

## Department of Tourism, Environmental and Economic Affairs

To be appropriated by Vote in 2007/08	R262 757 000
Statutory amount	R692 200
Responsible MEC	MEC of Tourism, Environmental and Economic Affairs
Administering Department	Department of Tourism, Environmental and Economic Affairs
Accounting Officer	Superintendent General: Department of Tourism, Environmental and Economic Affairs

### 1. Overview

The core functions and responsibilities of the Department of Tourism, Environmental and Economic Affairs are to create conditions that are conducive for economic growth in the province by stimulating an integrated sustainable economic development within the province. We ensure sustainable environmental conservation in order to create a society that is prosperous, equitable and living in harmony with our natural resources. By ensuring internal business process excellence, the department has improved its relations with all clients and other stakeholders. The main service programmes that the department is going to use in order to achieve its mission are as follows:

- Tourism support services
- Eco-tourism and conservation
- Planning, impact, pollution and waste management
- Environmental coordination and planning
- Biodiversity management
- Conservation and protected areas management
- Consumer and liquor affairs
- Trade and investment promotion
- SMME development

#### 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 and long 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 Department's mandates are derived from a wide range of national and provincial legislation, including policies developed 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 FSGDP development, review and assessment of policy planning issues and associated research Economic Development Gambling & Racing administration	MEC's speech on strategic direction and new policy announcements. 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 Development Economic Development: Consumer Protection Economic Development: Consumer Education	Consumer Affairs Act 5 of 1998  Consumer Affairs Act 5 of 1998. Credit Agreement Act 75 of 1980. Usury Act, 1968. Sales & Services Act 25 of 1965	Establishment of services and facilities for protecting the interests of consumers
Economic Development: Trade Inspection Economic Development: Liquor Administration Environmental Affairs: Protected Area Management	Trade Metrology Act of 1973. Credit Agreement Act 75 of 1980 Liquor Act 27 of 1989. National Liquor Bill of 2001. 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 current financial year is characterised by improved service delivery which emanates from reviewing the departmental macro structure, addressing understaffing in the department and building capacity to deliver in the department. The progress made with respect to core functions such as Eco-Tourism, Environmental Development and Economic Development indicates the extent to which the Department has performed with respect to the Free State Growth and Development Strategy as well as the Programme of Action of the Economic, Employment and Investment Cluster.

The relocation of the conservation function from the Environmental Development Chief Directorate to the Eco-Tourism Chief Directorate in the previous financial year has proved to have been a necessary decision. This move has greatly enhanced the capacity of the Department to manage the protected areas and resorts as

tourism products in order to optimise tourism opportunities in the province. In order to develop resorts and natural reserves as tourism products, the departmental infrastructure plan was revised in order to provide for the extensive upgrading of all the resorts and reserves by 2009. The first phase of the upgrading of the Phillip Sanders Resort at the estimated amount of R30 million is due for completion before the end of the current financial year. This will be followed by the commencement of the second phase. Similarly, the building of abattoir, stores and entrance gate at the Gariep Nature Reserve is scheduled for completion by the end of the financial year.

The other important development in this regard has been the finalisation of the commercialization strategy for all the resorts and reserves. This strategy will be the basis for the implementation of the Public Private Partnership model for improving infrastructure.

After the successful implementation of the Free State Tourism Authority in the previous financial year, good progress has been done in making this structure operational. The Chief Executive Officer was appointed in June 2006 and the appointment of other senior managers is going well. In order to market the Free State as a Tourist destination, the Authority has already been involved in events such as the Tourism Indaba, the Tourism Month Programme as well as Macufe.

The most important issue in the management of environmental development has been the implementation of the new regulations regarding environmental impact assessments. The successful filling of nine critical posts, mostly in the Chief Directorates of Corporate Services and Financial Management has immensely improved the capacity of these support services.

Good progress has also been made in preparations for the establishment of the Free State Investment Promotion Agency. The establishment of the Board will be completed by the end of November. The post of the Chief Executive Officer has also been advertised and is also expected to be filled during the same period. The establishment of this organization will also affect the organizational structure of the Department as some of the functions relating to investment and trade promotion will be transferred from the Department to this new structure.

## **2.2 The following projects were still in progress by the end November 2006 in Gariep Nature Reserve:**

- Entrance gate was 80% completed.
- The abattoir was 60% completed.
- Office block was 10% completed.
- Sewerage works 80% completed.

## **3. Outlook for the coming financial year**

The department has come up with strategic policy directive that focuses on the upgrade and refurbishment of all resorts and reserves. The commercialisation strategy has been finalised for resorts. The major project for 2007/08 fiscal year is phase two upgrading of Phillip Sanders the projected value of R65 million. The other important infrastructure development projects that the department will commence in the beginning of the coming fiscal year are as follows:

- a. The office complex will be completed at Gariep nature reserve.

- b. The luxury wooden chalets will be completed at Erfenis dam.
- c. The chalets, entrance gate and housing will be completed at Koppies dam.
- d. The re-building of a floating camp at Caledon nature reserve will also be completed.
- e. The construction of new abattoir at Sandveld nature reserve.
- f. The concrete palisade fence will be put up Rustfontein nature reserve.
- g. The electronic access control will be put in place for all resorts and reserves.

Five-year strategic and performance plan of the department has been reviewed by revising annual performance plan for the financial year 2007/08. This was done as a result of structural and policy changes that were made to capacitate key components within the department so that they can be able to deliver on the mandate of government as stipulated in the Free State growth and development strategy. The target of twenty facilities will be graded in the coming fiscal year so that they can be packaged and be included in the marketing drive of our tourist attraction destinations in the province. The department will be implementing a training programme on hospitality industry to all personnel in the resorts with the aim of improving the quality of service they render. Our sustainable environmental management systems will ensure that the following functions are maintained in the coming fiscal year:

- Clean and healthy environment
- Efficient biodiversity conservation
- Environmental education

The department will continue to provide business support centres. We will continue to expand support for the establishment of cooperatives and SMME with particular attention given to women, youth and broad based black economic empowerment.

## 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	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
Equitable share	193,677	231,450	191,280	210,905	210,905	210,905	233,462	254,255	277,740
Conditional grants	10,000	10,000	10,000	10,000	10,000	10,000	20,000	30,000	32,750
Own Revenue	6,922	7,600	8,800	8,900	8,900	8,900	9,295	10,581	10,581
<b>Total receipts</b>	<b>210,599</b>	<b>249,050</b>	<b>210,080</b>	<b>229,805</b>	<b>229,805</b>	<b>229,805</b>	<b>262,757</b>	<b>294,836</b>	<b>321,071</b>

## Departmental receipts collection

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates			
	Audited	Audited	Audited				2006/07	2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06							
<b>Tax Receipts</b>	<b>17,698</b>	<b>16,204</b>	<b>18,753</b>	<b>20,829</b>	<b>24,829</b>	<b>22,464</b>	<b>26,930</b>	<b>28,820</b>	<b>30,517</b>	
Casino Taxes	10,818	8,716	11,243	14,804	16,985	15,473	18,224	19,350	20,214	
Horseracing	4,574	5,036	5,090	3,503	5,322	5,454	5,858	6,452	7,009	
Other taxes	2,306	2,452	2,420	2,522	2,522	1,537	2,848	3,018	3,294	
<b>Non tax receipts</b>	<b>24,002</b>	<b>13,092</b>	<b>16,992</b>	<b>8,900</b>	<b>8,038</b>	<b>11,671</b>	<b>12,426</b>	<b>12,504</b>	<b>12,873</b>	
Sales of goods and other t	11,578	12,401	16,930	8,900	8,038	11,523	12,426	12,504	12,873	
Transfers received	2,257									
Fines, penalties and forfeits										
Interest, dividends, and reni	99	18	14			5				
Sales of capital assets										
Recoverable revenue recei	10,068									
Financial transactions in assets and liabilities		673	48			143				
<b>Total departmental receipts</b>	<b>41,700</b>	<b>29,296</b>	<b>35,745</b>	<b>29,729</b>	<b>32,867</b>	<b>34,135</b>	<b>39,356</b>	<b>41,324</b>	<b>43,390</b>	

### Tax receipts

The department receives revenue from Gambling and Racing Board on a monthly basis. This revenue is sourced from casino taxes, horse racing and other taxes. Casino taxes are increased by 19%, horseracing by 13% and other taxes by 24%. All casinos are fully functional and resulted in the increased collection of revenue.

