



South Africa aims to attract ten million foreign visitors per year by 2010.

BUILDING THE TOURISM ECONOMY GOING FOR GOLD

Our tourism programme promotes and develops tourism products and incentives to generate revenue, create jobs and transform the tourism industry, whilst at the same time encouraging the participation of previously disadvantaged individuals. The programme further provides support to both the public and private sectors, and to the broader South African community.

Tourism has been called 'the New Gold' for good reason. It is the only sector nationally that has managed to grow jobs (currently R521 600) while increasing its contribution to the Gross Domestic Product (now up to 8.3%). These figures are set to rise even further, with quarterly increases in tourist arrivals. For every twelve (12) new tourist arrivals in the country, one new job is created.

TOURISM AS AN ASGI-SA PRIORITY - TOWARDS 2010

During 2006/7, tourism was included as an Immediate Priority Area for the Accelerated and Shared Growth Initiative for South Africa (ASGI-SA).

Regarding the 2010 World Cup, the department drafted a strategy to engage with countries that have successfully hosted large events like World Cup tournaments, with the aim of learning from their

experiences. The strategy will be finalised and implemented in 2007/8.

By 2010, South Africa plans to accommodate ten (10) million foreign visitors annually.

The department has identified seven thematic areas for tourism development:

- Skills
- Transport
- Safety and security
- Research Information management
- Marketing
- SMME and infrastructure development, and
- Industry transformation

These areas also form the bedrock of Tourism's 2010 Action Plan, to ensure government alignment between the ASGI-SA and 2010 initiatives in the sector

SKILLS DEVELOPMENT

The period under review started on a high note, with the finalisation of a Memorandum of Understanding between the department, the Tourism and Hospitality Education and Training Authority (THETA) and the National Business Initiative, on addressing the skills challenges in the sector.



DEAT is a prominent exhibitor at Tourism Indaba, the largest tourism trade show in Africa.

The goal was to draw stakeholders together to ensure alignment and coordination of skills development interventions across the industry, including those being undertaken by the departments of Labour and Education. The first major project under the cooperation was a comprehensive tourism skills audit, which was launched during mid 2006, to identify gaps and respond to industry demands and expectations.

The skills audit was debated at the first ever National Tourism Skills Development Conference at Muldersdrift, Gauteng, in October, and drew together government, labour, Non-Governmental Organisations (NGOs) and the Tourism Business Council of South Africa (TBCSA), and had the benefit of global perspectives from senior United Nations World Tourism Organisation (UNWTO) specialists.

The conference produced an agreed Action Plan and outlined the need for a National Tourism Skills Development Forum, which will oversee all skills development issues in the sector. The five task teams (Sector Skills Plan, Curriculum Review, Information Management and Sharing, SMME Development, and Accreditation System) have been busy at work since November 2007 charting the way forward for skills development.

Despite this positive progress, the Research Report and revised Sector Skills Plan could not be delivered on schedule at the end of 2006 and will only be finalised by April 2007.

In a related development, a Memorandum of Understanding (MoU) was developed between DEAT, the Department of Education and the Department of Labour and will coordinate actions between the three government organs to ensure more effective and relevant skills development.

Foreign language training is an important component of the overall skills development plan, particularly for 2010. During the year, the Department engaged the

help of the respective governments to train tourist guides in French, Mandarin (Chinese) and Spanish languages. Of the original one-hundred and sixty-one (161) French language trainees who completed the first phase of training throughout all nine provinces, one-hundred and forty-two (142) proceeded to second phase training. Seventy (70) went on to complete the training by the end of March 2007. Of these, eight (8) will be chosen to visit Paris in July 2007, for experiential learning.

A pilot programme was launched in Gauteng for Mandarin language training, provided by a full-time teacher from China. Thirteen (13) of the original twenty (20) guides completed the course, followed by a two-month experiential learning trip to China in August/September 2006. The Spanish language pilot programme in Gauteng and Limpopo was launched in August 2006. Thirty-four (34) tour guides enrolled, of which a maximum of twenty (20) will be selected to undergo experiential learning in Madrid during the next reporting period.

The challenge is now to ensure placement of these graduates in the industry. In conjunction with the Deputy President's office, eight (8) graduates have been placed in the United Arab Emirates, seven (7) in India, and agreement is still pending on eighteen (18) placements in the UK. Locally, twenty-five (25) graduates have been placed already, with the goal of more placements in the next financial year.

During 2006, Singapore helped with four (4) training programmes - Tourism Management and Development (twenty learners), Information Technology (forty learners), SMME Enhanced Competitiveness (eighteen provincial representatives plus two officials), and Hospitality Management (twenty learners). In addition, the United Nations World Tourism Organisation (UNWTO) successfully offered training in Destination Management to thirty-six (36) DEAT and fifty-two (52) provincial and local government representatives during September, 2006.

TOURIST GUIDING

Illegal tourist guides undermine the efforts of legitimate guides and compromises the "South African experience" expected by tourists. In February, 2006, the Department launched a campaign against illegal guiding. Provincial tourist guide registrars were trained and illegal guiding was monitored, resulting in eleven (11) guides being stopped from operating illegally.

It is estimated that 2010 will require thirty-thousand six-hundred and sixty-two (30 662) guides, at least half of whom should be black. Currently, South Africa only has ten-thousand (10 000) guides, with only 30% black representation. Training enough guides will be a challenge, along with ensuring that there is employment for them after the world soccer showpiece.

This issue will be addressed during the next financial year alongside the updating of the database of tourist guides, and ensuring that it interfaces with provincial structures.

TRANSPORT

Greater transport capacity is needed if South Africa is to fulfil its potential of ten (10) million foreign visitors annually by 2010. This applies not just for airlift capacity but also for land transport moving tourists easily once they are in the country.

The Department contributed immensely to the development of the Airlift Strategy, which was approved by Cabinet in July, 2006. Although the strategy is the domain of the National Department of Transport, DEAT strongly championed for tourism needs and priorities to be represented in the final strategy, in line with our growth strategy and included issues such as increasing flight frequencies to portfolio markets.

An interdepartmental planning committee led by the Department of Transport, and including the

Departments of Public Enterprises, Trade and Industry, Foreign Affairs and the Airlines, continues to oversee all bilateral negotiations on airlift agreements. Positive results have already been achieved, with four extra flights from France, and two (2) more flights requested from Mozambique. More flights were also requested from the Gulf States Oman, Bahrain and United Arab Emirates, although the Memorandum of Understanding has yet to be signed.

A similar steering committee was formed, comprising several Departmental stakeholders and industry, to identify barriers to tourism growth arising from the National Land Transportation Transitional Act.

Some of issues which the sector has identified as constraints include time for processing or issuing of commuter transportation permits which can take two to five (2-5) years currently. Another issue is non-differentiation between commuter and tourist transport, which has delayed the grading of tourism transport services.

