

## **“JWALE KE NAKO YA KOTULO”**

**BUDGET VOTE  
(VOTE 3);  
TABLED BY**

**MEC MOSEBENZI ZWANE**

**MEC: DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND  
ENVIRONMENTAL AFFAIRS**

**25 MARCH 2013**

**MMAMAHABANE VENTERSBURG**

Honourable Acting Speaker of the Free State Legislature,

Honourable Premier,

Honourable Members of the Free State Legislature,

Leaders of different political parties,

Mayors and Speakers of different Municipalities,

Chairpersons, Board Members and Chief Executive Officers of Public Entities,

Members of State Institutions supporting democracy,

Director-General and Heads of Department,

Members of the Traditional House

Mme Motswadi

Bomme le Bontate

Acting Speaker re motlotlo kajeno haele mona re kene ka hare ho motse ona wa Mmamahabane hobane ka nnete motse ona, ona le nalane ya bohlokwa eo re lokelang ho etsa bonnete bahore setjhaba sa bo rona haholoholo sa hona mona Mmamahabane se ya e tseba. Ba bangata ba rona ha ba tsebe hore sebaka sena e bile mabala a moo Morena Moshoeshe, Morena wa setjhaba sa Basotho a kileng a phela teng dilemong tse ngata tse fetileng. Morena Moshoeshe le Piet Venter eo motse ona o theuweng hodima sebaka sa hae e ne ele metswalle e meholo. Ka thokonyana ho motse ona, ho na le sebaka se bitswang Skaanskraal moo le kajeno ho ntseng ho bonahala masaka le masupi moo Morena Moshoeshe le bahlabani ba hae baneng ba phela teng.

Sebaka sena se na le museum wa sepolesa (police museum) moo ditaba tsa sebaka sena di hlalotswang teng. Jwale ka ha Sesotho se bolela, “mohale o tswa maroleng” mona ke lehae la emong wa bahale ka hare ho Provinsi ena ya rona, moetapele wa setjhaba, setsibi sa setso, kgalala ya ditshwantshiso tsa radio le televishene, Ngaka e Mabatha, Mopheme, Metsi, Ntate Khotso Nkhatho eo eleng moeti wa rona wa bohlokwa kajeno.

Ka nnete leeto la rona la ho haola le naha ya Freistata e bile la bohlokwa ho rona re le Mmuso haholoholo ho rona re le lefapha le fuweng boikarabello ba ho shebana le ntshetsopele ya moruo, bohahlaodi le tlhokomelo ya tikoloho. Ka leeto lena re kgona ho ba le kutlwisiso e felletseng ya boemo ba bophelo ka hare ho metse ya rona mme re utlwe ka ho otlooha ho baahi hore na ebe puso e fihlella ditlhoko tsa bona kapa ba ka fana ka boeletsi bo feng hore maphelo a bona a ntshetswepele. Re thabela kamohelo e mofuthu ya baahi ba Mmamahabane moo re tlo teka ditekanyetso tsa lefapha bakeng sa selemo se tlang sa ditjhelete.

It is most appropriate at this point to thank my predecessor MEC Mamiki Qabathe, who laid the foundation of this policy statement we are presenting today. Our responsibility is now to roll up our sleeves, dirty our hands in executing the mandate given to this government by the electorate. This demonstrates the richness of the cadre deployment in the ruling party.

Operation Hlasela, through its power, has enabled us to interact with the people of the Free State, and we have realized that the needs of our people differ from region to region, stretching from Fezile Dabi in the north to Xhariep in the south. We are now at a point where we have products, services and programmes that will unleash the economic potential of our people. Our policy statement today will change the economic landscape in this province forever. The changing economic landscape we are advocating, is a new glorious wave that will sweep through the Free State and will usher independence, effectiveness, efficiency, productivity and growth of our people in a healthy and clean environment

## **ECONOMIC OVERVIEW OF THE PROVINCE**

### **Economic profile**

Acting Speaker, the preparation of our budget and plans for the coming fiscal year is influenced amongst others, by the slow economic growth worldwide as observed by economists, the report from the Reserve Bank on the economic growth in South Africa and our current economic performance.

