme 2: Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
1. Management				1,100	1,120	1,363	1,222	1,280	1,344
2. Tourism Support Services	7,423	9,933	6,811	9,250	7,250	6,150	6,341	6,727	6,999
3. Eco-Tourism & Conservation			828	14,850	13,850	12,020	62,369	65,774	72,119
Total payments and estimates	7,423	9,933	7,639	25,200	22,220	19,533	69,932	73,781	80,462

Table 2.11: Summary of provincial payments and estimates by economic classification: Programme 2: Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
Current payments	7,410	9,927	7,622	24,700	21,720	19,319	59,000	61,913	65,642
Compensation of employees	2,355	2,215	2,597	21,500	18,520	14,210	44,283	46,409	48,497
Goods and services	5,055	7,712	5,025	3,200	3,200	5,109	14,717	15,504	17,145
Unauthorised expenditure									
Transfers and subsidies to:			11			103	224	235	251
Provinces and municipalities			11			53	120	126	134
Departmental agencies and accounts									
Households						50	104	109	117
Payments for capital assets	13	6	6	500	500	111	10,708	11,633	14,569
Buildings and other fixed structures							10,200	11,100	14,000
Machinery and equipment	13	6	6	500	500	111	508	533	569
Land and subsoil assets									
Total economic classification	7,423	9,933	7,639	25,200	22,220	19,533	69,932	73,781	80,462

6.2.2 Service delivery measures

Output Type	Performance Measure	Performance Targets	
		2005/6 Estimated Actual	2006/7 Target
Develop and Implement a Provincial Tourism Strategy and Policy To create a conducive environment for tourism business development	Provincial Tourism Strategy and Policy documents	40% implementation of strategy and policy	70 % implementation of strategy and policy
	Geographical spread (%) Tourist length of days (days)	15	25
	Tourist spends (%)	1	1
	Increase domestic market share	5	5
Development of tourism investment and development plans Facilitate tourism human capital development	Tourism investment and development plan	25% implementation of investment and development plans	50% implementation of investment and development plans
	Increase in permanent jobs created in the province (%)	5	10
	Design and implement a training programme to enhance skills capacity in the tourism industry	50% implement with priority in specialist tour guides, tour operators and assessors as well as events managers	80% implement with priority in specialist tour guides, tour operators and assessors as well as events managers
Facilitate broad based BEE in the tourism industry	Black Empowerment tourism products (%)	10	15
	Procurement awarded to BEE businesses (%)	50	55

6.3 Programme 3: Environmental Affairs

6.3.1 Description and objectives

The aim is to co - ordinate the programmes that will assist in the protection of human health and the environment in the province as follows:

- Promotion and maintenance of eco-tourism within the Free State Province
- That all conservation laws are applied in the province
- Game industries are regulated through a permit system
- Regulatory framework exists for the hunting industry and wild animals that cause damage, particularly to agriculture
- The directorate implement international conventions as directed by chapter 6 of NEMA
- The directorate participate in the law reform process initiated by DEAT and co - ordinate environmental education and capacity building activities in the province
- The directorate receives and reviews all environmental impact assessment applications for consideration and authorisation.
- The directorate develops and assist in the policy formulation regarding integrated environmental management and environmental impacts assessments.
- The directorate evaluates all mining applications from the Department of Minerals and Energy to ensure that environmental effects of activities are taken into consideration before decisions in this regard are taken.
- The directorate capacitates municipalities on the implementation and compliance with Environmental Implementation Plan
- The directorate compile and co-ordinate provincial State of Environmental Report

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Table 2.12: Summary of payments and estimates: Programme 3: Environmental Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2002/03	2003/04	2004/05						
1. Administration				900	900	1,034	1,475	1,546	1,630
2. Planning Impact Pollution & Waste Mgmt	13,332	14,902	1,580	5,145	6,232	2,980	5,528	5,791	6,082
3. Environmental Mgmt & Sustainable Development Policy, Legislation, Coordination & Monitoring			8,390	5,984	6,838	5,879	7,195	7,541	7,899
4. Ecosystem, Biodiversity & Natural Heritage Management			8,162	6,908	8,321	9,259	9,712	10,179	10,685
5. Environmental Mgmt & Sustainable Enterprise & Development	44,190	62,582	54,470	43,963	47,609	41,470			
Total payments and estimates	57,522	77,484	72,602	62,900	69,900	60,622	23,910	25,057	26,296

Table 2.13: Summary of provincial payments and estimates by economic classification: Programme 3: Environmental Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2002/03	2003/04	2004/05						
Current payments	55,092	58,361	63,852	51,948	58,861	52,606	23,598	24,730	25,947
Compensation of employees	38,180	41,089	47,021	41,864	42,864	38,438	19,630	20,572	21,498
Goods and services	16,912	14,455	16,831	10,084	15,997	14,168	3,968	4,158	4,449
Unauthorised expenditure		2,817							
Transfers and subsidies to:			147		25	201	45	47	50
Provinces and municipalities			147		14	124	45	47	50
Departmental agencies and accounts									
Households					11	77			
Payments for capital assets	2,430	19,123	8,603	10,952	11,014	7,815	267	280	299
Buildings and other fixed structures			8,571		62	1,457			
Machinery and equipment	2,430	19,123	32	10,952	10,952	6,358	267	280	299
Cultivated assets									
Land and subsoil assets									
Total economic classification	57,522	77,484	72,602	62,900	69,900	60,622	23,910	25,057	26,296