VISAS AND IMMIGRATION FACTORS

Tourist movement is not just hampered by air and land transport, but also by delays and service delivery challenges in obtaining visas and passing through Immigration points. During the review period, the Department of Home Affairs managed to secure the employment of forty (40) additional immigration officers at O.R. Tambo and Cape Town International Airports. This is a welcome boost to capacity, which will improve service levels by facilitating quicker entry for visitors.

The department also engaged the Department of Home Affairs with a view to revising visa conditions in portfolio markets. The aim is to incorporate tourism needs into the visa process, to be considered alongside traditional factors such as security and managing immigration.

This engagement process with the Department of Home Affairs and together with the process of amending the Land Transportation Act will be our focus in next reporting year.



Local tour guides have received foreign language training in French, Mandarin and Spanish.

TOURIST SAFETY AND AWARENESS

Safety has been identified as the second most important criterion in travel. In order to manage some of the negative perceptions, the department organised a familiarisation tour for three United Arab Emirates travel journalists, who visited Gauteng, KwaZulu-Natal, the Western Cape, Eastern Cape and North West provinces.

Whilst the department and the tourism industry can directly influence the development of crime combating and prevention strategies, our roles and capacity in implementation are limited.

The crime situation as it affects tourists and within our tourism establishments can be improved through working together with safety and security agencies like the South African Police Service (SAPS), the National Intelligence Agency (NIA) and the Department of Safety and Security.

As part of this continuing cooperation, the SAPS held Joint Operations Committee (JOC) meetings with stakeholders at provincial level; these have given a voice to tourism priorities on the JOC agenda.

During 2006, the Department contributed to the development of a National Tourism Safety and Awareness Strategy, the strategy is on track for full implementation within the agreed timeframe and the department will honour its obligations when it is rolled-out in 2007.

The department supported the provinces of Mpumalanga, Western Cape and KwaZulu-Natal to complete effective strategies, through providing national guidelines at workshops and facilitating meetings between provinces. Free State and Limpopo strategies are near completion, and the remaining provinces will finalise their strategies during the next reporting period.

RESEARCH

Tourism data collection and dissemination is an important element of our work, as a growing industry needs to be well-informed. There is much data collected on tourism activities, but putting this data into a concise usable format has been a challenge.

A 2006 innovation was the production of the Tourism Fact Sheet in the form of a credit card sized Z-fold booklet that consolidates key annual statistics on tourism. With increasing demand for such information to date, six-thousand (6 000) booklets have been distributed and created further demand for annual updates and distribution.

Aviation data is another research need. During the year, the Department signed an agreement with Airports Company of South Africa (ACSA) to share its aviation data on a quarterly basis. This data has, and will continue to inform negotiations around airlift and other aviation issues.

The Tourism Satellite Account (TSA) is a key research tool which calculates the value of tourism to the national economy, based on accumulated data in ten key areas. Obtaining such data has been a lengthy and challenging process, due to its unavailability or being incomplete. This has resulted in the department being unable to meet its target to collect the data for five (5) areas by year-end.

To mitigate this challenge the department commissioned economic benchmarking of tourism's contribution to the economy, as an interim measure to increase knowledge of this area until the full TSA is implemented. Two reports were developed from the benchmarking process, titled "What is the role of tourism in the economy?" and "What drives tourism in South Africa?" These reports serve to inform the TSA development process.



TEP helps tourism entrepreneurs to market their products.

Training is also required to implement the TSA effectively, and the Department managed to secure a two week training course, presented by a United Nations World Tourism Organisation (UNWTO) for fifteen (15) TSA working group members.

Another setback was the non-release of domestic tourism statistics in 2006, due to differing on definition of what constitutes a domestic tourism activity. The South African definition differed from the guidelines provided by the UNWTO, which necessitated re-evaluation of the definition and a consequent difference in the statistics gathered. The issue was workshopped with provincial data users, and the statistics should be released during the next reporting period.

There have also been delays in releasing overseas arrival statistics, due to the logistics of the statistics being passed from the Department of Home Affairs to Stats SA and then on to SA Tourism. A mechanism to improve on this is a priority for the next financial year.

SMME SUPPORT AND DEVELOPMENT

The development of Small, Medium and Micro Enterprises (SMMEs) is a high priority issue for the Department, not only to increase capacity in the tourism sector but also to distribute the benefits of tourism and contribute towards the national poverty alleviation goals.

In 2006, the department supported one hundred and ninety-seven (197) SMMEs to attend and to showcase their products at Indaba, South Africa's premier tourism event, held at the International Convention Centre in Durban during May. The SMMEs each received grants of R7 000 for marketing, transport and accommodation, on a cost-sharing basis. Indaba attendance has often proved a springboard that launched the business success of tourism SMMEs.

For the first time, the Department in collaboration with the provinces and the Department of Trade and Industry identified sixteen (16) tourism products for investment. These products were packaged via the production of investment marketing material, which is now available to potential investors. The goal for 2007/8 will be to identify and approach potential investors for these projects.

The ground-breaking announcement that the 2010 Soccer World Cup will for the first time feature non-hotel accommodation has tremendous implications for SMME entrepreneurs who run lodges, B&Bs and other smaller establishments.

The department hosted the 2010 National Accommodation Workshop in October 2006, which was attended by around one thousand (1 000) establishment owners. The national workshop was supplemented by seventeen (17) workshops in 2010 host cities and satellite areas attracted about three thousand and four hundred (3 400) participants.



South Africans are encouraged to travel locally and experience the attractions of their own country.

The aim of these workshops held in conjunction with MATCH, the FIFA ticketing and accommodation agency, was to raise awareness and understanding among SMMEs about the need to become graded and to enter contracts with MATCH and to familiarise them with the procedures.

The Tourism Enterprise Programme (TEP) is a public/private partnership between DEAT and the Business Trust. TEP facilitates the growth of tourism SMMEs, often through establishing linkages between SMMEs and larger enterprises. For 2006/7, the Department provided R42 million in funding to TEP and at the end of November 2006, TEP comfortably exceeded all its targets for the year, including person years of work created, number of enterprises assisted and value of transactions facilitated.

Two workshops were held to raise awareness among SMMEs about the funding and support mechanisms available to them. The first was the SMME Imbizo held in Soweto during April, 2006. Five hundred (500) SMMEs attended, and were addressed by organisations including the Tourism Grading Council, the Tourism Enterprise Programme (TEP) and the Department of Trade and Industry. A follow-up workshop was held at Indaba, which also drew five hundred (500) participants.

Whilst tourism also offers viable career and income opportunities to the 2nd economy, there are obvious challenges to these entrepreneurs, which may require intervention. The department completed a six month study on the Tourism 2nd Economy, identifying the challenges and what types of interventions should be implemented to address the challenges

TOURISM PROMOTION

The Sho't Left campaign continues to be the flagship project to drive promotion of domestic tourism. With the popular SABC2 television show Sho't Left Chalenj! as the centrepiece, the campaign showcases affordable local tourist facilities and attractions. Judging by the bumper domestic tourism seasons enjoyed by KwaZulu-Natal and the Western Cape during 2006, the tourism promotion message is spreading rapidly.