Mr. Mike Schüssler, the well-known economist and the compiler of the Free State Barometer, has expressed his concern about the effects of the current slow growth on the global economy. He says that this has been a year of slow economic growth – worldwide, countrywide and therefore the Free State is no exception. His viewpoint has been supported by the Reserve Bank, which lowered its outlook for South Africa's economic growth from 3.2% to 2.8% for 2012, raising it to 3.4 % in 2013 as the global economy started to show signs of recovery.

The provincial contribution to the national GDP increased to 5.53% in 2012 compared to 5.3% in 2011. The provincial GDP also recorded an increase of R20bn in 2012 (from R153bn in 2011 to R173bn in 2012). It is furthermore indicated that the GDP growth rate increased from 2.5% in 2011 to 3.3% in 2012.

Encouragingly the contribution of Agriculture and Mining to the GDP has increased to 5.2 % and 17.6% compared to 4.4.% and 16.5 % in 2011 respectively. This represents an increase of 0.8% and 1.1% respectively.

As a confirmation of this growth, in its 2012 Fourth Quarter of Quarterly Employment Survey, Stats SA, announced that “formal and informal non-agriculture employment” in Free State has risen by an encouraging 1 000 and 7000 jobs respectively compared to the third quarter in 2012.

### **Environmental outlook**

The natural environment is vital to both social and economic development. People are dependent of the resources provided by the natural environment for their health and wellbeing. Human activity places great pressure on the environment through the use and depletion of resources, release of waste products to the environment and the degradation of land and habitats.

Our response to ease or prevent environmental impacts, correcting the environmental damage or conserving natural resources is driven by the following priorities;

- Environmental governance
- Compliance and enforcement
- Information management
- Planning framework and

- Skills development

## WORK IN PROGRESS

Acting Speaker, we should remember that many of this department's projects are multi-year by nature and therefore we would like to indicate some of the work currently in progress. This work includes the following:

- **Establishment of 4 buy-back centers.** The Vaalpark Buy Back Centre is in the process of being fenced, containers have been obtained and are to be delivered soon. Training of the street pickers was done by PETCO & the recycling industries. The Official opening of the centers is planned for June 2013.
- **Establishment of 5 waste recycling centers on landfill sites in the Free State.** The reclaiming center on the Hennenman landfill site is being fenced in and one container is already on site. We are awaiting 2 more containers to be delivered. Protective clothing has already been obtained. The Mercy Life community project at the the Buy Back Center in Thabong is in the planning phase.
- **Support to Free State Business.** Businesses that are receiving constant attention include PCS Systems, who have developed software in collaboration with Innovation Hub of the Central University of Technology for the taxi industry. Another firm, Epixel, a youth company, has been identified to play a role in the resuscitation of the textile industry. KSAE Holdings, a Ficksburg based company is working with a group of professionals to participate in the medical and food market.

Together with municipalities, business chambers and development agencies we will monitor the progress made by these and other companies.

## THE YEAR AHEAD

Our mandate is ***“to provide sound economic and environmental management systems that ensure economic development and poverty eradication in the Free State”***.

Our priorities for the coming year can be summarized as follows:

- Creating a conducive environment to promote sustainable economic development and growth whilst championing transformation.

- Improving communication with our stakeholders particularly the business community. We find that ineffective communication is a huge problem affecting all activities of the department and these needs to be rectified as a matter of urgency. As a result, we are working on a strategy to establish open and effective communication channels at all levels of the department.
- Restructuring and repositioning the department in order to render better and faster assistance to SMMEs. We will assist entrepreneurs, at the survivalist and micro level, with their specific needs in order for them to become self-sustaining enterprises.
- Facilitating mutually beneficial relationships between macro and micro enterprises through targeted enterprise development programmes.
- Positioning the Free State as a preferred domestic tourism destination through effective Tourism Routes Strategy.

Acting Speaker, The Economic Development division has been allocated **R118.548** million for this financial year. We are the first ones to admit that this allocation is far from being adequate.