6.3.2 Service delivery measures

Output Type	Performance Measure	Performance Targets		
		2005/6 Estimate	2006/7 Target	
Environmental Regulatory System (Protected Area Management, Non - protected area management and bio- diversity management)	Increase surface area under conservation - %	.2	.2	
	Indigenous population sustainability - %	100	100	
	Urban conservancies - n	61	64	
	Industrial conservancies - n	7	8	
	Rural conservancies coverage – hectares (million)	1.2	1.4	
	Wetlands functionality - %	55	60	
	Scarce species - n	100	100	
	Invasive species - n	5	4	
	Wild life population versus carrying capacity of veld - %	100	100	
	Protected areas coverage – hectares (thousands)	450	470	
	Environmental Regulatory System (Pollution Management System (land and air))	Decrease in solid waste - %	5	5
		Decrease in hazardous waste - %	5	15
Compliance with air quality standards - %		100	100	
Environmental Regulatory System (Sustainable development)	Compliance with legislation and mandates - %	100	100	

6.4 Programme 4: Economic Affairs

6.4.1 Description and objectives

The directorate aims to promote vibrant economic activities within the province as follows:

- The development of an integrated departmental framework for investment promotion (inclusive of investment promotion policy, targeting and retention strategy, spatial development, etc.
- Establishment of business development resources centre to communicate opportunities to potential investors
- Establishment of integrated business support centres
- Develop framework and policies and implement programmes for SMME development
- Develop a stakeholder management strategy that integrates departmental economic stimulation activities with the private sector
- Establishment of a small enterprise development agency in the province
- Implement a strategy to promote improved access to funds for SMME's
- Development of a monitoring and evaluation system to monitor SMME development across all sectors
- Review and refine a regulatory framework for the liquor industry
- Implementation of an integrated strategy to enhance compliance with liquor legislation
- Amendment of the consumer protection legislation
- And compliance with all economic redress charters

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Table 2.14: Summary of payments and estimates: Programme 4: Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2005/06	2006/07	2007/08
1. Management				3,000	1,500	115	1,276	1,339	1,416
2. Sector Development									
3. Consumer & Liquor Affairs	20,715	21,801	7,735	6,100	5,600	4,809	6,385	6,692	7,018
4. Trade & Investment Promotion	4,269	9,414	4,372	8,200	8,200	6,996	8,678	9,095	9,603
5. SMME Development	3,171	5,346	4,996	6,500	4,500	3,348	4,004	4,196	4,420
Total payments and estimates	28,155	36,561	17,103	23,800	19,800	15,268	20,343	21,322	22,457

Table 2.15: Summary of provincial payments and estimates by economic classification: Programme 4: Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2005/06	2006/07	2007/08
Current payments	11,152	35,282	17,066	21,694	18,694	14,391	19,911	20,872	21,983
Compensation of employees	7,455	7,436	9,965	9,066	9,066	9,024	13735	14394	15042
Goods and services	3,697	24,296	7,101	12,628	9,628	5,367	6176	6478	6941
Unauthorised expenditure		3,550							
Transfers and subsidies to:	16,650		34	1,500	500	715	80	85	91
Provinces and municipalities						44	28	30	32
Departmental agencies and accounts	16,650		34	1,500	500	671			
Non-profit institutions									
Households							52	55	59
Payments for capital assets	353	1,279	3	606	606	162	352	365	383
Buildings and other fixed structures									
Machinery and equipment	353	1,279	3	606	606	162	352	365	383
Land and subsoil assets									
Total economic classification	28,155	36,561	17,103	23,800	19,800	15,268	20,343	21,322	22,457

6.4.2 Service delivery measures

Measurable Objective	Performance Measure	Performance Targets	
		2005/6 Estimate	2006/7 Target
Growing the economy and poverty alleviation	Directorate contribution to jobs created in the Province	1100	1110
	Relevant business development information required versus available (%)	55	60
	Enterprise established through Directorate contribution	380	400
	Business start-ups versus businesses sustained (%)	65	70
To promote business development	ROI on investment promotion activities undertaken (missions, expos, etc.) (%)	3	5
	Directorate contribution towards beneficiation growth per targeted sector (%)	5	5
To ensure an effective regulatory framework for economic activity	Compliance to minimum legislative requirements (%)	50	60
	Complaints lodged to Directorate versus cases resolved (consumer and regulatory complaints (index %))	65	75

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Measurable Objective	Performance Measure	Performance Targets	
		2005/6 Estimate	2006/7 Target
	Enquiries lodged with the Directorate versus enquiries resolved (Business and regulatory enquiries) (index %)	2960	3010

6.5 Programme 5: Transversal Functions

6.5.1 Description and objectives

The Programme is about Public and Private Entities that reports to the MEC of DTEEA and other special departmental projects.

Free State Development Corporation (FDC)

FDC's main aim is to develop programmes that will ensure that there is:

- Economic growth and development
- Black Economic Empowerment is Advanced
- SMME development and growth

Free State Gambling and Racing Board

Free State Gambling and Racing Board's main aim is to regulate the gambling and racing activities in the province on behalf of the Provincial department.