### Non tax receipts

The department conducts auctions in April every year for sale of game. The sale of goods and services is increased by 4%. Accommodation and entrance fees to resorts and reserves are increased by an inflation rate.

### Real growth rate

The department has collected more than what was budgeted for over a period of three years. Major increases were experienced in casino taxes and horseracing. Casino taxes in particular were increased by more than an inflation margin.

### Revenue budget planning

The Gambling and Racing Board submit their revenue budget based on historical figures and economic performance of the casino and other charges are increased with an inflation rate. Inflation rate plus one is used by the department in determining budget figures. No adjustments were made from previous estimates.

## 5. Payment summary

### 5.1 Key Assumptions

The following assumptions were taken into account for the MTEF period 2007-2010:

- The MTEF allocations provide for growth in the equitable share at an average growth rate of just over 10% in 2007/08 and 2008/09, and at an average of 7,5% in 2009/10.

- Salary increases of 5% for 2007/08, 5% in 2008/09 and 4, 5% in 2009/10 effective from 1 July of the year the budget is tabled based on CPIX plus 0, 4%.

## 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	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
1. Administration	40,830	40,148	37,819	54,522	48,119	48,059	56,104	62,475	68,278
2. Tourism	9,933	7,639	17,312	69,932	77,270	67,741	93,592	102,785	112,480
3. Environmental Affairs	77,484	72,602	58,957	23,910	20,585	20,063	24,500	26,430	28,523
4. Economic Development	36,561	17,103	15,738	20,343	13,955	14,839	21,330	22,694	24,166
5. Transversal Functions	50,720	103,564	44,722	61,098	69,876	70,888	67,231	80,452	87,624
<b>Total payments and estimates</b>	<b>215,528</b>	<b>241,056</b>	<b>174,548</b>	<b>229,805</b>	<b>229,805</b>	<b>221,590</b>	<b>262,757</b>	<b>294,836</b>	<b>321,071</b>

1. Programme 1 includes MEC remuneration payable as from 1 April 2007. Salary: R69 200, Car allowance: R402 787.00.

## 5.3 Summary of economic classification

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
<b>Current payments</b>	<b>143,344</b>	<b>129,493</b>	<b>125,680</b>	<b>159,069</b>	<b>141,929</b>	<b>131,575</b>	<b>160,826</b>	<b>176,403</b>	<b>187,509</b>
Compensation of employees	65,275	79,060	77,987	106,154	91,868	84,275	105,057	114,663	122,370
Goods and services	68,142	49,494	47,526	52,915	50,061	47,285	55,769	61,740	65,139
Interest and rent on land									
Financial transaction in assets and liabilities	487	939	167			15			
Unauthorised expenditure	9,440								
<b>Transfers and subsidies to:</b>	<b>50,720</b>	<b>102,613</b>	<b>40,379</b>	<b>51,964</b>	<b>60,505</b>	<b>62,311</b>	<b>58,131</b>	<b>62,315</b>	<b>68,193</b>
Provinces and municipalities		258	255	251	66	66			
Departmental agencies and accounts	50,720	102,355	39,897	51,557	60,335	62,051	58,131	62,315	68,193
Non-profit institutions									
Households			227	156	104	194			
<b>Payments for capital assets</b>	<b>21,464</b>	<b>8,950</b>	<b>8,489</b>	<b>18,772</b>	<b>27,371</b>	<b>27,704</b>	<b>43,800</b>	<b>56,118</b>	<b>65,369</b>
Buildings and other fixed structures		8,571	6,091	10,200	18,799	18,614	36,000	39,500	45,000
Machinery and equipment	21,464	379	2,398	1,935	1,935	2,453	7,800	8,618	11,969
Cultivated assets									
Land and subsoil assets				6,637	6,637	6,637		8,000	8,400
<b>Total economic classification</b>	<b>215,528</b>	<b>241,056</b>	<b>174,548</b>	<b>229,805</b>	<b>229,805</b>	<b>221,590</b>	<b>262,757</b>	<b>294,836</b>	<b>321,071</b>

## 5.4 Infrastructure Payments

Table 2.5: Departmental Infrastructure Payments: Department of Tourism, Environmental Affairs and Economic Affairs

Department	Outcome			Main appropriation	Adjusted appropriation	Estimate Actual	Medium-term estimates		
	2003/04	2004/05	2005/06				2007/08	2008/09	2009/10
				2006/07					
Programme 2: Tourism				10,200	18,799	18,614	36,000	39,500	45,000
Programme 3: Environmental Affairs	17,900	8,571	6,091						
Programme 5: Transversal Functions				6,637	6,637	6,637		8,000	8,400
<b>Total Departmental</b>	<b>17,900</b>	<b>8,571</b>	<b>6,091</b>	<b>16,837</b>	<b>25,436</b>	<b>25,251</b>	<b>36,000</b>	<b>47,500</b>	<b>53,400</b>

**Table 2.6: Total Departmental Infrastructure by Economic classification**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimate Actual	Medium-term estimates		
	2003/04	2004/05	2005/06				2006/07	2007/08	2008/09
Current payments	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	-	-	-	-	-	-	-
Payments for capital assets	17,900	8,571	6,091	16,837	25,436	25,251	36,000	47,500	53,400
Programme 2: Tourism				10,200	18,799	18,614	36,000	39,500	45,000
Programme 3: Environmental Affairs	17,900	8,571	6,091						
Programme 5: Transversal Functions				6,637	6,637	6,637		8,000	8,400
<b>Total economic classification</b>	<b>17,900</b>	<b>8,571</b>	<b>6,091</b>	<b>16,837</b>	<b>25,436</b>	<b>25,251</b>	<b>36,000</b>	<b>47,500</b>	<b>53,400</b>

## 5.5 Transfers to public entities

**Table 2.7: Summary of departmental transfers to public entities**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
Free State Development Corporation	50,720	86,855	30,000	26,500	26,500	24,500	22,000	23,300	26,200
Free State Gambling and Pacing	15,563	15,500	9,897	14,557	14,557	14,557	12,931	13,715	14,500
Free State Tourism Authority				10,500	19,278	22,994	11,200	12,400	12,983
Free State Investment Agency							7,000	7,400	7,800
Free State Liquor Authority							5,000	5,500	6,700
<b>Total departmental transfers</b>	<b>66,283</b>	<b>102,355</b>	<b>39,897</b>	<b>51,557</b>	<b>60,335</b>	<b>62,051</b>	<b>58,131</b>	<b>62,315</b>	<b>68,193</b>

## 5.6 Transfers to local government

**Table 2.8: Summary of departmental transfers to local government by category**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
Category C		258	255	251	66	66			
<b>Total departmental transfers</b>		<b>258</b>	<b>255</b>	<b>251</b>	<b>66</b>	<b>66</b>			

## 6. Programme description

### 6.1 Programme 1: Administration

#### 6.1.1 Description and Objectives

The role of the programme 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.



- 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.
- 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.

**Table 2.9: Summary of payments and estimates: Programme 1: Administration**

	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
R thousand	2003/04	2004/05	2005/06	2006/07					
1. Office of the MEC		1,528	3,341	2,914	2,572	3,440	4,150	4,399	4,664
2. Office of the HOD	19,744	15,294	4,947	4,008	3,537	4,674	5,157	5,442	5,796
3.Special Programmes Unit	487		1,152	1,354	1,195	1,112	1,270	1,346	1,427
4.Secretariate							2,093	1,997	2,106
5. Security Services			339	668	590	477	842	892	946
6. Office of the COO				908	801	1,232	1,915	2,032	2,149
7. Office of theCFO		1,945	2,002	2,303	2,033	1,932	1,411	1,496	1,585
8.Supply chain management							10,460	11,164	15,060
9.Financial Accounting	5,409	9,047	11,602	15,127	13,350	13,416	7,500	7,950	8,411
10.Management Accounting							1,875	1,988	2,104
11.Corporate Service	15,190	10,352	13,168	23,775	20,983	19,786	1,414	1,499	1,589
12.Legal Service and Labour relations							2,560	2,714	2,872
13.Organisational Development							4,685	6,515	6,906
14. Internal Audit Unit		1,043	1,101	3,465	3,058	1,975	3,947	4,881	4,512
15.Information and Communication							6,825	8,160	8,151
Special Function		939	167			15			
<b>Total payments and estimates</b>	<b>40,830</b>	<b>40,148</b>	<b>37,819</b>	<b>54,522</b>	<b>48,119</b>	<b>48,059</b>	<b>56,104</b>	<b>62,475</b>	<b>68,278</b>