Tourism promotion was also taken to the provinces via roadshows by the Department. Eighteen (18) road shows were planned for the pilot phase in 2006/7. Twenty-three (23) roadshows were eventually concluded for communities, with a further nine for officials in each of the nine provinces. The roadshows raise awareness of DEAT's support functions and help to capacitate provinces to promote tourism. The project will be extended to include municipalities in 2007/8.

Despite these outreach initiatives, communication and awareness-raising are still challenges. The lack of established distribution channels to SMMEs means that many remain unaware of the various ways in which the Department can help their business. During the next year, the department will explore more effective communication channels, such as community radio, municipalities, libraries and universities, to spread the message to SMMEs.



The BEE Charter and Scorecard aim to promote transformation in the tourism industry.

QUALITY ASSURANCE

During the previous reporting period, the national effort to promote grading of tourism establishments was given impetus by Cabinet's decision that national government should only use graded establishments for its traveling staff.

In 2006, the department held two workshops, with twenty-seven (27) national departments, to explain the rationale behind the Cabinet decision and promote greater compliance. The workshops were followed by bilateral meetings with departments, to ensure greater continuity.

Ensuring compliance with this policy is an ongoing challenge. After an initially enthusiastic take-up, compliance figures reduced. Preliminary investigation revealed a lack of continuity, with only one person in the Department responsible for ensuring compliance.

Provinces are also being urged to comply with Cabinet's decision. The target is for at least five provinces to comply within the next reporting period, and to achieve at least 30% compliance among national Departments.

The roadshows also revealed that many establishments, particularly SMMEs, allow their graded status to lapse after one year, since many did not fully understand the benefits. Education and awareness initiatives to reinforce the benefits of grading have been prioritised for 2007/8. DEAT, TEP and the Tourism Grading Council have taken a joint decision to promote awareness of grading benefits.

ACCELERATING BROAD BASED TRANSFORMATION

Following the launch of the Tourism Black Economic Empowerment (BEE) Charter and Scorecard in 2005, 2006/7 represented the first year of full implementation.

Several key achievements were recorded to promote the implementation of the Charter and BEE Scorecard across the country, beginning with the launch of the BEE Council in May 2006, followed by official launches in seven (7) of the nine (9) provinces.

To promote visibility and awareness of the Council, an endorsement brand and corporate identity were developed. The brand - "Be empowered" - can be used as a marketing tool by organisations that are certified to comply with the Charter and Scorecard.

The Tourism BEE Charter Council website was also one of the achievements. The website contains many useful tools for use by the industry:

- A web-based self-assessment tool which tourism establishment owners can download freely to help assess their Black Economic Empowerment status in line with the Scorecard.
- An email response system to enable two-way communication between the Council and stakeholders.
- A Black Talent Portal to enable industry to access black tourism professionals with relevant skills.
- Three databases covering matchmaking (potential BEE partners and their credentials), empowered suppliers and Corporate Social Investment (CSI)



For the first time ever, the 2010 FIFA World Cup will feature non-hotel accommodation.

Twelve (12) call centre agents were also trained to deal with tourism BEE related enquiries and a monthly stakeholder update also serves to keep stakeholders in the loop regarding developments in the sector.

In terms of raising government awareness, seven (7) public sector workshops were held to introduce the Charter to State bodies. These communication initiatives have already shown promising results, with 90% of stakeholders indicating that they are aware of the Charter.

As implementing the Charter is voluntary, it was recognised that the industry would need incentives and assistance to achieve wide-scale compliance with the BEE Charter. After consultations with industry the council developed a recognition and incentive framework to recognise contributors to the Charter and Scorecard, and a verification systems and processes to guide the sector on how to verify their BEE status, and to enable annual reporting on progress was also completed

The department, in turn, developed a public sector procurement tool to monitor procurement from empowered tourism businesses. The department also conducted a review on public sector procurement, to serve as the base for a strategy to engage the public sector in implementing the charter.

Even with the incentives in place, it is necessary to monitor the progress of industry transformation, to

ensure that objectives are being met. To this end, the Department undertook research on the state of tourism industry transformation, to serve as a baseline for monitoring progress towards full implementation.

The plan for the next year is to align the Charter with the Codes of Good Practice, to make the Charter legally binding for all State bodies.

INTERNATIONAL RELATIONS

Apart from the UNWTO and foreign language training courses outlined earlier, the Department was also active in the Middle East portfolio market. Tourism trade and investment workshops were held in the five (5) Gulf Cooperation Countries (GCC) - Saudi Arabia, United Arab Emirates, Oman, Qatar and Kuwait. This is presently a largely untapped market which can offer huge returns on investment. Local media coverage of the workshops helped to spread the South African message to the broader public in these markets.

Closer to home, there is also a need to implement projects to enhance tourism within the Southern African Development Community (SADC). One is the univisa, a single visa to cover travel within SADC. Although there is a Regional Tourism Organisation of Southern Africa (RETOSA) agreement on the need for the univisa, the differing levels of development in SADC countries is a challenge that must be overcome before realisation of the univisa.

ENHANCING QUALITY OF LIFE

TOWARDS A
CLEAN AND SAFE
ENVIRONMENT
FOR ALL



The Constitution of South Africa enshrines the right to an environment that is not harmful to our health.

The Constitution grants all South Africans the right to live and work in an environment that is not harmful to their health and well-being. A safe and healthy environment benefits all industries and all citizens, and enhances our quality of life. The Environmental Quality and Protection programme (EQP) defines the standards of a non-harmful environment, and ensures that these standards are upheld through legislation and enforcement to prevent pollution and ecological degradation.

REVISED ENVIRONMENTAL IMPACT ASSESSMENTS

In 1997, South Africa took a proactive step towards better environmental protection through the implementation of Environmental Impact Assessments (EIAs), which were mandatory for all new developments with potential environmental impact. As beneficial as the EIAs were for environmental quality, the lengthy application process created a bottleneck in development, which hampered the national priorities of economic growth and job creation. So the Department set about revising the EIA regulations to streamline the application process while maintaining stringent environmental protection.

The review took five (5) years, and was one of the most exhaustive consultation and revision processes

in South African environmental legislation history. The revised National Environmental Management Act (NEMA): Environmental Impact Assessment regulations were promulgated in April, 2006 and came into effect three months later in July.

While some EIA applications (typically those involving State-owned enterprises like Eskom and Transnet) are processed by DEAT, the majority of applications are handled at provincial level. With the revised regulations in place, the Department set about its other major Constitutional responsibility - to provide support and help the provinces achieve capacity to handle the constant stream of EIA applications effectively and efficiently. Several initiatives were launched to achieve this goal.

The initiatives to capacitate provinces go hand in hand with the need to reduce the large number of pending EIA applications. During the period under review, there was very satisfactory progress towards this goal. When the new regulations came into force in July, there were approximately five thousand and three hundred (5 300) EIA applications pending nationally (DEAT and provinces). By the end of December, this number had been reduced to just under three thousand and two hundred (3 200). Of these, DEAT has reduced its own pending applications by 75%. The Department will finalise pending applications by the end of this financial year, 2007/2008.