Free State Tourism Authority (FSTA)

FSTA's main aim will be to market the Free State Province internationally as a tourism destination, it was established in 2005. It will promote tourism to and within the province, regulate the industry, maintain and enhance the standards of facilities and services hired out or made available to tourists, and coordinate the marketing activities of role-players in the industry.

Table 2.16: Summary of payments and estimates: Programme 5: Transversal Functions

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
1. Free State Development Corp	56,623	50,720	86,855	30,000	30,000	30,000	26,500	26,500	26,500
2. Free State Gambling Board			15,500	13,900	13,900	15,626	14,557	15,963	16,209
3. Tourism Marketing Authority				10,000	10,000	-	10,500	11,000	12,000
4. Special Projects			191						
Xhariep							6,637	6,618	9,209
Vredfort Dome							2,900	3,116	3,339
MTDP							4	1	1
5. Skills Levy			305	1,080	1,080	979			
6. HIV/AIDS			2	1,014	1,014	41			
7. Intership programme			20	1,000	1,000	880			
8. Business (External)			691	1,000	1,000	977			
Total payments and estimates	56,623	50,720	103,564	57,994	57,994	48,503	61,098	63,198	67,258

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Table 2.17: Summary of provincial payments and estimates by economic classification: Programme 5: Transversal Functions

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited						
	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
Current payments			1,209	4,094	4,094	2,877	2,904	3,117	3,340
Compensation of employees									
Goods and services			1,209	4,094	4,094	2,877	2,904	3,117	3,340
Unauthorised expenditure									
Transfers and subsidies to:	56,623	50,720	102,355	53,900	53,900	45,626	51,557	53,463	54,709
Provinces and municipalities									
Departmental agencies and accounts	56,623	50,720	102,355	53,900	53,900	45,626	51,557	53,463	54,709
Households									
Payments for capital assets							6,637	6,618	9,209
Buildings and other fixed structures									
Machinery and equipment									
Land and subsoil assets							6,637	6,618	9,209
Total economic classification	56,623	50,720	103,564	57,994	57,994	48,503	61,098	63,198	67,258

6.5. Other programme information

6.5.1. Personnel numbers and costs

Table 2.17: Personnel numbers and costs¹: Department of Tourism, Environmental and Economic Affairs

Personnel numbers	As at	As at	As at	As at	As at	As at
	31 March 2003	31 March 2004	31 March 2005	31 March 2006	31 March 2007	31 March 2008
1: Administration	52	91	111	112	123	127
2: Tourism	32	18	24	23	27	33
3: Environmental Affairs	544	531	539	527	554	561
4: Economic Affairs	12	52	59	59	67	61
5: Transversal Functions	0	0	0	0	0	0
Total personnel numbers:	640	692	733	721	771	782
Total personnel cost (R thousand)	56,333	65,275	79,060	101,955	106,154	111,249
Unit cost (R thousand)	88	94	108	141	138	142

1. Full-time equivalent

Table 2.18: Summary of departmental personnel numbers and costs

	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
Total for department									
Personnel numbers (head count)	640	692	733	721	721	721	771	782	782
Personnel cost (R000)	56,333	65,275	79,060	101,955	101,955	78,289	106,154	111,249	116,256
Human resources component									
Personnel numbers (head count)	35	35	37	37	37	39	39	39	39
Personnel cost (R000)	2,565	4,970	6,717	9,294	9,294	5,940	9,111	9,566	10,044
Head count as % of total for department	5.47%	5.06%	5.05%	5.13%	5.13%	5.41%	5.06%	4.99%	4.99%
Personnel cost as % of total for department	4.55%	7.61%	8.50%	9.12%	9.12%	7.59%	8.58%	8.60%	8.64%
Finance component									
Personnel numbers (head count)	20	25	25	25	37	37	37	37	37
Personnel cost (R000)	1,375	2,808	4,197	11,264	11,264	6,866	11,800	11,800	11,800
Head count as % of total for department	3.13%	3.61%	3.41%	3.47%	5.13%	5.13%	4.80%	4.73%	4.73%
Personnel cost as % of total for department	2.44%	4.30%	5.31%	11.05%	11.05%	8.77%	11.12%	10.61%	10.15%
Full time workers									
Personnel numbers (head count)	640	692	733	721	721	721	771	782	782
Personnel cost (R000)	56,333	65,275	79,060	101,955	101,955	78,289	106,154	111,249	116,256
Head count as % of total for department	100%	100%	100%	100%	100%	100%	100%	100%	100%
Personnel cost as % of total for department	100%	100%	100%	100%	100%	100%	100%	100%	100%

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6.5.2. Training

Table 2.19: Payments on training: Department of Tourism, Environmental and Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
1: Administration	80	144	201	300	300	132	322	337	359
<i>of which</i>									
Subsistence and travel									
Payments on tuition									
2: Tourism	23	39	35	206	206	106	217	228	239
Subsistence and travel									
Payments on tuition									
3: Environmental Affairs	274	264	495	469	469	800	441	471	503
Subsistence and travel									
Payments on tuition									
4: Economic Affairs	314	301	109	688	688	300	200	105	105
Subsistence and travel									
Payments on tuition									
5: Transversal Functions									
Subsistence and travel									
Payments on tuition									
Total payments on training:	691	748	840	1663	1663	1338	1180	1141	1206