**Table 2.10: Summary of provincial payments and estimates by economic classification: Programme 1: Administration**

	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
R thousand	2003/04	2004/05	2005/06	2006/07					
<b>Current payments</b>	<b>39,774</b>	<b>39,744</b>	<b>36,929</b>	<b>53,656</b>	<b>47,388</b>	<b>46,429</b>	<b>51,604</b>	<b>57,851</b>	<b>60,684</b>
Compensation of employees	14,535	19,477	17,270	28,506	25,614	24,241	33,554	36,861	39,148
Goods and services	21,679	19,328	19,492	25,150	21,774	22,173	18,050	20,990	21,536
Financial transactions in assets and liabilities	487	939	167			15			
Unauthorised expenditure	3,073								
<b>Transfers and subsidies to:</b>	<b>-</b>	<b>66</b>	<b>58</b>	<b>58</b>	<b>17</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities		66	58	58	17	17			
Households									
<b>Payments for capital assets</b>	<b>1,056</b>	<b>338</b>	<b>832</b>	<b>808</b>	<b>714</b>	<b>1,613</b>	<b>4,500</b>	<b>4,624</b>	<b>7,594</b>
Buildings and other fixed structures									
Machinery and equipment	1,056	338	832	808	714	1,613	4,500	4,624	7,594
Land and subsoil assets									
<b>Total economic classification</b>	<b>40,830</b>	<b>40,148</b>	<b>37,819</b>	<b>54,522</b>	<b>48,119</b>	<b>48,059</b>	<b>56,104</b>	<b>62,475</b>	<b>68,278</b>



## 6.2 Programme 2: Tourism

### 6.2.1 Description and objectives

The programme is mandated with;

- The promotion and development of tourism in the province,
- The conservation of biodiversity,
- The management of provincial Protected Areas and Resorts in the Free State,
- Transformation of the Tourism and game industries in the province.
- Development of tourist and visitor infrastructure in line with BEE initiatives

Comprised of two sub-programmes:

- Tourism Support which is mandated to develop tourism standards, ensure quality assurance, effect tourist guides registration and promote route development in a safe environment.
- This Directorate has three Sub-Directorates namely: Quality Assurance and Standards, Tourism Programmes Development and Tourism Safety and Awareness
- Eco-Tourism and Conservation Directorate which is mandated to promote biodiversity conservation within a hospitable environment.
- This Directorate has four Sub-Directorates namely: Protected Areas Management, Eco-Tourism, Game Management and Conservation Outside Protected Areas

**Table 2.11: Summary of payments and estimates: Programme 2: Tourism**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
1. Management			849	1,222	1,222	1,013	1,140	1,493	1,696
2. Tourism Support Services	9,933	6,811	1,845	6,341	6,341	3,053	4,218	4,287	4,432
3. Eco-Tourism & Conservation		828	2,749	62,369	69,707	63,675	88,234	97,005	106,352
4. Resort Management			11,869						
<b>Total payments and estimates</b>	<b>9,933</b>	<b>7,639</b>	<b>17,312</b>	<b>69,932</b>	<b>77,270</b>	<b>67,741</b>	<b>93,592</b>	<b>102,785</b>	<b>112,480</b>

Table 2.12: Summary of provincial payments and estimates by economic classification: Programme 2: Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
<b>Current payments</b>	<b>9,927</b>	<b>7,622</b>	<b>17,097</b>	<b>59,000</b>	<b>57,623</b>	<b>48,442</b>	<b>56,642</b>	<b>61,798</b>	<b>65,790</b>
Compensation of employees	2,215	2,597	13,337	44,283	42,678	34,851	41,708	45,855	48,961
Goods and services	7,712	5,025	3,760	14,717	14,945	13,591	14,934	15,943	16,829
Unauthorised expenditure									
<b>Transfers and subsidies to:</b>	<b>-</b>	<b>11</b>	<b>187</b>	<b>224</b>	<b>132</b>	<b>157</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities		11	43	120	28	28			
Departmental agencies and accounts									
Households			144	104	104	129			
<b>Payments for capital assets</b>	<b>6</b>	<b>6</b>	<b>28</b>	<b>10,708</b>	<b>19,515</b>	<b>19,142</b>	<b>36,950</b>	<b>40,987</b>	<b>46,690</b>
Buildings and other fixed structures				10,200	18,799	18,614	36,000	39,500	45,000
Machinery and equipment	6	6	28	508	716	528	950	1,487	1,690
Land and subsoil assets									
<b>Total economic classification</b>	<b>9,933</b>	<b>7,639</b>	<b>17,312</b>	<b>69,932</b>	<b>77,270</b>	<b>67,741</b>	<b>93,592</b>	<b>102,785</b>	<b>112,480</b>

## Service delivery measures

Output Type	Performance Measure	Performance Targets	
		2006/07 Est.Actual	2007/08 Target
Develop and Implement a Provincial Tourism Strategy and Policy To create a conducive environment for tourism business development Development of tourism investment and development plans	Provincial Tourism Strategy and Policy documents	60% implementation of strategy and policy	70 % implementation of strategy and policy
	Route auditing workshops	5	5
	Hospital training	50	50
	Exhibition training	25	25
Facilitate tourism human capital development	Tourism investment and development plan	60% implementation of investment and development plans	70% implementation of investment and development plans
	Design and implement a training programme to enhance skills capacity in the tourism industry	80% implement with priority in specialist tour guides, tour operators and assessors as well as events managers	100% 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 (%)	15	20
	Procurement awarded to BEE businesses (%)	60	65

## 6.2 Programme 3: Environmental Affairs

### 6.3.1 Description and objectives

The aim is to co - ordinate the sub-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

**Table 2.13: Summary of payments and estimates: Programme 3: Environmental Affairs**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2003/04	2004/05	2005/06						
1. Administration			1,063	1,475	1,271	1,102	1,470	1,558	1,653
2. Planning Impact Pollution & Waste Mgmt	14,902	1,580	2,702	5,528	4,759	3,329	5,790	6,253	6,758
3. Environmental Mgmt & Sustainable Development Policy, Legisl, Coordin & Monitor		8,390	5,498	7,195	6,194	7,303	7,525	8,127	8,779
4. Ecosystem, Biodiversity & Natural Heritage Mgmt		8,162	8,817	9,712	8,361	8,329	9,715	10,492	11,333
5. Environmental Mgmt & Sustainable Enterprise	62,582	54,470	40,877						
<b>Total payments and estimates</b>	<b>77,484</b>	<b>72,602</b>	<b>58,957</b>	<b>23,910</b>	<b>20,585</b>	<b>20,063</b>	<b>24,500</b>	<b>26,430</b>	<b>28,523</b>

**Table 2.14: Summary of provincial payments and estimates by economic classification: Programme 3: Environmental Affairs**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2003/04	2004/05	2005/06						
<b>Current payments</b>	<b>58,361</b>	<b>63,852</b>	<b>51,205</b>	<b>23,598</b>	<b>20,305</b>	<b>19,824</b>	<b>23,700</b>	<b>25,569</b>	<b>27,595</b>
Compensation of employees	41,089	47,021	38,085	19,630	15,909	15,970	16,825	18,149	19,581
Goods and services	14,455	16,831	13,120	3,968	4,396	3,854	6,875	7,420	8,014
Unauthorised expenditure	2,817								
<b>Transfers and subsidies to:</b>	<b>-</b>	<b>147</b>	<b>208</b>	<b>45</b>	<b>13</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities		147	125	45	13	13			
Departmental agencies and accounts									
Households			83			6			
<b>Payments for capital assets</b>	<b>19,123</b>	<b>8,603</b>	<b>7,544</b>	<b>267</b>	<b>267</b>	<b>220</b>	<b>800</b>	<b>861</b>	<b>928</b>
Buildings and other fixed structures		8,571	6,091						
Machinery and equipment	19,123	32	1,453	267	267	220	800	861	928
Cultivated assets									
Land and subsoil assets									
<b>Total economic classification</b>	<b>77,484</b>	<b>72,602</b>	<b>58,957</b>	<b>23,910</b>	<b>20,585</b>	<b>20,063</b>	<b>24,500</b>	<b>26,430</b>	<b>28,523</b>