*Setsokotsane sa leqhubu la moya wa tshepo se se se fihlile. Bohloko ba tlala bona re a bo tseba. Tlohong ba heso, le tle ka pele sebaka se sa le teng. Tlohong re ahe moruo wa naha ya rona. **Jwale ke nako ya kotulo.***

A process to identify existing and active cooperatives categorized in different subsectors will be undertaken. Access to markets remains high in the list of challenges inhibiting growth in the cooperatives sector. Consequently the department has adopted a move to use government purchasing power by ring-fencing all products that can be supplied by cooperatives. Items include linen, uniforms, maintenance, protective clothing and laundry services .We invite all other departments to prioritize these cooperatives for procurement of goods and services.

We have recently hosted a Cooperatives Summit in Qwaqwa where we planted the seed for success in this regard.

We have, over a period of time, observed the struggle of the **survivalist** businesses in street corners, pavements, and small shelters throughout our towns. These are people who we believe have their hearts in the right place but normally have nowhere to go for assistance. This new approach tells us we also have a responsibility when it comes to Alternative Livelihood support to the indigent and unemployed, by so doing igniting the entrepreneurial spirit amongst them.

Innovation and creativity drive entrepreneurial success. To this end, we will establish the SMME Incubation Programme where all business ideas can be lodged and

assessed. This incubation programme will start at school level with the non-fee paying schools competing by district against each other to produce the best business concept. The same programme will be launched at the fee paying schools. The third targeted category will be unemployed youth. This programme will be undertaken in partnership with the department of education.

### **Maluti-A-Phofung SEZ (Special Economic Zone)**

This project involves the Tshiame Industrial Development which constitutes the Free State node of the proposed Durban-Free State-Gauteng logistics and industrial corridor (Strategic Infrastructure Project –SIP II). It is intended to strengthen the logistics and transport corridor between South Africa's main industrial hub in Gauteng and the Port of Durban. This project is also part of the Free State Provincial government initiative to unlock economic opportunities and potential along the Free State part of the Durban-Free State-Gauteng logistics and Industrial corridor. On the other hand, the Harrismith Logistical Hub remains very much the integral part of this development. We are happy that the Free State Government has secured the support of the Department of Transport, Department of Trade and Industry, Department of Public Enterprises (Transnet and Sanral) and both Kwazulu Natal and Gauteng Provincial Governments for this important project.

We can now , with certainty, pronounce that the proposed De Beers Harrismith by-pass is now a closed matter.

### **Local Economic Development**

Our view is that municipalities ought to play a significant role in economic development due to the fact that local municipal areas are the seat of development. Local Economic Development (LED) is very central to our efforts to change the face of our towns, particularly small towns. We therefore have identified Hlasela and Centenary towns as target areas where we will focus our economic development efforts.

Financial assistance for the realization of development efforts has been sourced from IDC. Five (5) firms in the agro-industry sector, 1 in mining and 1 in tourism during 2012/13, to a value of R310m, creating 272 jobs are on record as evidence of funding by IDC.

Further, working with the Matjhabeng Local Municipality and the Department of Mining Resources, we have identified the mitigation of mines as a viable proposition for job creation in this area.

## **SMME Development**

Acting Speaker, we must assist SMMEs with product development, pricing strategies and access to markets.

It is out of this realization that the FDC will provide assistance to struggling businesses by developing and implementing business recovery strategies with and for them. We must, however, encourage those businesses that are prospering to honour their loan obligations.

We can report confidently that Phiritona Plastics, a sole black owned plastic pipe manufacturing firm in the province, has been assisted to successfully register its product and gain SABS certification. This success story has opened market access opportunities beyond our borders.

## **Consumer Protection**

On the 14<sup>th</sup> of March this year, we celebrated the World Consumer Rights day in Phomolong Community Hall in Hennenman. These celebrations were also rolled out in the following towns: Kagisanong Community Hall in Mangaung and Constantia Community Hall in Maokeng. The main aim with consumer education is to enlighten communities about consumer rights as we realize that our people fall prey to unfair business practices.

We have been able to achieve this with the help of our Consumer Protection Office that has three sections. These are the Consumer Education, Consumer Investigations and the Consumer Affairs Court. The Consumer Protector heads all these government sections which provide a very important service to our people. What is important is that everybody who feels aggrieved can use this service as it is for free. Equally, all complainants can also approach the Consumer Protection Office at 98 Zastron Street in Bloemfontein or call **051 400 4852**.