Table 2.20: Information on training: Department of Tourism, Environmental and Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
Number of staff									
Number of personnel trained									
<i>of which</i>									
Male	38		217						
Female	64		71						
Number of training opportunities									
<i>of which</i>									
Tertiary									
Workshops									
Seminars									
Other	152		288						
Number of bursaries offered	34	22	31	38	38	38	10	10	10
Number of interns appointed		40	39	45	45	45			
Number of learnerships appointed									
Number of days spent on training									

ANNEXURE TO BUDGET STATEMENT 2
Table B.1: Specifications of receipts
Table B.1: Specification of receipts: Department of Tourism, Environmental and Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
Tax receipts		17,698	16,204	16,010	18,791	16,104	20,829	25,220	26,643
Casino taxes		10,818	8,716	8,519	11,600	9,418	14,804	18,724	18,775
Horse racing taxes		4,574	5,036	5,089	4,790	5,070	3,503	3,848	5,088
Liquor licences		2,306	2,452	2,402	2,401	1,616	2,522	2,648	2,780
Motor vehicle licences									
Sales of goods and services other than capital assets	15,223	23,903	12,401	8,800	8,800	14,684	8,900	9,295	9,310
Sale of goods and services produced by department (excluding capital assets)									
Sales by market establishments									
Administrative fees									
Other sales	15,223	23,903	12,401	8,800	8,800	14,684	8,900	9,295	9,310
<i>Of which</i>									
Sale of Game		7,849				11,246			
Accommodation		2,839				2,206			
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
Transfers received from:									
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land		99	18			9			
Interest		99	18			9			
Dividends									
Rent on land									
Sales of capital assets									
Land and subsoil assets									
Other capital assets									
Financial transactions in assets and liabilities			673			179			
Total departmental receipts	15,223	41,700	29,296	24,810	27,591	30,976	29,729	34,515	35,953

Department of Tourism, Environmental and Economic Affairs

Table B.3: Payments and estimates by economic classification

Table B.3: Payments and estimates by economic classification: Department of Tourism, Environmental and Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
Current payments	94,157	143,344	129,493	140,850	141,763	128,757	159,069	167,129	176,815
Compensation of employees	56,333	65,275	79,060	101,955	99,975	78,289	106,154	111,249	116,256
Salaries and wages	33,800	39,164	47,396	62,272	60,292	52,449	86,340	90,521	93,383
Social contributions	22,533	26,111	31,664	39,683	39,683	25,840	19,814	20,728	22,873
Goods and services	37,824	68,142	49,494	38,895	41,788	50,468	52,915	55,880	60,559
<i>of which</i>									
Substance Allowance				2,459	2,983	2,529	8,224	9,701	10,270
Consultants				14,466	13,735	10,886	7,724	8,105	8,546
Fleet Management				1,665	1,665	3,000	2,273	2,386	2,560
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities		487	939						
Unauthorised expenditure		9,440							
Transfers and subsidies to¹:	73,273	50,720	102,613	55,400	54,425	46,033	51,964	53,890	55,166
Provinces and municipalities			258		14	280	251	263	281
Provinces ²									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities ³			258		14	280	251	263	281
Municipalities									
<i>of which: Regional service council levies</i>									
Municipal agencies and funds									
Departmental agencies and accounts	73,273	50,720	102,355	55,400	54,400	45,626	51,557	53,463	54,709
Social security funds									
Free State Development Corporation	55,330	50,720	86,855	30,000	30,000	30,000	26,500	26,500	26,500
Free State Gambling Board	16,200		15,500	13,900	13,900	15,626	14,557	15,963	16,209
Micro-Enterprise & Local Dept	450			10,000	10,000		10,500	11,000	12,000
Economic Advisory Council	1,293			1,500	500				
Universities and technikons									
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households					11	127	156	164	176
Social benefits									
Other transfers to households					11	127	156	164	176
Payments for capital assets	5,453	21,464	8,950	13,830	13,892	8,632	18,772	19,738	25,354
Buildings and other fixed structures			8,571		62	1,457	10,200	11,100	14,000
Buildings			8,571		62	1,457	10,200	11,100	14,000
Other fixed structures									
Machinery and equipment	5,453	21,464	379	13,830	13,830	7,175	1,935	2,020	2,145
Transport equipment									
Other machinery and equipment	5,453	21,464	379	13,830	13,830	7,175	1,935	2,020	2,145
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets							6,637	6,618	9,209
Total economic classification	172,883	215,528	241,056	210,080	210,080	183,422	229,805	240,757	257,335

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Table B.3: Payments and estimates by economic classification: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
Current payments	20,503	39,774	38,805	38,414	38,414	34,833	53,656	56,497	59,903
Compensation of employees	8,343	14,535	19,477	29,525	29,525	16,617	28,506	29,874	31,219
Salaries and wages	5,006	8,721	11,686	17,715	17,715	14,625	24,802	26,002	27,081
Social contributions	3,337	5,814	7,791	11,810	11,810	1,992	3,704	3,872	4,138
Goods and services	12,160	21,679	19,328	8,889	8,889	18,216	25,150	26,623	28,684
<i>of which</i>									
<i>Fleet Management</i>				1,665	1,665	3,000	2,273	2,386	2,560
<i>Consultant</i>				2,922	2,922	4,700	1,878	1,971	2,070
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities		487							
Unauthorised expenditure		3,073							
Transfers and subsidies to¹:			66			59	58	60	65
Provinces and municipalities			66			59	58	60	65
Provinces ²									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities ³									
Municipalities			66			59	58	60	65
<i>of which: Regional service council levies</i>									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide a list of entities									
Universities and technikons									
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Social benefits									
Other transfers to households									
Payments for capital assets	2,657	1,056	338	1,772	1,772	544	808	842	894
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	2,657	1,056	338	1,772	1,772	544	808	842	894
Transport equipment									
Other machinery and equipment	2,657	1,056	338	1,772	1,772	544	808	842	894
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification	23,160	40,830	39,209	40,186	40,186	35,436	54,522	57,399	60,862