## Service delivery measures

Output Type	Performance Measure	Performance Targets	
		2006/07 Est. Actual	2007/08 Target
Environmental Regulatory System (Protected Area Management, Non-protected area management and biodiversity management)	Increase surface area under conservation - %	.2	.2
	Indigenous population sustainability - %	100	100
	Urban conservancies - n	64	64
	Industrial conservancies - n	8	8
	Rural conservancies coverage – hectares (million)	1.4	1.4
	Wetlands functionality - %	60	60
	Scarce species - n	100	100
	Invasive species – n	4	4
	Wild life population versus carrying capacity of veld - %	100	100

Output Type	Performance Measure	Performance Targets	
		2006/07 Est. Actual	2007/08 Target
Environmental Regulatory System	Protected areas coverage – hectares (thousands)	470	470
Environmental Regulatory System (Pollution Management System (land and air))	Decrease in solid waste - %	5	5
	Decrease in hazardous waste - %	15	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 Development

### 6.4.1 Description and objectives

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

- The development of an integrated departmental framework for investment promotion.
- 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

Table 2.15: Summary of payments and estimates: Programme 4: Economic Development

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
1. Administration			250	1,276	875	76	1,360	1,442	1,528
2. Integrated Economic Development Services	5,346	4,996	4,070	4,004	2,747	3,030	4,190	4,525	4,887
3. Trade & Industry Development	9,414	4,372	6,339	8,678	5,953	5,003	9,090	9,636	10,220
4. Business Regulation and Governance	21,801	7,735	5,079	6,385	4,380	6,730	6,690	7,091	7,531
<b>Total payments and estimates</b>	<b>36,561</b>	<b>17,103</b>	<b>15,738</b>	<b>20,343</b>	<b>13,955</b>	<b>14,839</b>	<b>21,330</b>	<b>22,694</b>	<b>24,166</b>

Table 2.16: Summary of provincial payments and estimates by economic classification: Programme 4: Economic Development

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
<b>Current payments</b>	<b>35,282</b>	<b>17,066</b>	<b>15,624</b>	<b>19,911</b>	<b>13,709</b>	<b>14,680</b>	<b>19,780</b>	<b>21,048</b>	<b>22,409</b>
Compensation of employees	7,436	9,965	9,295	13,735	7,667	9,213	12,970	13,798	14,680
Goods and services	24,296	7,101	6,329	6,176	6,042	5,467	6,810	7,250	7,729
Unauthorised expenditure	3,550								
<b>Transfers and subsidies to:</b>	<b>-</b>	<b>34</b>	<b>29</b>	<b>80</b>	<b>8</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities		34	29	28	8	8			
Non-profit institutions									
Households				52		59			
<b>Payments for capital assets</b>	<b>1,279</b>	<b>3</b>	<b>85</b>	<b>352</b>	<b>238</b>	<b>92</b>	<b>1,550</b>	<b>1,646</b>	<b>1,757</b>
Buildings and other fixed structures									
Machinery and equipment	1,279	3	85	352	238	92	1,550	1,646	1,757
Land and subsoil assets									
<b>Total economic classification</b>	<b>36,561</b>	<b>17,103</b>	<b>15,738</b>	<b>20,343</b>	<b>13,955</b>	<b>14,839</b>	<b>21,330</b>	<b>22,694</b>	<b>24,166</b>

## Service delivery measures

Measurable Objective	Performance Measure	Performance Targets	
		2006/07 Est. Actual	2007/08 Target
Growing the economy and poverty alleviation	Directorate contribution to jobs created in the Province	1110	1110
	Relevant business development information required versus available (%)	60	60
	Enterprise established through Directorate contribution	400	400
	Business start-ups versus businesses sustained (%)	70	70
To promote business development	ROI on investment promotion activities undertaken (missions, expos, etc.) (%)	5	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 (%)	60	60
	Complaints lodged to Directorate versus cases resolved (consumer and regulatory complaints) (index %)	75	75
	Enquiries lodged with the Directorate versus enquiries resolved (Business and regulatory enquiries) (index %)	3010	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 Tourism Environmental and Economic Affairs and other special departmental projects.

#### Free State Development Corporation (FDC)

The aim is to finance and advance the following:

- 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)

The primary aim is to, domestically and internationally; market the Free State Province, as a tourism destination. It is going to promote tourism and increase the market share of the tourist industry. It is also expected to coordinate the marketing activities of role-players in the industry.

**Table 2.17: Summary of payments and estimates: Programme 5: Transversal Functions**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2003/04	2004/05	2005/06						
1. Free State Development Corporation	50,720	86,855	30,000	26,500	26,500	24,500	22,000	23,300	26,200
2. Free State Gambling Board		15,500	9,897	14,557	14,557	14,557	12,931	13,715	14,500
3. Free State Tourism Marketing Authority			3,017	10,500	19,278	24,278	11,200	12,400	12,993
4. Free State Investment Agency							7,000	7,400	7,800
5. Free State Liquor Authority							5,000	5,500	6,700
6. Skills Levy		305	729				1050	1147	1224
7. Legal Fees							1750	2000	2437
8. Bursaries(external)		691	1,037				1500	1700	1690
9. Employee Assistance programme							1200	1280	1360
Xhariep				6,637	6,637	6,637		8,000	8,400
Vrededorf Dome				2,900	2,900	916	3,500	3,900	4,200
MTDP				4	4		100	110	120
HIV/AIDS		2	15						
Internship Program		20	27						
Special Projects		191							
<b>Total payments and estimates</b>	<b>50,720</b>	<b>103,564</b>	<b>44,722</b>	<b>61,098</b>	<b>69,876</b>	<b>70,888</b>	<b>67,231</b>	<b>80,452</b>	<b>87,624</b>

**Table 2.18: Summary of provincial payments and estimates by economic classification: Programme 5: Transversal Functions**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2003/04	2004/05	2005/06						
<b>Current payments</b>	-	1,209	4,825	2,904	2,904	2,200	9,100	10,137	11,031
Compensation of employees									
Goods and services		1,209	4,825	2,904	2,904	2,200	9,100	10,137	11,031
Unauthorised expenditure									
<b>Transfers and subsidies to:</b>	<b>50,720</b>	<b>102,355</b>	<b>39,897</b>	<b>51,557</b>	<b>60,335</b>	<b>62,051</b>	<b>58,131</b>	<b>62,315</b>	<b>68,193</b>
Provinces and municipalities									
Departmental agencies and accounts	50,720	102,355	39,897	51,557	60,335	62,051	58,131	62,315	68,193
Households									
<b>Payments for capital assets</b>	-	-	-	6,637	6,637	6,637	-	8,000	8,400
Buildings and other fixed structures									
Machinery and equipment									
Land and subsoil assets				6,637	6,637	6,637		8,000	8,400
<b>Total economic classification</b>	<b>50,720</b>	<b>103,564</b>	<b>44,722</b>	<b>61,098</b>	<b>69,876</b>	<b>70,888</b>	<b>67,231</b>	<b>80,452</b>	<b>87,624</b>

## 6.6. Other programme information

### 6.6.1. Personnel numbers and costs

**Table 2.19: 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	As at
	31 March 2004	31 March 2005	31 March 2006	31 March 2007	31 March 2008	31 March 2009	31 March 2010
1: Administration	91	111	122	131	139	141	149
2: Tourism	18	24	23	27	33	39	41
3: Environmental Affairs	531	539	527	554	561	573	581
4: Economic Development	52	59	59	67	61	64	69
5: Transversal Functions							
<b>Total personnel numbers:</b>	<b>692</b>	<b>733</b>	<b>731</b>	<b>779</b>	<b>794</b>	<b>817</b>	<b>840</b>
Total personnel cost (R thousand)	65,275	79,060	77,987	84,275	105,057	114,663	122,370
Unit cost (R thousand)	94	108	107	108	132	140	146