EIAs ensure minimal environmental impact due to development.

Apart from providing EIA frameworks and guidelines during the year, the department also established a new Capacity and Support Directorate to focus on assistance to provinces.

In addition, training and other initiatives included:

- Fourteen (14) training sessions, with one for each province, followed up by five further sessions for provincial officials in related fields (like waste management) who had not attended the initial training.
- Eleven (11) 'open day' information sessions, one each province and two national sessions (Pretoria and Cape Town).
- Four (4) Regulation Implementation workshops of two to three (2-3) days each.
- Financial and technical help extended to seven (7) provinces
- Seven (7) Environmental Management Frameworks being developed in partnership with provinces. The target is for the Minister or MECs to promulgate these EMFs in terms of R72 of NEMA EIA Regulations in 2008/2009.

The Department conducted visits to each province, where they spent a full day with each provincial team to establish adequacy of capacity and other

challenges. This feedback is currently being incorporated into a Capacity Audit and Needs Analysis, which will inform interventions that are custom-made to tackle provincial needs in future years. Medium term interventions that will be developed by this survey will be implemented in 2007/2008. While the long-term interventions which also be developed as part of this study will be implemented in 2008/2010. The Department is also developing guidelines for optimum provincial structures, to assist provinces in obtaining the capacity and structure they will need to process their total EIA applications submitted to them.

The benefits of training and capacity are equally evident in the processing of new applications since the revised regulations came into force. There have been some one thousand (1 000) new EIA applications since July. The target was to have 35% of these applications processed within the timeframes prescribed by the regulations. To date, more than 80% are being processed on time. It is anticipated that there will be further improvements as additional training is conducted this year. During October - December 2007, DEAT will conduct accredited EIA training for all EIA administrators.

Environmental management cooperation agreements and initiatives are in the process of being developed with the Departments of Water Affairs & Forestry and Minerals & Energy.



National Air Quality Standards will ensure cleaner air for all South Africans.

A Coordination Forum was established with the Department of Public enterprises, to investigate and co-ordinate joint efforts to improve EIA efficiency and effectiveness around the activities of State-owned enterprises.

Another initiative is the development of a Guideline for Strategically Important Developments to further streamline the EIA process without losing environmental effectiveness.

At enterprise level, the Department holds monthly Coordination Forums with both Eskom and Transnet, who generate more EIA applications than other State-owned enterprises.

Electronic tracking of applications is not restricted to State-owned enterprises. During the year, the Department developed the National Environmental Authorisation System (NEAS), a web-based tool to track the process of EIA applications. The system is currently being tested and will in the short term only be accessible to EIA administrators. With further refinements, the plan is to make NEAS or at least relevant sections thereof accessible to other stakeholders during the next reporting period.

Even with the greater effectiveness and efficiency of the revised regulations, there are plans to rationalise and complement the EIA process in future. There are some development activities, currently subject to EIAs, which could be more appropriately dealt with by means of other environmental management tools such

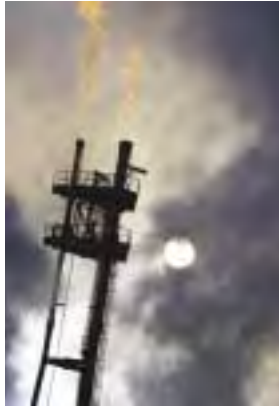
as risk assessments, Norms and Standards or other mechanisms where such would suffice to ensure adequate environmental consideration.

Over the next three (3) years, the Department aims to reduce the number of activities requiring full EIAs by up to 35%, increasing to 70% in the longer term. The aim is not to relax environmental protection, but to replace EIAs with more appropriate tools, and to integrate EIAs with other processes. This matches the international experience, where the list of activities requiring EIAs gets shorter as the process matures. This, in turn, would allow the Department to fulfil the role of auditing environmental performance rather than processing EIA applications.

There is also a move towards self-regulation. Currently, consultants who perform EIAs are not regulated, registered or certified, which can compromise the quality of assessments.

During the reporting period, the Department made promising progress towards a self-regulated EIA practitioner body with proper registration and a Code of Practice. The inland recreational 4X4 sector is another prime candidate for self-regulation. The Department aims to promote effective self-regulation mechanisms in these two sectors by the end of the next reporting period.

The Department is in the process of amending NEMA and the NEMA EIA regulations in close cooperation with the provincial environmental departments, to streamline the practical implementation of the regulations.



The Vaal Triangle was identified as the first National Priority Area to tackle air pollution.

AIR QUALITY

Following the promulgation of the new Air Quality Act (AQA) during 2005, the focus has now shifted to implementation. In terms of AQA and government policy generally, the aim is to focus on priority areas rather than spreading resources too thinly over a wide range of initiatives.

In line with the new Act, the National Air Quality Standards define minimum standards that must be complied with in order to fulfil the Constitutional right to an environment that is not harmful. The Air Quality Standards were published for comment in June 2006.

The National Air Quality Standards will be incorporated into the National Framework for Air Quality Management, which must be completed by September, 2007.

In April, 2006, the first National Priority Area - the Vaal Triangle Airshed Priority Area was declared. The area extends from southern Johannesburg to the northern Free State. A Governance Committee, representing all official stakeholders in the area, was set up as well as a Stakeholder Reference group. A response plan on the area will be developed in the next reporting period.

A potential second priority area has been identified, based on the results of the aerial survey undertaken by the South African Weather Service and the University of the Witwatersrand. It is expected that this area will be declared early in the next reporting period.

During the year under review, the Department initiated a project titled the Air Quality Act Implementation: Listed Activity and Minimum Emission Standards project. In essence, the project determines which

industries require permits, and also sets minimum emission standards for those industries. The project is scheduled to run for the next two years. Successful conclusion of the project in 2009 will be the final step to allow the repeal of the old Air Pollution Prevention Act (APPA).

Air quality information is vital to the maintenance of minimum standards. The two year South African Air Quality Information System (SAAQIS), a joint venture between the Department and the South African Weather Service, was initiated during the year.

The inaugural Annual Air Quality Governance Lekgotla, which brought together all Air Quality managers in all three spheres of government, was held in October, 2006. The lekgotla provided the first opportunity for real air quality management discussions and coordination of efforts between national, provincial and local managers subject to new roles and responsibilities under the new Act.

For the next reporting period, one of the highlights will be the release of the first detailed State of the Air Report. The report will provide the baseline for measuring the success of air quality implementation strategies and is expected to be published early in the new financial year.

Other key highlights for the next reporting period include, among others: the publication of the National Air Quality Management Framework; the finalisation of the Vaal Triangle Air-shed Priority Area Air Quality Management Plan; the identification of the second national priority area; the initiation of a review of all significant industrial Registration Certificates (atmospheric emission permits); and the initiation of the industrial emission standard-setting process.



Desertification and climate change are key threats to Africa's prospects.