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Table B.3: Payments and estimates by economic classification: Programme 2: Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation 2005/06	Revised estimates	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2006/07	2007/08	2008/09
Current payments	7,410	9,927	7,622	24,700	21,720	19,319	59,000	61,913	65,642
Compensation of employees	2,355	2,215	2,597	21,500	18,520	14,210	44,283	46,409	48,497
Salaries and wages	1,413	1,329	1,558	14,000	12,061	10,210	36,189	37,784	39,278
Social contributions	942	886	1,039	7,500	6,459	4,000	8,094	8,625	9,219
Goods and services	5,055	7,712	5,025	3,200	3,200	5,109	14,717	15,504	17,145
<i>of which</i>									
Subsistence Allowance				206	206	120	3,062	3,708	4,487
Office equipment				166	166	93	1,271	1,334	1,401
Consultants				1,629	1,629	1,700	2,064	2,167	2,275
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to¹:			11			103	224	235	251
Provinces and municipalities			11			53	120	126	134
Provinces ²									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities ³			11			53	120	126	134
Municipalities									
<i>of which: Regional service council levies</i>									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide a list of entities									
Universities and technikons									
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households						50	104	109	117
Social benefits									
Other transfers to households						50	104	109	117
Payments for capital assets	13	6	6	500	500	111	10,708	11,633	14,569
Buildings and other fixed structures							10,200	11,100	14,000
Buildings							10,200	11,100	14,000
Other fixed structures									
Machinery and equipment	13	6	6	500	500	111	508	533	569
Transport equipment									
Other machinery and equipment	13	6	6	500	500	111	508	533	569
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification	7,423	9,933	7,639	25,200	22,220	19,533	69,932	73,781	80,462

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Table B.3: Payments and estimates by economic classification: Programme 3: Environmental Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation 2005/06	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
Current payments	55,092	58,361	63,852	51,948	58,861	52,606	23,598	24,730	25,947
Compensation of employees	38,180	41,089	47,021	41,864	42,864	38,438	19,630	20,572	21,498
Salaries and wages	22,908	24,653	27,527	25,118	26,118	23,217	14,630	16,310	16,898
Social contributions	15,272	16,436	19,494	16,746	16,746	15,221	5,000	4,262	4,600
Goods and services	16,912	14,455	16,831	10,084	15,997	14,168	3,968	4,158	4,449
<i>of which</i>									
Subsistence Allowance				1,565	2,089	2,089	2,100	2,285	1,445
Building Material				826	639	639	300	314	336
Consultants				2,375	1,644	1,644	1,718	1,800	1,926
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure		2,817							
Transfers and subsidies to¹:			147		25	201	45	47	50
Provinces and municipalities			147		14	124	45	47	50
Provinces ²									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities ³			147		14	124	45	47	50
<i>of which: Regional service council levies</i>									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide a list of entities									
Universities and technikons									
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households					11	77			
Social benefits									
Other transfers to households					11	77			
Payments for capital assets	2,430	19,123	8,603	10,952	11,014	7,815	267	280	299
Buildings and other fixed structures			8,571		62	1,457			
Buildings			8,571		62	1,457			
Other fixed structures									
Machinery and equipment	2,430	19,123	32	10,952	10,952	6,358	267	280	299
Transport equipment									
Other machinery and equipment	2,430	19,123	32	10,952	10,952	6,358	267	280	299
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification	57,522	77,484	72,602	62,900	69,900	60,622	23,910	25,057	26,296

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Table B.3: Payments and estimates by economic classification: Programme 4: Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation 2005/06	Revised estimates	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2006/07	2007/08	2008/09
Current payments	11,152	35,282	17,066	21,694	18,694	14,391	19,911	20,872	21,983
Compensation of employees	7,455	7,436	9,965	9,066	9,066	9,024	13,735	14,394	15,042
Salaries and wages	4,473	4,461	6,625	5,439	5,439	5,426	10,719	10,425	11,026
Social contributions	2,982	2,975	3,340	3,627	3,627	3,598	3,016	3,969	4,016
Goods and services	3,697	24,296	7,101	12,628	9,628	5,367	6,176	6,478	6,941
<i>of which</i>									
Subsistence Allowance				688	688	320	3,062	3,708	4,338
Air Transport				1,541	1,541	862	1,271	1,334	1,400
Consultants				7,540	7,540	2,842	2,064	2,167	2,275
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure		3,550							
Transfers and subsidies to¹:	16,650		34	1,500	500	715	80	85	91
Provinces and municipalities			34			44	28	30	32
Provinces ²									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities ³			34			44	28	30	32
<i>of which: Regional service council levies</i>									
Municipal agencies and funds									
Departmental agencies and accounts	16,650			1,500	500	671			
Social security funds									
Micro-Enterprise & Local Dept				1,500	500	671			
Free State Gambling Board	16,650								
Universities and technikons									
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households							52	55	59
Social benefits									
Other transfers to households							52	55	59
Payments for capital assets	353	1,279	3	606	606	162	352	365	383
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	353	1,279	3	606	606	162	352	365	383
Transport equipment									
Other machinery and equipment	353	1,279	3	606	606	162	352	365	383
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification	28,155	36,561	17,103	23,800	19,800	15,268	20,343	21,322	22,457