1. Full-time equivalent

**Table 2.20: Summary of departmental personnel numbers and costs**

	Outcome			Main Appropriation	Adjusted Appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
Total for department	692	733	731	779	779	779	794	817	840
Personnel numbers (head count)	692	733	731	779	779	779	794	817	840
Personnel cost (R'000)	65,275	79,060	77,987	106,154	91,868	84,275	105,057	114,663	122,370
<b>Human resource component</b>									
Personnel numbers (head count)	35	37	39	39	39	39	41	41	41
Personnel costs (R'000)	4970	6717	7,918	9,111	9,711	9,711	10,234	12,101	12,883
Head count as % of total for department			5%	5%	5%	5%	5%	5%	5%
Personnel cost as % of total for department			7%	8%	8%	8%	8%	8%	8%
<b>Finance component</b>									
Personnel numbers (head count)	20	25	24	37	20	20	25	25	25
Personnel costs (R'000)	2,808	4197	7,601	11,800	6,999	6,999	9101	9,621	10,111
Head count as % of total for department			5%	5%	5%	5%	5%	5%	5%
Personnel cost as % of total for department			9%	11	8	8	9	8	8
<b>Full time workers</b>									
Personnel numbers (head count)	692	696	690	735	743	743	749	772	795
Personnel costs (R'000)	65,275	78,129	76,860	104,954	90,858	83,265	103,737	113,323	121,010
Personnel cost as % of total for department			99	99	99	99	99	99	99
Head count as % of total for department	100%	100%	100%	94%	95%	95%	94%	94%	95%
<b>Contract workers</b>									
Personnel numbers (head count)		37	41	44	36	36	45	45	45
Personnel costs (R'000)		931	1127	1200	1010	1010	1320	1340	1360
Personnel cost as % of total for department				1	1	1	1	1	1
Head count as % of total for department				5	5	5	5	5	5



## 6.6.2. Training

**Table 2.21: Payments on training: Department of Tourism, Environmental and Economic Affairs**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
1: Administration	144	201	122	322	322	322	337	359	377
<i>of which</i>									
Subsistence and travel									
Payments on tuition									
2: Tourism	39	35	99	217	217	217	228	239	251
Subsistence and travel									
Payments on tuition									
3: Environmental Affairs	264	495	862	441	441	441	471	503	528
Subsistence and travel									
Payments on tuition									
4: Economic Development	301	109	276	200	200	200	105	105	110
Subsistence and travel									
Payments on tuition									
5: Transversal Functions									
Subsistence and travel									
Payments on tuition									
<b>Total payments on training:</b>	<b>748</b>	<b>840</b>	<b>1,359</b>	<b>1,180</b>	<b>1,180</b>	<b>1,180</b>	<b>1,141</b>	<b>1,206</b>	<b>1,266</b>

**Table 2.22: Information on training: Department of Tourism, Environmental and Economic Affairs**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
Number of staff	692	733	731	779	779	779	794	817	840
Number of personnel trained									
<i>of which</i>									
Male		217							
Female		71							
Number of training opportunities									
<i>of which</i>									
Tertiary									
Workshops									
Seminars									
Other		288							
Number of bursaries offered	22	31		10	10	10	10	10	10
Number of interns appointed	40	39							
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	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
<b>Tax receipts</b>	<b>17,698</b>	<b>16,204</b>	<b>18,753</b>	<b>20,829</b>	<b>24,829</b>	<b>22,464</b>	<b>26,930</b>	<b>28,820</b>	<b>30,517</b>
Casino taxes	10,818	8,716	11,243	14,804	16,985	15,473	18,224	19,350	20,214
Horse racing taxes	4,574	5,036	5,090	3,503	5,322	5,454	5,858	6,452	7,009
Liquor licences	2,306	2,452	2,420	2,522	2,522	1,537	2,848	3,018	3,294
Motor vehicle licences									
<b>Sales of goods and services other than capital</b>	<b>24,002</b>	<b>12,401</b>	<b>16,930</b>	<b>8,900</b>	<b>8,038</b>	<b>11,523</b>	<b>12,426</b>	<b>12,504</b>	<b>12,873</b>
Sale of goods and services produced by department (excluding capital assets)									
Sales by market establishments									
Administrative fees									
Other sales	24,002	12,401	16,930	8,900	8,038	11,523	12,426	12,504	12,873
<i>Of which</i>									
Sale of Game	7,849		11,285	6,971	5,801	6,971	7,853	8,124	8,218
Accommodation	2,839		2,206	1,855	1,568	1,855	3,289	3,387	3,609
Other	13,314	2,475	3,439	74	669	2,426	1,284	993	1,046
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
<b>Transfers received from:</b>									
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>									
Interest			14			5			
Dividends			14			5			
Rent on land									
<b>Sales of capital assets</b>									
Land and subsoil assets			18						
Other capital assets			18						
<b>Financial transactions in assets and liabilities</b>									
		673	48			143			
<b>Total departmental receipts</b>	<b>41,700</b>	<b>29,296</b>	<b>35,745</b>	<b>29,729</b>	<b>32,867</b>	<b>34,135</b>	<b>39,356</b>	<b>41,324</b>	<b>43,390</b>

## 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	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
<b>Current payments</b>	<b>143,344</b>	<b>129,493</b>	<b>125,680</b>	<b>159,069</b>	<b>141,929</b>	<b>131,575</b>	<b>160,826</b>	<b>176,403</b>	<b>187,509</b>
Compensation of employees	65,275	79,060	77,987	106,154	91,868	84,275	105,057	114,663	122,370
Salaries and wages	39,164	47,396	68,413	86,340	74,645	72,477	90,517	98,610	105,850
Social contributions	26,111	31,664	9,574	19,814	17,223	11,798	14,540	16,053	16,520
Goods and services	68,142	49,494	47,693	52,915	50,061	47,285	55,769	61,740	65,139
<i>of which</i>									
Consultants				14,466	13,735				
Subsistence Allowance				1,459	13,621				
Other			47,693	36,990	22,705	47,285	55,769	61,634	65,139
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities	487	939				15			
Unauthorised expenditure	9,440								
<b>Transfers and subsidies to<sup>1</sup>:</b>	<b>50,720</b>	<b>102,613</b>	<b>40,379</b>	<b>51,964</b>	<b>60,505</b>	<b>62,311</b>	<b>58,131</b>	<b>62,315</b>	<b>68,193</b>
Provinces and municipalities		258	255	251	66	66			
Provinces <sup>2</sup>									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities <sup>3</sup>		258	255	251	66	66			
<i>of which: Regional service council levies</i>									
Municipal agencies and funds									
Departmental agencies and accounts	50,720	102,355	39,897	51,557	60,335	62,051	58,131	62,315	68,193
Social security funds									
Free State Development Corporation	50,720	86,855	30,000	26,500	26,500	24,500	22,000	23,300	26,200
Free State Gambling Board		15,500	9,897	14,557	14,557	14,557	12,931	13,715	14,500
Free State Tourism Authority				10,500	19,278	22,994	11,200	12,400	12,993
Free State Liquor Authority							5,000	5,500	6,700
Free State Investment Agency							7,000	7,400	7,800
Universities and technikons									
Public corporations and private enterprises <sup>5</sup>									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households			227	156	104	194			
Social benefits									
Other transfers to households			227	156	104	194			
<b>Payments for capital assets</b>	<b>21,464</b>	<b>8,950</b>	<b>8,489</b>	<b>18,772</b>	<b>27,371</b>	<b>27,704</b>	<b>43,800</b>	<b>56,118</b>	<b>65,369</b>
Buildings and other fixed structures		8,571	6,091	10,200	18,799	21,067	36,000	39,500	45,000
Buildings		8,571	6,091	10,200	18,799	18,614	36,000	39,500	45,000
Other fixed structures						2,453			
Machinery and equipment	21,464	379	2,398	1,935	1,935	6,637	7,800	8,618	11,969
Transport equipment									
Other machinery and equipment	21,464	379	2,398	1,935	1,935	6,637	7,800	8,618	11,969
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets				6,637	6,637			8,000	8,400
<b>Total economic classification</b>	<b>215,528</b>	<b>241,056</b>	<b>174,548</b>	<b>229,805</b>	<b>229,805</b>	<b>221,590</b>	<b>262,757</b>	<b>294,836</b>	<b>321,071</b>