## **Tourism Development and Promotion**

Acting Speaker, tourism plays a critical role in driving the economy of the world. Thus the National Development Plan identifies this important sector as a major role player. Consequently it is for this reason that we have allocated **R46.199** million to tourism development and promotion.

## Tourism Profile

The Free State is well endowed with natural and scenic beauty as well as historical significance waiting to be discovered. Just to mention a few;

- Clarence in Thabo Mofutsanyane is the jewel of tourism, voted the best tourist town in the Free State and the 4<sup>th</sup> most popular town in South Africa last year.
- The Free State has five major attractive dams for water sport and a haven for angling
- Three of the major rivers of this country also border the Free State not to mention the confluence of two of them at the Tussen die Reviere in Xhariep
- Seekoevlei Nature Reserve in Memel is a registered RAMSA site teeming with hippos a bird life
- Vredefort Dome World Heritage Site is a geological adventure to be explored
- Jagersfontein mine is the deepest vertical man-made hole in the world
- The African National Congress was founded in the Wesleyan Church in Waaihoek Mangaung

Many historically significant and heritage events have been hosted in this area in 2012, these include the ANC Centenary, the ANC Conference, MACUFE, Tour de Free State Cycle Race, FI Powerboat Championship and many more.

In the same vein, the following events will be hosted in the new financial year:

- International Soccer Tournament in July 2013
- Free State 500 NASCAR in November 2013
- F2 Powerboat World Championships in December 2013

We anticipate that these events will increase tourism spend and contribute positively to the economic growth of the province.

Our two tourism innovation programmes, the “Kasie and Stokvel” tourism will gain momentum this year. Through “Kasie tourism” we will identify popular hangout places in our different townships for tour operators to include in their tour packages.”Stokvel Tourism” will target saving groups like social clubs, burial societies, schools and churches to visit tourism attractions in the province and incentives will be provided for this purpose.

In cultivating music tourism in the Province, we will host choral and gospel concerts through which we will attract music lovers to travel the Free State. Our intention with this programme is to inculcate, in these groups, the business aspect of music. Our performing artists will still be encouraged and supported in promoting Free State Tourism attractions through their music.



## **PUBLIC ENTITIES**

The public entities are the establishment of the government to advance the course of the Government's mandate of improving the lives of the people. These entities should be accessible and responsive to the needs of the people of this Province.

### **Free State Development Corporation**

The FDC will be repositioned and realigned to become an effective, efficient developmental financial institution that will be readily able to implement government policy, strategy and programmes.

### **Free State Tourism Authority**

The FSTA will focus on the vigorous marketing of the province to enhance its position as a preferred inland tourism destination.

### **Free State Gambling and Liquor Authority**

The **FREE STATE GAMBLING AND LIQUOR (FSGL) ACT** must be re-written by June this year in order to make this entity more responsive and efficient in regulating the gambling and liquor industry in order to address social challenges in this Province.

## **ENVIRONMENTAL MANAGEMENT**

Acting Speaker, our environment is threatened. The negative impact of climate change is manifesting itself in our environmental conservation estate. Our best assets as a Province are our natural resources and we have to do everything in our power to protect them. We have therefore allocated **R171.458** million to environmental management. These range from the quality of our air, water, biodiversity, compliance and of course eco tourism.

This year we will register a further 200 eco schools, 200 eco clubs, 6 conservancies and increase our protected area by another 2 500 hectares.

## **Greening and Recycling**

Keeping our environment clean and healthy will be approached with vigour. We will concentrate on fewer areas where a number of people will be employed, given tools and protective clothes to enable them to work for longer periods. The greening projects will be monitored and sustainability and creativity will play a key role. Community projects which will come up with most successful recycling and greening ideas will get incentives.

We started with a project in Bethulie last year where we planted 1600 fruit trees. Not only do these trees provide the necessary shade from the harsh sun but will provide nourishment to the community. We have also concentrated on the development of parks. One of the parks that we have designed for Ventersburg with an open air gym can be viewed next to Mamahabane clinic, the other side of the stadium.