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Table B.6: Payments and estimates by economic classification: Programme 5: Transversal Function

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
Current payments			1,209	4,094	4,094	2,877	2,904	3,117	3,340
Compensation of employees									
Salaries and wages									
Social contributions									
Goods and services			1,209	4,094	4,094	2,877	2,904	3,117	3,340
<i>of which</i>									
Bursaries (employees)				1,324	1,324	1,115			
Recruitment				1,000	1,000	40			
Specify item									
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to¹:	56,623	50,720	102,355	53,900	53,900	45,626	51,557	53,463	54,709
Provinces and municipalities									
Provinces ²									
Provincial Revenue Funds									
Municipalities ³									
Municipalities									
<i>of which: Regional service council levies</i>									
Municipal agencies and funds									
Departmental agencies and accounts									
Provincial agencies and funds	56,623	50,720	102,355	53,900	53,900	45,626	51,557	53,463	54,709
Social security funds									
Provide list of entities receiving transfers ⁴									
Universities and technikons									
Public corporations and private enterprises ⁵									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Social benefits									
Other transfers to households									
Payments for capital assets									
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment									
Transport equipment									
Other machinery and equipment									
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets							6,637	6,618	9,209
Total economic classification	56,623	50,720	103,564	57,994	57,994	48,503	61,098	63,198	67,258

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Table B.7: Details on infrastructure

Table B.7(a): Details of payments for infrastructure by category

1. New constructions (buildings and infrastructure) (R thousand)

No.	Project name	Region/ district	Municipality	Project description/ type of structure	Project duration		Project cost		Total	Total	Total
					Date: Start	Date: Finish	At start	At completion	MTEF 2006/07	MTEF 2007/08	MTEF 2008/09
1	Gariiep Nature Reserve	Xhariiep	Xhariiep	Chalets, Entrance gate, Officecomplex, store abattoir	2005	2007	4,500	12,500	6,000	2,000	
2	Soetdoring Nature Reserve	Xhariiep	Xhariiep	Abattoir and office, New Ablution + Camp	2007	2008	500	1,500		500	1,000
3	Sandveld Sewerage System Tarr road + Electricity	Lejweleputswa	Tsewelopele	Construction new abattoir / coolerroom tarr entrance road 5km	2007	2008	500	1,000		500	1,000
4	Koppiesdam Nature Reserve	Motheo	Motheo	Visitors facilities, Sewerage & electricity	2004	2008	1,035	7,860	3,000	1,000	500
5	Erfenisdam Nature reserve	Lejweleputswa	Lejweleputswa	5 new Bungalows	2004	2008	200	1,400	500	200	
6	Rustfontein dam nature reserve	Lejweleputswa	Lejweleputswa	Construction new abattoir	2008	2008	2,100	2,100			2,100
7	Willem Pretorius nature reserve	Lejweleputswa	Matjhabeng	Construction new abattoir		2006	800	9,700	800	3,900	5,000
Total new constructions (buildings and infrastructure)							9,635	36,060	10,300	8,100	9,600

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Table B.7(a): Details of payments for infrastructure by category (cont)

2. Recurrent Maintenance (R thousand)

No	Project name	Region/ district	Municipality	Project description/ type of structure	Project duration		Project cost		Total	Total	Total
					Date: Start	Date: Finish	At start	At completion	MTEF 2006/07	MTEF 2007/08	MTEF 2008/09
8	Philip Saunders Resort	Lejweleputswa	Lejweleputswa	Repaint and repair tourist rest camp	2004	2008	300	2,500	600	600	300
9	Sterkfontein Resort	Thabo Mafutsanyane	Maluti a Phofung	Repaint and repair tourist rest camp	2003	2005	200	800			
10	Soetdoring Nature Reserve	Motheo	Mangaung	Renovate train carriages	2005	2008	50	1,000	150	400	400
11	Seekoeivlei nature reserve	Thabo Mafutsanyane	Maluti a Phofung	Repairs	2008	2008	200	200			200
12	Maria Moroka Resort	Motheo	Mangaung	Re-thatch roofs of bungalows + Roads	2005	2008	50	700	150	300	200
PLANNED MAINTENANCE											
13	Fence Construction and Maintenance	All	All	Construction and Maintenance	Annual basis	N/a	N/a	N/a	1,000	1,000	1,000
14	Refurbishment and furniture new chalets	All	All	Refurbishment and furniture new chalet	Annual basis	N/a	N/a	N/a	1,000	1,000	1,000
16	Sterkfontein Resort	Thabo Mafutsanyane	Maluti a Phofung	Tourist roads in reserve, ablution facilities, addition chalets, staff housing upgrade entrance gate				12,000			
17	Seekoeivlei nature reserve	Thabo Mafutsanyane	Maluti a Phofung	Tourist roads in eastern sector of reserve				1,500			
18	Koppiesdam Nature Reserve	Northern Free State	Northern Free State	Conference facilities, ablution facilities, staff house. Upgrade bush camp				5,000			
19	Rustfontein dam nature reserve	Motheo	Mangaung	Upgrade mellville into guest house and entrance gate. Bangalows at Fransiena. Abbattoir bushcamp				8,000			2,100
20	Philip Saunders Resort	Motheo	Mangaung	Ablution block, upgrage of caravan park, pave resort roads upgrade entrance gate, amphitheatre				10,000			
21	Soetdoring Nature Reserve	Motheo	Mangaung	Extend madinogwe train camp, 2 ablution block				3,000			
22	Sandveld Nature Reserve	Lejweleputswa	Lejweleputswa	Pave entrance roads				4,000			
Total recurrent maintence							44,300	5,200	2,900	3,300	5,200
Total							53,935	41,260	13,200	11,400	14,800