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
<b>Current payments</b>	<b>39,774</b>	<b>39,744</b>	<b>36,929</b>	<b>53,656</b>	<b>47,388</b>	<b>46,429</b>	<b>51,604</b>	<b>57,851</b>	<b>60,684</b>
Compensation of employees	14,535	19,477	17,270	28,506	25,614	24,241	33,554	36,861	39,148
Salaries and wages	8,721	11,686	15,110	24,802	22,345	20,968	29,024	31,701	33,667
Social contributions	5,814	7,791	2,160	3,704	3,269	3,273	4,530	5,160	5,481
Goods and services	21,679	19,328	19,492	25,150	21,774	22,173	18,050	20,990	21,536
of which									
Consultants				2,200	1,495				
Substance Allowance			9,147	5,735	6,623				
Other			10,345	17,215	13,656	22,173	18,050	20,990	21,536
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities	487	939	167			15			
Unauthorised expenditure	3,073								
<b>Transfers and subsidies to<sup>1</sup>:</b>		<b>66</b>	<b>58</b>	<b>58</b>	<b>17</b>	<b>17</b>			
Provinces and municipalities	-	66	58	58	17	17	-	-	-
Provinces <sup>2</sup>									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities <sup>3</sup>		66	58	58	17	17			
Municipalities									
of which: Regional service council levies									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide a list of entities									
Universities and technikons									
Public corporations and private enterprises <sup>5</sup>									
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									
<b>Payments for capital assets</b>	<b>1,056</b>	<b>338</b>	<b>832</b>	<b>808</b>	<b>714</b>	<b>1,613</b>	<b>4,500</b>	<b>4,624</b>	<b>7,594</b>
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	1,056	338	832	808	714	1,613	4,500	4,624	7,594
Transport equipment									
Other machinery and equipment	1,056	338	832	808	714	1,613	4,500	4,624	7,594
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
<b>Total economic classification</b>	<b>40,830</b>	<b>40,148</b>	<b>37,819</b>	<b>54,522</b>	<b>48,119</b>	<b>48,059</b>	<b>56,104</b>	<b>62,475</b>	<b>68,278</b>

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
<b>Current payments</b>	<b>9,927</b>	<b>7,622</b>	<b>17,097</b>	<b>59,000</b>	<b>57,623</b>	<b>48,442</b>	<b>56,642</b>	<b>61,798</b>	<b>65,790</b>
Compensation of employees	2,215	2,597	13,337	44,283	42,678	34,851	41,708	45,855	48,961
Salaries and wages	1,329	1,558	11,738	36,189	34,048	29,972	35,869	39,435	42,351
Social contributions	886	1,039	1,599	8,094	8,630	4,879	5,839	6,420	6,610
Goods and services	7,712	5,025	3,760	14,717	14,945	13,591	14,934	15,943	16,829
<i>of which</i>									
Substance Allowance			693	2,064	2,904	2,270	2,185	2,625	3,019
Office equipment				3,062	3,708	1,164	3,738	5,177	5,954
Consultants			1,707	9,591	8,437	7,968	9,507	11,978	13,778
Other			1,360						
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
<b>Transfers and subsidies to<sup>1</sup>:</b>	<b>-</b>	<b>11</b>	<b>187</b>	<b>224</b>	<b>132</b>	<b>157</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities		11	43	120	28	28			
Provinces <sup>2</sup>									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities <sup>3</sup>		11	43	120	28	28			
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 <sup>5</sup>									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households			144	104	104	129			
Social benefits									
Other transfers to households			144	104	104	129			
<b>Payments for capital assets</b>	<b>6</b>	<b>6</b>	<b>28</b>	<b>10,708</b>	<b>19,515</b>	<b>19,142</b>	<b>36,950</b>	<b>40,987</b>	<b>46,690</b>
Buildings and other fixed structures				10,200	18,799	18,614	36,000	39,500	45,000
Buildings				10,200	18,799	18,614	36,000	39,500	45,000
Other fixed structures									
Machinery and equipment	6	6	28	508	716	528	950	1,487	1,690
Transport equipment									
Other machinery and equipment	6	6	28	508	716	528	950	1,487	1,690
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
<b>Total economic classification</b>	<b>9,933</b>	<b>7,639</b>	<b>17,312</b>	<b>69,932</b>	<b>77,270</b>	<b>67,741</b>	<b>93,592</b>	<b>102,785</b>	<b>112,480</b>

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
<b>Current payments</b>	<b>58,361</b>	<b>63,852</b>	<b>51,205</b>	<b>23,598</b>	<b>20,305</b>	<b>19,824</b>	<b>23,700</b>	<b>25,569</b>	<b>27,595</b>
Compensation of employees	41,089	47,021	38,085	19,630	15,909	15,970	16,825	18,149	19,581
Salaries and wages	24,653	27,527	33,422	14,630	12,661	13,734	14,470	15,608	16,840
Social contributions	16,436	19,494	4,663	5,000	3,248	2,236	2,355	2,541	2,741
Goods and services	14,455	16,831	13,120	3,968	4,396	3,854	6,875	7,420	8,014
<i>of which</i>									
Substance Allowance			3,471	1,950	1,817				
Building Material				300	1,026				
Consultants			4,217	1,718	1,566				
Other			5,432			3,854	6,875	7,420	8,014
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure	2,817								
<b>Transfers and subsidies to<sup>1</sup>:</b>		<b>147</b>	<b>208</b>	<b>45</b>	<b>13</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities		147	125	45	13	13			
Provinces <sup>2</sup>									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities <sup>3</sup>		147	125	45	13	13			
<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 <sup>5</sup>									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households			83			6			
Social benefits									
Other transfers to households			83			6			
<b>Payments for capital assets</b>	<b>19,123</b>	<b>8,603</b>	<b>7,544</b>	<b>267</b>	<b>267</b>	<b>220</b>	<b>800</b>	<b>861</b>	<b>928</b>
Buildings and other fixed structures		8,571	6,091						
Buildings		8,571	6,091						
Other fixed structures									
Machinery and equipment	19,123	32	1,453	267	267	220	800	861	928
Transport equipment									
Other machinery and equipment	19,123	32	1,453	267	267	220	800	861	928
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
<b>Total economic classification</b>	<b>77,484</b>	<b>72,602</b>	<b>58,957</b>	<b>23,910</b>	<b>20,585</b>	<b>20,063</b>	<b>24,500</b>	<b>26,430</b>	<b>28,523</b>

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
<b>Current payments</b>	<b>35,282</b>	<b>17,066</b>	<b>15,624</b>	<b>19,911</b>	<b>13,709</b>	<b>14,680</b>	<b>19,780</b>	<b>21,048</b>	<b>22,409</b>
Compensation of employees	7,436	9,965	9,295	13,735	7,667	9,213	12,970	13,798	14,680
Salaries and wages	4,461	6,625	8,143	10,719	5,591	7,923	11,154	11,866	12,625
Social contributions	2,975	3,340	1,152	3,016	2,076	1,290	1,816	1,932	2,055
Goods and services	24,296	7,101	6,329	6,176	6,042	5,467	6,810	7,250	7,729
of which									
Subsistence Allowance			1,587	2,841	2,239				
Air Transport			-	1,271	2,264				
Consultants			2,139	2,064	1,422	5,467	6,810	7,250	7,729
Other			2,603						
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure	3,550								
<b>Transfers and subsidies to<sup>1</sup>:</b>	<b>-</b>	<b>34</b>	<b>29</b>	<b>80</b>	<b>8</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities		34	29	28	8	8			
Provinces <sup>2</sup>									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities <sup>3</sup>		34	29	28	8	8			
of which: Regional service council levies									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Micro-Enterprise & Local Dept									
Free State Gambling Board									
Universities and technicians									
Public corporations and private enterprises <sup>5</sup>									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households				52		59			
Social benefits									
Other transfers to households				52		59			
<b>Payments for capital assets</b>	<b>1,279</b>	<b>3</b>	<b>85</b>	<b>352</b>	<b>238</b>	<b>92</b>	<b>1,550</b>	<b>1,646</b>	<b>1,757</b>
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	1,279	3	85	352	238	92	1,550	1,646	1,757
Transport equipment									
Other machinery and equipment	1,279	3	85	352	238	92	1,550	1,646	1,757
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
<b>Total economic classification</b>	<b>36,561</b>	<b>17,103</b>	<b>15,738</b>	<b>20,343</b>	<b>13,955</b>	<b>14,839</b>	<b>21,330</b>	<b>22,694</b>	<b>24,166</b>



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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
<b>Current payments</b>	-	1,209	4,825	2,904	2,904	2,200	9,100	10,137	11,031
Compensation of employees									
Salaries and wages									
Social contributions									
Goods and services		1,209	4,825	2,904	2,904	2,200	9,100	10,137	11,031
<i>of which</i>									
<i>Consultants</i>		1,209	4,825	2,904	2,904	2,200	9,100	10,137	11,031
Interest and rent on land									
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
<b>Transfers and subsidies to<sup>1</sup>:</b>	50,720	102,355	39,897	51,557	60,335	62,051	58,131	62,315	68,193
Provinces and municipalities									
Provinces <sup>2</sup>									
Provincial Revenue Funds									
Municipalities <sup>3</sup>									
Municipalities									
<i>of which: Regional service council levies</i>									
Municipal agencies and funds									
Departmental agencies and accounts									
Provincial agencies and funds	50,720	102,355	39,897	51,557	60,335	62,051	58,131	62,315	68,193
Social security funds									
Provide list of entities receiving transfers <sup>4</sup>									
Universities and technikons									
Public corporations and private enterprises <sup>5</sup>									
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									
<b>Payments for capital assets</b>				6,637	6,637	6,637	-	8,000	8,400
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	6,637	6,637		8,000	8,400
<b>Total economic classification</b>	50,720	103,564	44,722	61,098	69,876	70,888	67,231	80,452	87,624