## **Ranched Lion Hunting**

Lions Breeding and Hunting in the Free State has made big news in the media in the recent past. In 2012 we approved the Norms and Standards for Large Predators. The only two game farmers that breed and hunt lions in the Free State strictly comply with their permit conditions. However, our challenge is game farmers who keep more than specified number of lions on their farms resulting in escapes. Subsequently, the numerous incidents where lions have escaped and threatened the lives of our people have necessitated that permit conditions for keeping large predators be reviewed.

Trade in lion bones is also something that concerns us. Our enforcement unit is working around the clock with SAPS to identify any illegal activities in this regard and other environmental crimes.

## **Management of Resorts and Reserves**

Tourism plays a very important role in the economy of the province. We have therefore strongly recommended a closer relationship between the environment branch and the FSTA to ensure that we increase the volumes of visitors to our reserves and resorts. To this end, R112 million has been used in the refurbishment, building of chalets, building of roads and staff houses at 5 resorts in order to attract more visitors. In the coming financial year R52 million has been set aside for further building and refurbishment of resorts and reserves. To enhance occupation at our resorts, we will also introduce the central reservation system.

## **The Green Economy**

We will host a summit on the Green Economy where we hope to set the stage for this very important issue. The opportunities are massive in this field, and the Free State needs to grab them with both hands. During the Summit we will also be looking into ways of responding to climate change whilst creating sustainable green jobs.

We will furthermore be embarking on the development of a greenhouse gas inventory. This will enable the province to know exactly what the levels of greenhouse gas emissions are. We will then be able to develop various response programmes which will assist the province to adapt and mitigate climate change.

### **Naval Hill Planetarium**

The Free State is poised to play a significant role in the Knowledge Economy. Bloemfontein will be the home of the first digital planetarium in Sub-Saharan Africa. This development entails the reviving of the old Lamont-Hussey Observatory which was built by University of Michigan in 1923.

The planetarium will be an important 'edutainment' facility with plans for the proposed multi-purpose centre that will include office space for provincial government to run programmes and conservation on the environment, as well as a heritage museum and a Science and Sculpture Garden. Based within the existing game-reserve, the centre will be a formidable resource for communication on the environment and the natural sciences.

This will enable scholars, students and tourists to "fly" through the universe, visit planets, experiencing the creation of the universe, 'diving' into the deepest secrets of the ocean, exploring the creation of mankind. We also believe that with the assistance of our tertiary institutions like the University of the Free State, we have far more than a fair chance to leverage the Knowledge economy to create a smart society.

### **Ingula Pumped Storage Hydro Electric Scheme**

The Free State continues to play a significant role in this R16 billion energy infrastructure project at the border of the Free State and Kwazulu Natal. Our Department, working together with KZN and ESKOM has demonstrated that conservation and development can and should go together.

Eskom has invested R650 million in building a dam in the Free State as part of the project, creating 250 jobs for Free State residents. Working with the KZN and ESKOM, the Free State has ensured that the impact of such a huge development project is very minimal to the environment. Today there is a massive new conservation area under the stewardship of the Free State.

### **Artificial Wetlands**

Wetlands have a natural ability to purify water, and the objective will be to create artificial wetlands in strategically located areas to naturally treat polluted water before it enters our rivers and streams. Therefore an amount of R9.5 million has been secured from working for Wetlands for creating artificial wetlands in the Free State. These projects will have direct and indirect benefits for the people of the Free State through the creation of jobs and improving the health of our rivers respectively.

Since 2009, approximately R53 million has been spent on the wetlands of Seekoeivlei, the upper Wilge River Catchment, Maluti-a-Phofung (Qwa-Qwa area) and the Golden Gate Highlands National Park which have provided jobs for more than 1000 people during its period of implementation. The work is being done on a continuous basis.

### **Letsatsi Solar Power Project**

On Thursday 07 March this year, together with the Department of Energy, we unveiled a solar energy project at the Soutdrift Substation south of Bloemfontein. This R2.4 billion project is yet another initiative by this government to ensure continued uninterrupted supply of electricity as utilizing South Africa's renewable energy generation potential to achieve more balanced generation mix for the South African economy. To date, 150 people are already employed on site and further 450 will be employed in the future. This plant is expected to produce 42% of the total electricity demand of the Free State.