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Table B.6: Detailed financial information for public entities

Table B.8: Financial summary for the Free State Gambling and Racing Board, Act of 1996 - continued

	Outcome			Estimated outcome	Medium-term estimates		
	Audited	Audited	Audited		2006/07	2007/08	2008/09
R Thousand	2002/03	2003/04	2004/05	2005/06			
Revenue							
Tax revenue	8,293	9,086	12,858	16,299	17,465	21,729	22,420
Non-tax revenue	1,526	1,694	1,744	780	842	843	1,598
Sale of goods and services other than capital assets							
<i>Of which:</i>							
Admin fees							
Sales by market establishments							
Non-market est. sales							
Other non-tax revenue	1,526	1,694	1,744	780	842	843	1,598
Transfers received	16,200	10,814	12,915	12,472	14,557	15,963	16,209
Sale of capital assets							
Total revenue	26,019	21,594	27,517	29,551	32,864	38,535	40,227
Expenses							
Current expense	12,351	10,763	10,071	12,472	14,557	15,963	16,209
Compensation of employees	6,095	5,862	6,398	7,481	8,241	9,685	9,790
Goods and services	5,348	3,692	2,659	4,447	5,712	5,625	5,712
Depreciation	354	628	570				
Interest, dividends and rent on land	554	581	444	544	604	653	707
Interest		27					
Dividends							
Rent on land	554	554	444	554	604	653	707
Tax and Outside shareholders Interest							
Adjustments to Fair Value							
Unearned reserves (social security funds only)							
Transfers and subsidies	9,620	10,231	14,187	17,079	18,307	22,572	24,018
Total expenses	12,351	10,763	10,071	12,472	14,557	15,963	16,209
Surplus / (Deficit)	4,048	600	3,259				

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Table B.8: Financial summary for the Free State Gambling and Racing Board, Act 6 of 1996 - continued

	Outcome			Estimated outcome	Medium-term estimates		
	Audited	Audited	Audited		2006/07	2007/08	2008/09
R thousand	2002/03	2003/04	2004/05	2005/06			
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	409	4,313	173	(681)			
Adjustments for:							
Depreciation	354	628	570				
Interest		27					
Net (profit) / loss on disposal of fixed assets		(5)					
Other	55	3,663	(397)	(681)			
Operating surplus / (deficit) before changes in working capital	4,457	4,913	3,432	(681)			
Changes in working capital	2,502	(7,369)	430	(430)			
(Decrease) / increase in accounts payable	709	(8,697)	291	(587)			
Decrease / (increase) in accounts receivable	1,793	1,353	169	265			
(Decrease) / increase in provisions		(25)	(30)	(108)			
Cash flow from operating activities	6,959	(2,456)	3,862	(1,111)			
Transfers from government	6,959	(2,456)	3,862				
<i>Of which: Capital</i>							
: <i>Current</i>	6,959	(2,456)	3,862				
Cash flow from investing activities	(97)	368	(131)	565	(107)	(45)	(165)
Acquisition of Assets	(97)	(142)	(528)	(116)	(107)	(45)	(165)
Other flows from Investing Activities		510	397	681			
Cash flow from financing activities							
Net increase / (decrease) in cash and cash equivalents	6,862	(2,088)	3,731	(546)	(107)	(45)	(165)
Balance Sheet Data							
Carrying Value of Assets	1,282	963	921	1,037	1,144	1,189	1,354
Investments							
Cash and Cash Equivalents	9,693	7,605	11,336	10,790	10,683	10,638	10,473
Receivables and Prepayments	2,024	702	529	264	264	264	264
Inventory		1	5				
TOTAL ASSETS	12,999	9,271	12,791	12,091	12,091	12,091	12,091
Capital & Reserves	1,473	6,433	9,692	9,687	9,687	9,687	9,687
Borrowings							
Post Retirement Benefits							
Trade and Other Payables	11,121	2,457	2,748	2,161	2,161	2,161	2,161
Provisions	405	381	351	243	243	243	243
Managed Funds							
TOTAL EQUITY & LIABILITIES	12,999	9,271	12,791	12,091	12,091	12,091	12,091
Contingent Liabilities							

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Table B.9: Financial summary for the Free State Development Corporation