CLIMATE CHANGE

Following the previous year's success in developing a climate change response strategy, a number of activities has been undertaken on climate change. The response to climate change must be informed by accurate data updated regularly. We cannot estimate and project emissions reductions without the knowledge of the extent of our national greenhouse gas (GHG) emissions. Accordingly, the Department embarked on a two year GHG Inventory project, to build a thorough and accurate list of all GHG emission sources around the country. The first phase of the project entailed getting the raw figures and building the inventory. The second phase aimed to institutionalise the data gathering process, so that the inventory could be updated regularly.

Another vitally important project, with serious national implications going into the future, is the Long Term Mitigation Scenarios (LTMS) initiative. Reducing emissions substantially has huge implications for South Africa's development path and LTMS will inform the process by developing scenarios for a set of responses, ranging from no response at all (business as usual with no effort to curb emissions) through to curbing emissions in line with scientific

recommendations - and many scenarios in between these two extremes.

The LTMS project is being managed at the University of Cape Town, with input from a diverse scenario-building team incorporating representatives from all stakeholder groups. The project will not submit a recommended course of action but rather a range of scenarios to consider. Initial results will be available in November, 2007, for finalisation before February, 2008.

As climate change is a global challenge, the national response involves consultation and cooperation with other countries. South Africa's reputation as a progressive and responsible player in climate change was reinforced when we hosted the Informal Ministerial Indaba on Climate Action at Kapama Lodge in the Kruger National Park, in June, 2006 as follow-up to the Greenland dialogue launched in 2005.

The Indaba brought together Ministers and Heads of Delegations from twenty-two (22) countries and provided an opportunity to consider key issues in advance of the Nairobi Conference later in the year, and enhanced understanding of challenges and opportunities facing both developed and developing nations.



South Africa is moving away from the tradition of disposing of waste at landfills, towards reducing, re-using and recycling.

WASTE MANAGEMENT

Historically, South Africa followed an 'end of pipe' waste management approach which focused on the disposal of waste at landfills. A new approach was required, emphasising waste avoidance and bringing South Africa in line with international best practice in waste management.

The environmental risks associated with landfill operations, reduced land availability for new landfills, and the valuable recyclable resources (like glass, metal, paper and some types of plastics) discarded at landfills have made the 'end of pipe' approach inconsistent with our sustainable development commitments.

Following extensive consultation with all stakeholders since 2003 a draft new National Waste Management Bill was approved by Cabinet and gazetted for public comment in January, 2007.

The Bill emphasises the waste avoidance approach and will set South Africa on the path to better and more sustainable waste management nationally. The target is to have the new National Waste Management Act in July, 2007 replacing the Environment Conservation Act No. 73 of 1989.

The responsibility of processing landfill permit applications was passed from the Department of Water Affairs and Forestry (DWAF) to DEAT during the previous reporting period. Transitioning from one system to the other has proved challenging, and agreement between DWAF and DEAT on transitional arrangements has yet to be finalised.

It is estimated that there are one thousand two-hundred and three (1203) landfills overall. Of these, five hundred and twenty-four (524) are permitted and there is a significant backlog in applications. Projections are that at least three years will be needed to eliminate the backlog, along with initiatives to capacitate provinces to take over the permitting function.

Within the broader framework of national waste management, there are also sectors that require special attention, such as the sector that disposes of waste tyres. The draft Waste Tyre Regulations, published for comment during the period under review, will serve as a trigger for agreement between the Department and the waste tyre industry around the management of waste tyres, targets for recycling and other management actions.

Another legacy problem is stockpiles of obsolete pesticides still stored by the Department of Agriculture and farmers. This problem applies to other African countries as well. In response to the need to dispose of these pesticides in an appropriate manner, the World Bank provided US\$1.7 million funding for the African Stockpile Programme. South Africa is one of seven African participants in the programme, which is being run by the Food and Agricultural Organisation of the United Nations (FAO). The other participating countries are Ethiopia, Mali, Morocco, Nigeria, Tanzania and Tunisia.

The Department signed an agreement with the World Bank in April, 2006 and launched the programme locally in June. A pilot programme has been launched in Limpopo province, in conjunction with the Department of Agriculture, to test the model for disposal. This involves compiling an inventory of stocks, collection and disposal at an appropriate international facility.

Draft agreements were also developed with the Paper and PET (plastics) industries. The finalisation of these agreements has been delayed, to ensure that they are in line with the National Waste Management Bill.

The Thor mercury clean-up in KwaZulu-Natal has been a protracted process. A pilot clean-up project was scheduled for 2006, to dispose of the stockpiles of mercury at the site. The pilot project was unfortunately not achieved.

The promotion of cleaner production has obvious benefits for waste management. During 2006, the Department took over sponsorship of a cleaner production merit award in the Cotton SA Awards scheme, after Danish funding had come to an end. The merit award involves identify SMME enterprises in the textile sector, conducting cleaner production audits and providing public recognition to the winning company.

Apart from the major target of having the new National Waste Management Bill passed into law during 2007/8, there is planning to finalise development of the policy on Thermal Waste Disposal, or incineration of waste.

REGULATORY SERVICES AND ENFORCEMENT

The launch of the Environmental Management Inspectorate during the previous reporting period was a major step towards more effective environmental enforcement. The Inspectorate is a network of inspectors from all three spheres of government. Training of Environmental Management Inspectors (EMIs) is critical to boost capacity and ensure that inspections are carried out correctly in line with the powers granted to inspectors under the National Environmental Management Act (NEMA).

During the year, eight hundred and ninety (890) EMIs were trained, and seven hundred and forty-two (742) of these have been designated officially as EMIs by the Minister or provincial Members of the Executive Council (MECs). One hundred and forty-eight (148) trained officials are still awaiting designation. EMI basic training was also improved by the development of a comprehensive, customised, internet-based training course. The plan is to have the course accredited by SAQA by mid 2007. During 2007/8, the Department plans to subsidise at least two more EMI Basic Training Courses to train another hundred (100) officials. At least fifty (50) of these should be municipal officials nominated by provinces, to facilitate the designation of the first municipal EMIs.

There is also a consequent need to train prosecutors and magistrates to improve the prosecution levels against environmental crime which, historically, had not been viewed as serious crime by the courts. Prosecutor training has been successfully integrated into Justice College programmes, and the Department also developed the first Prosecutor Manual on environmental crimes. It is expected that training of the first 100 prosecutors will be completed during 2007/8.

The Department also hosted workshops attended by ninety (90) magistrates, to improve their skills and knowledge in environmental crimes. One target that could not be achieved was the Magistrates' Benchbook, a guide for magistrates on environmental law and crime. This project requires close coordination with magistrates and the Justice College.

Rather than adopting a purely punitive approach to enforcement of environmental regulations, the Department has chosen to work proactively with industry to encourage compliance. In 2006, the Department designed and launched the first two sector-based compliance and enforcement projects. Two sectors, refineries and ferro-alloys, were chosen for the project, as both sectors have been identified as major polluters. Operation Ferro and the National Refineries Environmental Compliance Project were launched, with two primary goals.