### **In Conclusion**

To demonstrate the 'new glorious wave, the new wave of hope, the new wave of change , the new wave of structured thinking to unlock opportunities and awaken the giant of the provincial economy of the Free State, I wish to draw inspiration from Confucius, the Chinese thinker and philosopher when he said;

***“To put the world in order, we must first put the nation in order; to put the nation in order, we must put the family in order; to put the family in order, we must cultivate our personal life; and to cultivate our personal life, we must first set our hearts right.”***

Honourable Acting Speaker, I wish to take this opportunity to thank the Premier for his confidence in entrusting me with the responsibility of leading this portfolio, the African National Congress, my organization that has nurtured me into who I have become today.

I also wish to thank the Portfolio Committee for their diligent oversight that keeps us focused. I also wish to take this opportunity to thank Mr Ikhraam “Ozzie” Osman, the Head of the Department, members of the different Boards, the management and staff of the Department and the Public Entities.

Gratitude should also go to our mother departments, The National Department of Environmental Affairs, National Department of Tourism, Department of Trade and

Industry, the Department of Economic Development, Department of Public Enterprises, the business sector in general and all other stakeholders. Thank you very much.

Mangibonge kubo bonke abomndeni wami ngokungiseka ngazo zonke izikhathi.Khulani nindlondlobale Mangethe.

Acting Speaker we now table before this house the budget of the Department of Economic Development, Tourism and Environmental Affairs for the 2013/14 financial year.

**END**

## Sources of funding

The following sources of funding are used for the Vote:

### Summary of receipts

Table 1: Summary of receipts: Economic Development, Tourism and Environmental Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
<b>Treasury funding</b>									
Equitable share	293733	285914	3325774	343353	342703	342703	355206	367315	382537
Conditional grants: EPWP Incentive Grant for Infrastructure				1000	1000	1000	550		
Own Revenue	11302	12087	21230	25369	25369	25369	26611	27369	29869
Revenue Enhancement Allocation	0	0	0	14925	14925	14925	3258		
Infrastructure Enhancement Allocation	36704	29287	42851	52247	34050	34050	64570	54019	53467
<b>Total Treasury funding</b>	<b>341739</b>	<b>327288</b>	<b>3389855</b>	<b>436894</b>	<b>418047</b>	<b>418047</b>	<b>450195</b>	<b>448703</b>	<b>465873</b>
<b>Departmental receipts</b>									
Tax receipts	32657	36790	42073	43092	45600	45600	47632	50012	52513
Casino taxes	24183	25739	30176	31071	32961	32961	34609	36339	38156
Horse racing taxes	5631	5427	6747	4769	5387	5387	7615	7995	8395
Liquor licences	2843	5624	5150	7252	7252	7252	5408	5678	5962
Motor vehicle licences									
Sales of goods and services other than capital assets	10712	7629	8811	10701	11354	11354	11228	11477	11726
Transfers received									
Fines, penalties and forfeits	20	176	123	7	77	91	77	77	77
Interest, dividends and rent on land	300	79	198	230	265	314	5	5	5
Sales of capital assets	7454	12012	13863	14667	8159	8159	10000	8078	9750
Transactions in financial assets and liabilities	1048	1248	280	571	412	715	422	432	445
<b>Total departmental receipts</b>	<b>52191</b>	<b>57934</b>	<b>65348</b>	<b>69268</b>	<b>65867</b>	<b>66233</b>	<b>69364</b>	<b>70081</b>	<b>74516</b>

## Programme summary

Table 2: Summary of payments and estimates: Economic Development, Tourism and Environmental Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Programme 1: Administration	77182	85762	83547	101260	97260	101455	113990	117736	131500
Programme 2: Environmental Affairs	113246	115584	154663	180772	161475	158721	171458	172274	170774
Programme 3: Economic Development	85227	82939	113875	108010	100710	99019	118548	110353	113861
Programme 4: Tourism	40786	43003	37770	46852	58602	58852	46199	48340	49738
<b>Total payments and estimates: Department of Ecor</b>	<b>316441</b>	<b>327288</b>	<b>389855</b>	<b>436894</b>	<b>418047</b>	<b>418047</b>	<b>450195</b>	<b>448703</b>	<b>465873</b>