R Thousand	Outcome			Estimated outcome	Medium-term estimates			
	Audited	Audited	Audited		2005/06	2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05					
Revenue								
Tax revenue								
Non-tax revenue	59,968	61,757	67,333	78,146	92,032	97,554	103,407	
Sale of goods and services other than capital assets	1,547	2,188	2,069	4,171	5,299	5,617	5,954	
<i>Of which:</i>								
Admin fees	697	1,491	1,199	2,871	2,153	2,282	2,419	
Market establishment	850	697	870	1,300	3,146	3,335	3,535	
Other non tax revenue	58,421	59,569	65,264	73,975	86,733	91,937	97,453	
Interest on Investment					4,370	4,632	4,910	
Interest on loan advances Domestic	33,911	31,623	29,492	27,177	30,229	32,043	33,965	
Other	24,510	27,946	35,772	46,798	52,134	55,262	58,578	
Transfers received								
Sale of capital assets								
Total revenue	59,968	61,757	67,333	78,146	92,032	97,554	103,407	
Expenses								
Current expense	53,926	61,478	64,735	74,294	97,786	103,654	109,873	
Compensation of employees	25,896	26,214	25,636	30,045	35,470	37,599	39,855	
Goods and services	19,311	26,939	38,501	43,127	60,095	63,701	67,523	
Depreciation	991	303	598	1,122	2,218	2,351	2,492	
Interest, dividends and rent on land	7,728	8,022			3	3	3	
Interest	5,992	6,415			3	3	3	
Dividends								
Rent on land	1,736	1,607						
Tax and Outside shareholders Interest								
Adjustments to Fair Value								
Unearned reserves (social security funds only)								
Transfers and subsidies								
Total expenses	53,926	61,478	64,735	74,294	97,786	103,654	109,873	
Surplus / (Deficit)	6,042	279	2,598	3,852	(5,754)	(6,100)	(6,466)	

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Table B.9: Financial summary for the Free State Development Corporation *continued*

	Outcome			Estimated outcome	Medium-term estimates		
	Audited	Audited	Audited		2005/06	2006/07	2007/08
R thousand	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	(6,783)	(25,280)	14,265	(13,105)	22,833	2,887	3,060
Adjustments for:							
Depreciation	991	303	598		2,218	2,351	2,492
Interest	5,988	6,281					
Net (profit) / loss on disposal of fixed assets	199		(870)	(1,300)	(3,146)	(3,335)	(3,535)
Other	(13,961)	(31,864)	14,537	(11,805)	23,761	3,871	4,103
Operating surplus / (deficit) before changes in working capital	(743)	(25,001)	16,863	(11,050)	17,078	(3,213)	(3,406)
Changes in working capital	7,775	3,210	(67,645)				
(Decrease) / increase in accounts payable	4,440	2,187	(71,617)				
Decrease / (increase) in accounts receivable	1,973	601	5,827				
Decrease / (increase) in accounts receivable	1,362	422	24				
(Decrease) / increase in provisions			(1,879)				
Cash flow from operating activities	7,032	(21,791)	(50,782)	(11,050)	17,078	(3,213)	(3,406)
Transfers from government			(16,770)	(33,000)	(50,000)	(50,000)	(50,000)
Of which: Capital							
: Current							
Cash flow from operating activities	(52,183)		(16,770)	(33,000)	(50,000)	(50,000)	(50,000)
Cash flow from investing activities	15,663	(58,160)	8,295		(14,046)		
Acquisition of Assets	(14,720)	(15,902)	(3,852)		(14,046)		
Other flows from Investing Activities	30,383	(42,258)	12,147				
Cash flow from financing activities	55,119	50,859	84,800	(33,000)	(50,000)	(50,000)	(50,000)
Net increase / (decrease) in cash and cash equivalents	25,631	(29,092)	25,544	(9,254)	3,032	(3,213)	(3,406)
Balance Sheet Data							
Carrying Value of Assets	403,889	425,326	426,339	427,611	441,657	468,157	496,246
Long Term Investments	9,560	1,993	1,491	1,490	1,491	1,580	1,675
Loans	135,978	221,727	211,969	264,528	367,528	389,580	412,955
Cash and Cash Equivalents	54,055	33,114	58,658	50,526	53,557	56,771	60,177
Receivables and Prepayments	30,942	33,765	20,890	20,890	20,890	22,143	23,472
Inventory	25,978	24					
TOTAL ASSETS	660,402	715,949	719,347	765,045	885,123	938,231	994,525
Capital & Reserves	575,974	624,349	690,565	735,681	855,176	906,487	960,876
Borrowings	67,879	73,998	2,430	2,430	2,430	2,576	2,730
Post Retirement Benefits			10,079	10,662	11,245	11,919	12,635
Trade and Other Payables	16,550	17,602	14,757	14,757	14,757	15,642	16,581
Provisions			1,515	1,515	1,515	1,606	1,703
Managed Funds							
TOTAL EQUITY & LIABILITIES	660,403	715,949	719,346	765,045	885,123	938,230	994,525
Contingent Liabilities							

Table B.10: Details on transfers to local government

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Table B.10: Transfers to local government by transfer/grant type, category and municipality: Department of Tourism, Environmental and Economic Affairs

	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
R thousand	2002/03	2003/04	2004/05	2005/06					
Type of transfer									
Category C									
Motheo District Municipality			258	0	14	280	251	263	281
			258	0	14	280	251	263	281