The first objective was to examine the environmental performance of these sectors, and to help the sectors' environmental managers to bring their operations into compliance, thus avoiding unnecessary enforcement. The second objective was to promote close cooperative regulation among the role players, which include DEAT, DWAF, the provinces and municipalities. This cooperative regulation serves to send industry a single, consistent enforcement message from government.

Preparatory meetings and interventions were concluded during the year, paving the way for the first joint compliance inspections in the ferro-alloys sector to start in April, 2007. The first compliance inspections for refineries will also commence in the new financial year, as part of the APPA Review project.



The new Waste Management Bill promotes job creation in waste management.

Four key criminal investigations were launched during 2006:

- ACSA fuel spillage at O.R. Tambo International Airport (ORTIA) in November, 2006. This was the third major jet fuel spill at ORTIA in fifteen (15) months, with spilled fuel having significant environmental impact on the nearby Blaauwpandam. This case represented the first forensic investigation into an industrial accident, using external expertise. It was also the first use of a two-pronged response (clean-up and prevention, coupled with investigation) by different officials to an industrial incident.
- Investigation of a large waste operator on charges of alleged intentional illegal disposal. These are serious allegations and the investigation will have major impact on the whole waste management industry.
- Unreported spill at the Chevron refinery in Cape Town. Again, conviction in this case will have major impact on the refineries industry.
- Foskor culpable homicide. Fertiliser manufacturer is one of the world's largest producers of phosphoric acid. In July, 2002, a sulphur emission at Foskor's Richards Bay plant affected two hundred and fifty (250) commuters travelling on a nearby highway. One person died later as a result of lung damage. Due to the culpable homicide charges, this case will have a high public profile.

These four key investigations were complemented by an increase in the number of directives and notices issued, highlighted by a precedent-setting civil court application against South Africa Port Operations in Richards Bay.

Despite these successes, there is still a need to clarify roles and responsibilities under the new legislation, and to create a coherent and effective compliance monitoring regime across all three spheres of government. During the year, the Department launched several initiatives towards this end. The first highlight was the finalisation of the Compliance Monitoring Status Quo and Best Practice Analysis.

In line with the national policy of prioritising areas to ensure efficient deployment of resources, the Department also developed a Guideline for Priority Setting. This will help to identify the worst offenders in pollution, so that appropriate inspection resources can be allocated.

As a further aid to EMIs, Inspection Guidelines were developed, covering all essential inspection points, reporting and monitoring of inspected sites. These guidelines serve as a checklist to ensure thorough and professional inspections.

Highlighted in previous incidents was the need for a proper Incident Response System, encompassing both ordinary and emergency incidents. This was partly achieved through the development of an Emergency Incident Guideline, which clarifies the roles of authorities and responsible persons in reporting and responding to emergency incidents.

A review of the Plastic Bag regulations had been planned for the year. However, difficulties in appointing a service provider to undertake the review resulted in unavoidable delays. The review eventually got underway in February, 2007 and will be concluded by May, 2008.



CONSERVING NATURE BENEFITING PEOPLE

POLICIES AND REGULATION

South Africa relies on ecosystem services (such as foodstuffs, grazing, medicinal plants, wood and water) to sustain the population. Apart from the practical aspects of human subsistence, the richness of species biodiversity also adds aesthetic value to our quality of life.

Our biodiversity and conservation programme aims to promote conservation and the sustainable use of natural resources to enhance economic growth and alleviate poverty. This involves setting policies, regulating and managing South Africa's inland ecosystems to ensure that they are protected and utilised on a sustainable basis.

The Department aims to mainstream biodiversity within the context of sustainable development, by ensuring that ecosystem services contribute to the country's development priorities.

This includes transformation of and within the sector and raising awareness of biodiversity issues and strongly participating in the shaping of a global sustainable agenda through multilateral engagement.

During the period under review, we recorded several important achievements towards finalising and implementing the complete suite of laws to govern biodiversity and conservation for the benefit of all South Africans.

The amendment to the National Environmental Management: Protected Areas Amendment Act, 2004 had come into force during the previous reporting period and made implementation of the amended Act a priority for 2006/7.

To this end, the Department developed a Management Plan Framework to guide the development of management plans for national parks, which is a stipulation of the Act. The Department also reviewed management plans submitted by its statutory body, South African National Parks (SANParks), in compliance with the Act.

Within the broader context of biodiversity regulations, three issues have been the subject of specific attention during recent years:

- Threatened or protected species, and the hunting industry
- Alien and invasive species, and
- Elephant management



Sound management plans for the national parks, in conjunction with listing of threatened or protected species, will help to conserve our biodiversity.

The Threatened and Protected Species Regulations (TOPS) and the National Norms and Standards for the Regulation of the Hunting Industry were published in the reporting period and the department closed public comment in June 2006.

Following the closing deadline for public comment, follow-up consultations with wildlife industry, animal welfare groups and other stakeholders resulted with the merging of the two into a single Act "Regulations for Threatened and Protected Species and Hunting Norms and Standards" and will come into effect in the next reporting period..

The regulations will be implemented in two phases, with some aspects of the hunting norms and standards being implemented later, after further consultation with stakeholders.

The new regulations will ensure that nationally listed species will now have uniform conservation status across the country, ensuring policy coherence between the various provinces and introducing a uniform national system for the registration of facilities and issuing of permits.

In terms of hunting, the regulations put a permanent stop to the practice of canned hunting - captive breeding of lions, rhino and other species that are released onto properties for the purpose of being hunted. This, in conjunction with other norms and standards, will ensure that hunting is both ethical and well-regulated in South Africa.

Due to the extensive stakeholder consultation and the broad consensus the finalisation of the regulations qualifies as a resounding success.

Our plans for 2007/8, include capacity building to ensure effective enforcement of the Threatened or Protected Species regulations in the provinces, as well as the development of systems to monitor the implementation of the regulations.

Alien invasive species (AIS). During the period under review, the Department worked with the multi-stakeholder task team to finalise the draft Regulations on Alien and Invasive Species.

AIS are animal or plant exotics that are not indigenous to a particular region, often have no natural enemies in their new home, and are thus able to proliferate and spread, out-competing and threatening indigenous species. This results in very real costs to regional biodiversity, with associated threats to human health and other socio-economic costs.

IAS can result in surprisingly high losses to a national economy. In the 1990s, the United States estimated that invasive weeds had cost their economy at least \$4.5bn. Closer to home, the Asian black rat is estimated to consume one third of Africa's total grain crop annually. South Africa can ill afford such losses to biodiversity and the economy, so a national response was essential.



South Africa has developed Norms and Standards to address elephant over-population.

The draft regulations focus on preventing the introduction of IAS (via a risk assessment and permitting process), while also controlling those alien invasives already established in South Africa. Again, the regulations will result in a uniform and coordinated national response to the threat of IAS, with no discrepancies between provinces.