## Summary of economic classification

Table 3: Summary of provincial payments and estimates by economic classification: Economic Development, Tourism and Environmenta

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
<b>Current payments</b>	<b>189047</b>	<b>196557</b>	<b>219813</b>	<b>244862</b>	<b>257973</b>	<b>257898</b>	<b>277320</b>	<b>291786</b>	<b>310214</b>
Compensation of employees	112386	127843	146874	169884	164784	163456	181587	195494	204279
Goods and services	76661	68714	72939	74978	93189	94442	95733	96292	105935
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>83210</b>	<b>100012</b>	<b>117183</b>	<b>120360</b>	<b>123019</b>	<b>123049</b>	<b>118587</b>	<b>100534</b>	<b>100537</b>
Provinces and municipalities									
Departmental agencies and Universities and technikons	47970	70443	74138	88115	95734	95735	91342	88289	88292
Foreign governments and Public corporations and private	34700	29490	35000	32245	27245	27245	22245	12245	12245
Other transfers to private Non-profit institutions							5000		
Households	540	79	2045		40	69			
<b>Payments for capital assets</b>	<b>42486</b>	<b>30912</b>	<b>52611</b>	<b>71672</b>	<b>37055</b>	<b>37100</b>	<b>54288</b>	<b>56383</b>	<b>55122</b>
Buildings and other fixed structures	39237	29827	42851	67772	34050	34050	52770	52921	51467
Machinery and equipment	3204	1085	9731	3900	3005	3050	1518	3462	3655
Heritage Assets									
Specialised military assets									
Biological assets			29						
Land and sub-soil assets									
Software and other intangible	45								
<b>Payments for financial assets</b>	<b>1698</b>	<b>347</b>	<b>248</b>						
<b>Total economic classification: Econ</b>	<b>316441</b>	<b>327828</b>	<b>389855</b>	<b>436894</b>	<b>418047</b>	<b>418047</b>	<b>450195</b>	<b>448703</b>	<b>465873</b>

## Infrastructure payments

**Table 4: Summary of Infrastructure Payments per programme: Economic Development, Tourism and Environmental Affairs**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Programme 1: Administration									
Programme 2: Environmental Affairs	39237	29827	42851	67772	46525	46525	64570	54019	53467
Programme 3: Economic Development									
Programme 4: Tourism									
<b>Total payments and estimates: Economic Developme</b>	<b>39237</b>	<b>29827</b>	<b>42851</b>	<b>67772</b>	<b>46525</b>	<b>46525</b>	<b>64570</b>	<b>54019</b>	<b>53467</b>

**Table 5: Summary of infrastructure payments by economic classification: Economic Development, Tourism and Environmental Affairs**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
<b>Current payments</b>				<b>15925</b>	<b>12475</b>	<b>12475</b>	<b>1800</b>	<b>1098</b>	<b>2000</b>
Compensation of employees									
Goods and services				15925	12475	12475	1800	1098	2000
Interest and rent on land									
<b>Transfers and subsidies to:</b>							<b>10000</b>		
Provinces and municipalities									
Departmental agencies and									
Universities and technikons									
Foreign governments and									
Public corporations and private							10000		
Non-profit institutions									
Households									
<b>Payments for capital assets</b>	<b>39237</b>	<b>29827</b>	<b>42851</b>	<b>51847</b>	<b>34050</b>	<b>34050</b>	<b>52770</b>	<b>52921</b>	<b>51467</b>
Buildings and other fixed structures	39237	29827	42851	51847	34050	34050	52770	52921	51467
Machinery and equipment									
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible									
<b>Payments for financial assets</b>									
<b>Total economic classification: Econ</b>	<b>39237</b>	<b>29827</b>	<b>42851</b>	<b>67772</b>	<b>46525</b>	<b>46525</b>	<b>64570</b>	<b>54019</b>	<b>53467</b>