**Table B.5(a): Details of payments for infrastructure by category**

No.	Project name	District / Region	Municipality	Project description/ type of structure	Project duration		Programme	Total project cost	Expenditure to date from previous years	Professional Fees Budget	Construction/ Maintenance Budget	Total available	MTEF Forward estimates	
					Date: Start	Date: Finish							2008/09	2009/10
					MTEF 2007/08									
<b>1. New constructions (buildings and infrastructure) (R thousand)</b>														
1	Koppiesdam Resort	Fezile Dabi	Ngwathe	Chalets, entrance and housing	Apr-08	Dec-10	Tourism	8,800					4,800	4,000
2	Erfenisdam	Lejweleputswa	Masilonyana	Luxury wooden bungalows	Apr-09	Apr-10	Tourism	1,500						1,500
3	Willem Pretorius Resort	Lejweleputswa	Matjhabeng	Built new abattoir	Apr-09	Mar-10	Tourism	3,500						3,500
4	Caledon N/R	Motheo	Naledi	Rebuilt floating camp on river bank	Apr-07	Apr-08	Tourism	2,000					400	1,600
5	Sandveld Resort	Lejweleputswa	Tswelopele	Construct new abattoir	Apr-07	Dec-08	Tourism	3,000		300	2,700	3,000		
6	Gariiep Nature reserve	Xhariep	Kopanong	Offices, stores and abattoir	Sep-05	Sep-07	Tourism	11,600	2,801	100	1,900	2,000		
7	Phillip Sanders Resort	Motheo	Mangaung	Chalets and conference facilities	Apr-07	Dec-08	Tourism	75,000		3,000	21,000	24,000	34,300	16,700
<b>Total new constructions (buildings and infrastructure)</b>								<b>105,400</b>	<b>2,801</b>	<b>3,400</b>	<b>25,600</b>	<b>29,000</b>	<b>39,500</b>	<b>27,300</b>
<b>2. Rehabilitation/upgrading (R thousand)</b>														
1	Rustfontein dam	Motheo	Mangaung	Rebuilt fence	Apr-07	Mar-08	Tourism	7,000	1,800		7,000	7,000		
2	Willem Pretorius Resort	Lejweleputswa	Matjhabeng	Upgrade Chalets, restaurant, hall and coference hall. Built chapel	Apr-09	Dec-10	Tourism	9,000						5,000
3	Sterkfontein Resort	Thabo Mofutsanyana	Maluti-a-Phofung	Upgrade camp, new chalets and entrance	Apr-09	Mar-10	Tourism	12,900						8,000
4	Sandveld Resort	Lejweleputswa	Tswelopele	Upgrade chalets and new day visitor facility	Apr-09	Dec-11	Tourism	26,600						4,700
<b>Total rehabilitation/upgrading</b>								<b>55,500</b>	<b>1,800</b>		<b>7,000</b>	<b>7,000</b>		<b>17,700</b>
<b>4. Other capital projects (R thousand)</b>														
1	Gariiep complex	Xhariep	Kopanong	Buy land at Gariiep and Tussen die Riviere	Apr-06	Apr-10	Transversal functions	55,000	6,300				8,000	8,400
<b>Total other capital projects</b>								<b>55,000</b>	<b>6,300</b>				<b>8,000</b>	<b>8,400</b>
<b>Total</b>								<b>215,900</b>	<b>10,901</b>	<b>3,400</b>	<b>32,600</b>	<b>36,000</b>	<b>47,500</b>	<b>53,400</b>



## 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		2007/08	2008/09	2009/10
R Thousand	2003/04	2004/05	2005/06	2006/07			
<b>Revenue</b>							
Tax revenue	9,086	12,858	16,299	17,465	21,729	22,420	23,541
Non-tax revenue	1,694	1,744	780	842	843	1,598	1,598
Sale of goods and services other than capital assets							
Of which:							
Admin fees							
Sales by market establishments							
Non-market est. sales							
Other non-tax revenue	1,694	1,744	780	842	843	1,598	1,598
Transfers received	10,814	12,915	12,472	14,557	15,963	16,209	17,019
Sale of capital assets							
<b>Total revenue</b>	<b>21,594</b>	<b>27,517</b>	<b>29,551</b>	<b>32,864</b>	<b>38,535</b>	<b>40,227</b>	<b>42,158</b>
<b>Expenses</b>							
Current expense	10,763	10,071	12,472	14,557	15,963	16,209	17,375
Compensation of employees	5,862	6,398	7,481	8,241	9,685	9,790	10,494
Goods and services	3,692	2,659	4,447	5,712	5,625	5,712	6,123
Depreciation	628	570					
Interest, dividends and rent on land	581	444	544	604	653	707	758
Interest	27						
Dividends							
Rent on land	554	444	554	604	653	707	758
Tax and Outside shareholders Interest							
Adjustments to Fair Value							
Unearned reserves (social security funds only)							
Transfers and subsidies	10,231	14,187	17,079	18,307	22,572	24,018	25,746
<b>Total expenses</b>	<b>10,763</b>	<b>10,071</b>	<b>12,472</b>	<b>14,557</b>	<b>15,963</b>	<b>16,209</b>	<b>17,375</b>
<b>Surplus / (Deficit)</b>	<b>600</b>	<b>3,259</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(963)</b>

**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		2007/08	2008/09	2009/10
R thousand	2003/04	2004/05	2004/05	2006/07			
<b>Cash flow summary</b>							
Adjust surplus / (deficit) for accrual transactions	4,313	173	(681)				
Adjustments for:							
Depreciation	628	570					
Interest	27						
Net (profit) / loss on disposal of fixed assets	(5)						
Other	3,663	(397)	(681)				
<b>Operating surplus / (deficit) before changes in working capital</b>	<b>4,913</b>	<b>3,432</b>	<b>(681)</b>				
Changes in working capital	(7,369)	430	(430)				
(Decrease) / increase in accounts payable	(8,697)	291	(587)				
Decrease / (increase) in accounts receivable	1,353	169	265				
(Decrease) / increase in provisions	(25)	(30)	(108)				
<b>Cash flow from operating activities</b>	<b>(2,456)</b>	<b>3,862</b>	<b>(1,111)</b>				
Transfers from government	(2,456)	3,862					
Of which: Capital							
: Current	(2,456)	3,862					
<b>Cash flow from investing activities</b>	<b>368</b>	<b>(131)</b>	<b>565</b>		<b>(107)</b>	<b>(45)</b>	<b>(165)</b>
Acquisition of Assets	(142)	(528)	(116)		(107)	(45)	(165)
<b>Other flows from Investing Activities</b>	<b>510</b>	<b>397</b>	<b>681</b>				
<b>Cash flow from financing activities</b>							
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(2,088)</b>	<b>3,731</b>	<b>(546)</b>		<b>(107)</b>	<b>(45)</b>	<b>(165)</b>
<b>Balance Sheet Data</b>							
Carrying Value of Assets	963	921	1,037		1,144	1,189	1,354
Investments							
Cash and Cash Equivalents	7,605	11,336	10,790		10,683	10,638	10,473
Receivables and Prepayments	702	529	264		264	264	264
Inventory	1	5					
<b>TOTAL ASSETS</b>	<b>9,271</b>	<b>12,791</b>	<b>12,091</b>		<b>12,091</b>	<b>12,091</b>	<b>12,091</b>
Capital & Reserves	6,433	9,692	9,687		9,687	9,687	9,687
Borrowings							
Post Retirement Benefits							
Trade and Other Payables	2,457	2,748	2,161		2,161	2,161	2,161
Provisions	381	351	243		243	243	243
Managed Funds							
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>9,271</b>	<b>12,791</b>	<b>12,091</b>		<b>12,091</b>	<b>12,091</b>	<b>12,091</b>
Contingent Liabilities							