While the draft regulations were developed in line with the requirements of the National Environmental Management: Biodiversity Act (NEMBA) of 2004, consultation will continue in the first months of this year and the final regulations will be ready during 2007/8.

Elephant Management: has been another key issue for the Department during the year. The rapid rise in the elephant population, in the Kruger National Park and other areas, might signify a triumph for the effectiveness of conservation efforts. However, it also poses a challenge when over-population occurs, it poses threats to other species and resources thus there is a need to manage the elephant population, not just in South Africa but throughout the Southern African region as well.

After extensive stakeholder engagement, this process was completed during 2006. The Norms and Standards on Elephant Management were published in March for public comment and will be expected to be concluded during the next reporting period, along with draft Norms and Standards on Damage Causing Animals.

PROTECTED AREAS

The department also undertook important Protected Area Planning & Development projects during the period under review, this is in addition to the Management Plan Framework and other assistance provided to SANParks and provinces in implementing the Protected Areas Act.

The need to increase the conservation estate (the percentage of South Africa's land area under protection) is offset by the related need to settle outstanding land claims, some of which involve land under protection. During the period under review, the Department consolidated a database of all land claims in protected areas. This is the first database of its kind, and will help with planning relating to expansion of protected land and post-settlement support of affected communities.

A successful land claim resulted in de-proclamation of the Vaalbos National Park near Barkly West in the Northern Cape. However, the claim resulted in a positive outcome for all parties: around twenty thousand (20 000) hectares of land was purchased near Kimberley, to establish a new park to replace Vaalbos National Park. The new park will be declared in 2007/8 and will result in infrastructure and tourism development, with associated job creation and opportunities for communities living in the area.

The National Spatial Biodiversity Assessment identified the Wild Coast as one of nine national priority areas for conservation, due to its rich diversity in flora and fauna species. However, the Wild Coast is also characterised by poverty and under-development. Two-thirds of its population of 1.3 million is unemployed, and more than 70% live below the poverty line. As such, conservation projects in the area must go hand-in-hand with efforts to empower the local communities.

The Department aims to develop a representative protected area estate on communally-owned land along the Wild Coast. This entails a range of co-management structures between communities, government, conservation authorities and the private sector. This plan has been endorsed by the Global Environment Facility (GEF) Secretariat, which will provide funding for capacity-building.



The involvement of local communities, and sharing of benefits, is central to the management of protected areas.

In essence, the Wild Coast project aims to emphasise community participation, develop sustainable use and benefit-sharing schemes, and attract private sector investment.

Although South Africa is considered a world pioneer in developing new models for protected area management, the country has no proven and existing models for this type of co-management. The successful implementation of the Wild Coast project will provide a model that may be used in other contexts.

A major set-back has been the reality of the inability of the consultation process towards establishing the proposed Wild Coast National Park not progressing as per expectations.

The principle of communities participating in protected area applies nationally in line with the Department's strategy. The People & Parks programme ensures and explores participation of communities in park business, including decision-making and benefit sharing.

During the period under review, the department hosted the 2nd Annual People and Parks Conference. Delegates agreed on a revised two-year action plan to ensure effective implementation of the programme, along with the appointment of a national community task team to ensure involvement in monitoring implementation. The development of a People & Parks Charter has been earmarked for 2007/8.

Another innovation has been the "Kids in Parks"; an initiative that introduces learners from previously disadvantaged communities to our parks, with several benefits: it helps to counter the negative historical perception of parks, while fostering interest in biodiversity, conservation and domestic travel. During 2006/7, the target for learners visiting parks was exceeded by nine hundred (900). The programme is kindly sponsored by Pick n' Pay.

In the knowledge age, data collection and information sharing are important aspects of any activity, particularly on a national scale. During the year, the Department developed a national register of protected areas, which provides information on where protected areas are situated, who manages them, and the biodiversity features that each contains. The national register is the first electronic register of its type, is easily accessible to the public, and helps the Department to identify gaps in the protected area system.

Despite the positive developments, there were also some challenges during the period under review. Some of these include the unavoidable delays in declaring the Blyde River Canyon National Park, and the amalgamation of the OwaQwa National Park with the Golden Gate National Park (to form the Golden Gate Highlands National Park). It is envisaged that the declaration of these three national parks will be successfully concluded within the next reporting period.



TFCAs promote cross-border conservation between neighbouring SADC countries.

South Africa's national goal is to have 20% of our coastline protected from fishing and unregulated activities like diving by 2015. We are on schedule to achieve this target, with 18% of the coastline already protected via the proclamation of nineteen (19) Marine Protected Areas (MPAs).

However, it has been a challenging year for the MPA programme. Boundaries for the proposed new MPAs at East London and Stilbaai had to be reviewed, delaying proclamation until 2007/8. The proclamation of the Prince Edward Islands MPA has also been delayed, due to logistical difficulties in enforcing regulations around islands which are five days by sea from Cape Town. The Department is investigating several options, including collaboration with the South African Navy, or using Australian-owned satellites to monitor the islands.

Two existing MPAs, Tsitsikamma and Dwesa-Cebe, had been designated 'no take' areas due to their ecological sensitivity. However the department will review its policy based on continuing engagements with local communities in the next reporting period.

Targets for 2007/8 include the proclamation of the East London, Stilbaai and Prince Edward Islands, and the development of management plans for all MPAs, in conjunction with South African National Parks.

Other broad targets for 2007/8 include a 0.2% increase in the representative protected area estate, finalisation of the national protected area expansion strategy, development of a national system of managing protected areas, and the development of a national co-management framework.

WORKING WITH OUR NEIGHBOURING COUNTRIES

Transfrontier Conservation Areas (TFCAs) are reserves that extend across our borders with neighbouring countries, and which are managed jointly as a single integrated conservation unit by the countries involved. The establishment, maintenance and development of TFCAs are not only in line with the global values that biodiversity knows no political borders; it also embraces strong tourism promotion and poverty alleviation elements.

Following the first ever Kgalagadi Transfrontier Park, a joint venture between South Africa and Botswana, The Great Limpopo Transfrontier Park (GLTP) is now the largest in scope and the jewel in the TFCA crown.

The Great Limpopo is a partnership between three countries and incorporates the Limpopo National Park (Mozambique), our own Kruger National Park, and Zimbabwe's Gonarezhou National Park, Manjinji Pan Sanctuary and Malipati Safari Area, along with two areas between the Kruger and Gonarezhou Parks.

This TFCA already spans thirty-five thousand (35 000) square kilometres, and with the plan to add further parks, regions and interlinking areas, at a land surface area of almost one-hundred thousand (100 000) square kilometres, it will be approximately the same size as Iceland.

Another development was the commitment by Ministers representing the three nations, towards the establishment of the GLTP Fund to serve as a catalyst for sustainable finance towards integrated ecosystem management in the TFCA.

Research is also a vital factor in establishing integrated ecosystem management. During the year, the Department undertook the development of the GLTP Research Policy, which will create an enabling environment to build scientific capacity for effective integrated ecosystem management.