## Transfers to public entities

Table 6: Summary of departmental transfers to public entities

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Free State Development Corporation	42600	29490	35000	32245	27245	27245	22245	12245	12245
Free State Gambling and Liquor Board	22683	33021	44586	48251	48251	48251	51309	48251	48251
Free State Tourism Authority	17387	38259	29548	39864	47314	39864	39864	39864	39864
<b>Total departmental transfers to public entities</b>	<b>82670</b>	<b>100770</b>	<b>109134</b>	<b>120360</b>	<b>122810</b>	<b>115360</b>	<b>113418</b>	<b>100360</b>	<b>100360</b>

## Conditional Grants

Table 7: Summary of conditional grants Payments per programme

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Programme 2: Environmental affairs (EPWP)				1000	1000	1000	550		
<b>Total payments and estimates</b>									

## Programme 1: Administration

**Description: The role of the programme is to provide leadership, strategic management in accordance with the legislation, regulations, policies as well as providing appropriate support service to other programmes.**

Table 8: Summary of payments and estimates: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Sub-programme 1: Office of the MEC	5785	7692	8280	6087	10771	10152	9573	8278	8566
Sub-programme 2: Management Services	11850	24187	15238	23990	22282	21218	25138	24592	24815
Sub-programme 3: Financial Management	31116	28259	35057	45323	37223	41211	50650	55607	67513
Sub-programme 4: Corporate Services	28431	25624	24972	25860	26984	28874	28629	29259	30606
<b>Total payments and estimates: Programme 1: Administration</b>	<b>77182</b>	<b>85762</b>	<b>83547</b>	<b>101260</b>	<b>97260</b>	<b>101455</b>	<b>113990</b>	<b>117736</b>	<b>131500</b>

## Programme 2: Environmental Affairs

**Description:**The aim is to coordinate the sub-programmes that will assist in the protection of human health and the environment in the province as follows:

To implement and monitor legislation and policies in the areas of Air Quality, Biodiversity, Climate Change, Compliance Monitoring, Environmental Impact, Protected Areas, Pollution Control, Protected Areas and Waste Management.

Table 9: Summary of payments and estimates: Programme 2: Environmental Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Sub-programme 1: Environmental Quality Management	6828	5362	9214	19554	18020	8140	19947	16712	16392
Sub-programme 2: Policy Coordinatin & Environmental Planning	1553	4259	2978	4759	5189	4689	5069	5484	5758
Sub-programme 3: Compliance and Enforcement	5616	6956	9068	7924	7673	9164	8204	8805	9210
Sub-programme 4: Biodiversity Management	88715	88317	121178	136200	118258	122854	125477	127689	126226
Sub-programme 5: Environmental Empowerment Services	10534	10690	12225	12335	12335	13874	12761	13584	13188
<b>Total payments and estimates: Programme 2: Environmental Affairs</b>	<b>113246</b>	<b>115584</b>	<b>154663</b>	<b>180772</b>	<b>161475</b>	<b>158721</b>	<b>171458</b>	<b>172274</b>	<b>170774</b>

## Programme 3: Economic Development

**Description:** The programme aims to promote vibrant economic activities within the province

Table 2.11: Summary of payments and estimates: Programme 3: Economic Development

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Sub-programme 1: Intergrated Economic Planning and Development	50319	33206	49332	46283	38983	37980	37548	28453	29935
Sub-programme 2: Sector Deveopment	4859	8903	10783	3838	3838	3048	20000	20317	20332
Sub-programme 3: Business Regulations and Governance	30049	41667	53760	57889	57889	57991	61000	61583	63594
<b>Total payments and estimates: Programme 3: Economic Development</b>	<b>85227</b>	<b>83776</b>	<b>113875</b>	<b>108010</b>	<b>100710</b>	<b>99019</b>	<b>118548</b>	<b>110353</b>	<b>113861</b>

## Programme 4: Tourism

**Description:** To create enabling Tourism environment through legislation, policy and strategy development

Table 2.11: Summary of payments and estimates: Programme 4: Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Sub-programme 1: Tourism Planning	40786	43003	37770	46852	58602	58852	46199	48340	49738
Tourism Growth And Development									
Tourism Sector Transformation									