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

	Outcome			Estimated outcome	Medium-term estimates		
	Audited	Audited	Audited		2007/08	2008/09	2009/10
R Thousand	2003/04	2004/05	2005/06	2006/07			
<b>Revenue</b>							
<b>Tax revenue</b>							
<b>Non-tax revenue</b>	<b>61,757</b>	<b>67,333</b>	<b>109,957</b>	<b>92,031</b>	<b>99,053</b>	<b>111,265</b>	<b>118,901</b>
Sale of goods and services other than capital assets	2,188	2,069	12,313	5,299	1,742	1,742	1,742
<i>Of which:</i>							
Admin fees	1,491	1,199	4,584	2,153	1,492	1,492	1,492
Market establishment	697	870	7,729	3,146	250	250	250
Other non tax revenue	59,569	65,264	97,644	86,732	97,311	109,523	117,159
Interest on Investment			3,890	4,370	3,030	3,030	3,030
Interest on loan advances Domestic	31,623	29,492	27,043	30,229	38,228	46,228	50,851
Other	27,946	35,772	66,711	52,133	56,053	60,265	63,278
<b>Transfers received</b>			<b>30,000</b>	<b>26,500</b>	<b>26,500</b>	<b>26,500</b>	<b>26,500</b>
<b>Sale of capital assets</b>							
<b>Total revenue</b>	<b>61,757</b>	<b>67,333</b>	<b>139,957</b>	<b>118,531</b>	<b>125,553</b>	<b>137,765</b>	<b>145,401</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>61,478</b>	<b>64,735</b>	<b>94,603</b>	<b>97,786</b>	<b>99,525</b>	<b>102,951</b>	<b>110,210</b>
Compensation of employees	26,214	25,636	26,805	34,887	38,504	40,316	43,195
Goods and services	26,939	38,501	67,028	60,678	57,796	61,343	65,723
Depreciation	303	598	764	2,218	3,225	1,292	1,292
Interest, dividends and rent on land	8,022		6	3			
Interest	6,415		6	3			
Dividends							
Rent on land	1,607						
Tax and Outside shareholders Interest							
Adjustments to Fair Value							
Unearned reserves (social security funds only)							
<b>Transfers and subsidies</b>							
<b>Total expenses</b>	<b>61,478</b>	<b>64,735</b>	<b>94,603</b>	<b>97,786</b>	<b>99,525</b>	<b>102,951</b>	<b>110,210</b>
<b>Surplus / (Deficit)</b>	<b>279</b>	<b>2,598</b>	<b>45,354</b>	<b>20,745</b>	<b>26,028</b>	<b>34,814</b>	<b>35,191</b>

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

	Outcome			Estimated outcome	Medium-term estimates		
	Audited	Audited	Audited		2007/08	2008/09	2009/10
R thousand	2003/04	2004/05	2005/06	2006/07			
<b>Cash flow summary</b>							
Adjust surplus / (deficit) for accrual transactions	14,544	16,863	56,623	30,317	36,448	43,071	43,448
Adjustments for:							
Depreciation	598	598	764	2,218	3,255	1,292	1,292
Interest							
Net (profit) / loss on disposal of fixed assets	(870)	(870)	(1,300)	(3,146)	(3,335)	(3,535)	(3,535)
Other	14,537	14,537	11,805	10,500	10,500	10,500	10,500
<b>Operating surplus / (deficit) before changes in working capital</b>	<b>14,544</b>	<b>16,863</b>	<b>56,623</b>	<b>30,317</b>	<b>36,448</b>	<b>43,071</b>	<b>43,448</b>
Changes in working capital	3,972	(67,645)	14,799	(7,887)	(1,094)	(627)	(53)
(Decrease) / increase in accounts payable	–	(71,617)	(824)	995	1,066	1,142	1,223
Decrease / (increase) in accounts receivable	5,827	5,827	3,143	(1,202)	(1,142)	(1,084)	(1,030)
Decrease / (increase) in inventory	24	24	11,135	(7,884)	(1,237)	(919)	(497)
(Decrease) / increase in provisions	(1,879)	(1,879)	1,345	204	219	234	251
<b>Cash flow from operating activities</b>	<b>18,516</b>	<b>(50,782)</b>	<b>71,422</b>	<b>22,430</b>	<b>35,354</b>	<b>42,444</b>	<b>43,395</b>
Transfers from government	(16,770)	16,770	33,000	26,500	26,500	26,500	26,500
Of which: Capital							
: Current							
<b>Cash flow from operating activities</b>	<b>1,746</b>	<b>(34,012)</b>	<b>104,422</b>	<b>48,930</b>	<b>61,854</b>	<b>68,944</b>	<b>69,895</b>
<b>Cash flow from investing activities</b>	<b>(58,160)</b>	<b>8,295</b>	<b>(36,262)</b>	<b>(84,889)</b>	<b>(29,761)</b>	<b>(38,292)</b>	<b>(38,280)</b>
Acquisition of Assets	(15,902)	(3,852)	(12,883)	2,218	3,225	1,292	1,292
Other flows from Investing Activities	(42,258)	12,147	(23,379)	(87,107)	(32,986)	(39,584)	(39,572)
<b>Cash flow from financing activities</b>	<b>84,800</b>	<b>84,800</b>					
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>45,156</b>	<b>25,544</b>	<b>25,391</b>	<b>(54,049)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Balance Sheet Data</b>							
Carrying Value of Assets	425,326	426,339	413,456	411,238	408,013	406,721	405,429
Long Term Investments	1,993	1,491	1,354	1,354	1,354	1,354	1,354
Loans	221,727	211,969	235,348	322,455	355,441	395,025	434,597
Cash and Cash Equivalents	33,114	58,658	84,049	30,000	30,000	30,000	30,000
Receivables and Prepayments	33,765	20,890	24,033	22,831	21,690	20,605	19,575
Inventory	24		11,135	3,251	2,014	1,095	598
<b>TOTAL ASSETS</b>	<b>715,949</b>	<b>719,347</b>	<b>769,375</b>	<b>791,129</b>	<b>818,512</b>	<b>854,800</b>	<b>891,553</b>
Capital & Reserves	624,349	690,565	739,455	760,200	786,228	821,042	856,233
Borrowings	73,998	2,430	2,274	1,542	1,042	542	–
Post Retirement Benefits	–	10,079	10,852	11,395	11,964	12,563	13,191
Trade and Other Payables	17,602	14,757	13,933	14,928	15,994	17,136	18,359
Provisions	–	1,516	2,861	3,065	3,284	3,519	3,770
<b>Managed Funds</b>							
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>715,949</b>	<b>719,347</b>	<b>769,375</b>	<b>791,130</b>	<b>818,512</b>	<b>854,801</b>	<b>891,553</b>
Contingent Liabilities							

**Table B.10: Financial summary for the Free State Tourism Authority (continued)**

	Outcome			Estimated outcome	Medium-term estimates		
	Audited	Audited	Audited		2007/08	2008/09	2009/10
R Thousand	2003/04	2004/05	2005/06	2006/07			
<b>Revenue</b>							
<b>Tax revenue</b>							
<b>Non-tax revenue</b>	-	-	-	-	-	-	-
Sale of goods and services other than capital assets							
<i>Of which:</i>							
Admin fees							
Market establishment							
Other non tax revenue							
Interest on Investment							
Interest on loan advances Domestic							
Other							
<b>Transfers received</b>			3,017	10,500	11,000	12,000	12,863
<b>Sale of capital assets</b>							
<b>Total revenue</b>	-	-	3,017	10,500	11,000	12,000	12,863
<b>Expenses</b>							
<b>Current expense</b>	-	-	3,017	-	-	-	-
Compensation of employees							
Goods and services			3,017				
Depreciation							
Interest, dividends and rent on land							
Interest							
Dividends							
Rent on land							
Tax and Outside shareholders Interest							
Adjustments to Fair Value							
Unearned reserves (social security funds only)							
<b>Transfers and subsidies</b>							
<b>Total expenses</b>	-	-	3,017	-	-	-	-
<b>Surplus / (Deficit)</b>	-	-	-	10,500	11,000	12,000	12,863

**Table B.10: Details on transfers to local government**

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

	Outcome			Main appropriation	Adjusted appropriation	Estimated Actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
R thousand	2003/04	2004/05	2005/06	2006/07					
Type of transfer									
Category C									
Motheo District Municipality		258	255	251	66	66			
<b>TOTAL</b>		258	255	251	66	66			