GLTP targets for next year include facilitating integrated ecosystem management in the GLTP, as well as starting the implementation of the GLTP five-year Integrated Development and Business Plan.

The Limpopo/Shashe TFCA is another three-country venture, between Botswana, South Africa and Zimbabwe. The TFCA will be based around the confluence of the Limpopo and Shashe rivers, and will include land belonging to different stakeholders. On the South African side, this includes the Mapungubwe National Park, along with private and State-owned land.

The main achievement during the period under review was the signing of the Memorandum of Understanding (MoU) between the parties for the establishment of the Limpopo/Shashe TFCA. This MoU formalises cooperation between Botswana, South Africa and Zimbabwe in conservation and biodiversity management.

The Lubombo TFCA is a uniquely complex TFCA, as it includes five mini-TFCAs situated in southern Mozambique, eastern Swaziland, Mpumalanga and northern KwaZulu-Natal. The Lubombo Tourism Route is a joint commitment by the three countries to ensure that tourism income contributes to economic development of the region.

The Lubombo Route was launched in Durban during Indaba 2006 in May, the first stage of a three-phase development plan. Phase Two will see the finalisation of a framework for ongoing management of the route, with involvement by private companies, government agencies and community groups.

The political agreements, high-level policies and declaration of the TFCAs are just one half of the TFCA success equation, and must be complemented by bricks-and-mortar infrastructure development to provide better facilities to tourists.

Access is particularly important. Poor roads, lack of border entry points and inaccessible facilities hamper tourism development. In this regard, the Department recorded a significant success through the official opening of the Giryondo Access Facility in the GLTP in August, 2006. Giryondo links the Limpopo and Kruger Parks, allowing tourists to cross the Mozambique/South Africa border and experience the wildlife in both countries. The significance of this development was illustrated by the Presidents of all three countries attending the launch.

During the event, President Mbeki stated "I have no doubt that the easy access facilities and open spaces within the Great Limpopo Transfrontier Park, which has been branded as the world's largest animal kingdom, will be a major attraction before, during and after the 2010 FIFA World Cup. We must surely redouble our efforts to ensure that this unique and rich tapestry of life on our planet is turned into a jewel of the tourism market."

Access within the GLTP will soon be further increased by opening a crossing link between the Kruger and Gonarezhou National Parks. However, the Border Control Operational Coordinating Committee (BCOCC) could not conclude approval of the proposed site for construction during the period under review. This process, along with sourcing funding for the construction of the crossing link, should be completed within the next year.

The upgrading of the Sani Pass border post and road has been a protracted issue of disagreement between border control officials and Ezemvelo KZN Wildlife, who could not allow any upgrading or expansion as the border post lies within the Ukhahlamba Drakensberg Park World Heritage Site. This issue was resolved during the year, and the soil-turning ceremony for the relocated border post was attended by Minister Marthinus van Schalkwyk and Transport Minister Jeff Radebe. The project will cost R160 million and includes tarring the 33km stretch of gravel road from Himeville to Sani Pass.



TFCAs establish conservation corridors and open up migratory routes across national borders.

Improved tourism access had also been planned via the opening of the Sendelingsdrift Port of Entry on the Orange River between South Africa and Namibia in the |Ai-|Ais/Richtersveld Transfrontier Park. Namibia was unable to complete its political process to operationalise the border post on schedule, so the opening of the Sendelingsdrift border post has been rescheduled for the next reporting period.

TFCAs also play a useful role in education. In 1978, a clutch of Triassic era dinosaur eggs were discovered in the Golden Gate Highlands National Park, with other dinosaur fossil finds recorded later. Until now, these fascinating discoveries were not being used optimally as a tourism attraction or educational resource. Accordingly, in 2006, the Maloti-Drakensberg Transfrontier Project (MDTP) Project Coordination Committee and the World Bank approved the establishment of a Dinosaur Interpretive Centre in the Park, which will simultaneously attract and inform visitors about the Park's special heritage.

Both the new Sani Pass border post and the Dinosaur Interpretive Centre will include community centres where local artists and crafters can sell their products to visitors.

During the next reporting period, it is vital to finalise the twenty-year Conservation and Development Strategy, the five-year Action plan and the tourism development strategy for the MDTP, as World Bank funding will come to an end in 2007.

There is also a need to create greater awareness around the TFCAs, and three areas that currently impede a working and effective TFCA programme, includes facilitating the movement of tourists within SADC, lack of integrated marketing of SADC as a single diverse destination, and gaps in information and knowledge sharing, as well as financing of joint regional projects.

TRANSBOUNDARY CONSERVATION

The United Nations has praised the Benguela Current Large Marine Ecosystem (BCLME) Programme - a joint initiative between Angola, Namibia and South Africa - as the flagship of its international waters programme. Although the three partner countries each manage their own Exclusive Economic Zones, there was the realisation that nature does not respect national borders. So a coordinated approach was needed to manage the southwest Atlantic coast ecosystem as a whole.

This started in 1995, with the conception of BENEFIT, a regional project promoting research and training cooperation between Angola, Namibia and South Africa. This was strengthened to cooperation in management by the launch of the BCLME Programme, which was funded by the Global Environment Facility (GEF) under the auspices of the United Nations Development Programme (UNDP).



Robben Island and the Ukhahlamba Drakensberg Park were among the first South African sites declared as World Heritage Sites.

Until now, the BCLME has worked on the basis of the partner countries advising each other. In August, 2006, the partnership was developed to the next level by the signing of the Benguela Current Commission (BCC) agreement. The BCC will ultimately result in joint decision-making and management, by all three countries, of the southwest Atlantic ecosystem from 2012 onwards.

WORLD HERITAGE SITES

According to the United Nations Educational, Scientific and Cultural Organisation (UNESCO), world heritage sites "recognise and protect areas of outstanding natural, historical and cultural value".

World Heritage Sites have more than environmental value; they promote scientific and educational interest and have tourism potential, which could bring great benefits to the traditional communities who reside along them.

South Africa currently has seven (7) listed World Heritage Sites:

Cultural

- Fossil Hominid Sites of Sterkfontein, Swartkrans, Kromdraai, and Environs (1999)
- Mapungubwe Cultural Landscape (2003)
- Robben Island (1999)

Mixed

- Ukhahlamba/Drakensberg Park (2000)

Natural

- Cape Floral Region Protected Areas (2004)
- Greater St. Lucia Wetland Park (1999)
- Vredefort Dome (2005)

During the period under review, important preparatory work was undertaken for the inscription of two new South African World Heritage Sites. Evaluations were undertaken of the Richtersveld Cultural Landscape in the Northern Cape, and the Prince Edward Islands, two small islands (Marion and Prince Edward) in the sub-Antarctic Indian Ocean. The evaluations, by the World Conservation Union (IUCN) and the International Council for Monuments and Sites (ICOMOS), were undertaken during October and November 2006.

The evaluations are an important step towards achieving World Heritage status for the sites. Information collected and verified during the evaluation is used by the World Heritage Committee in its decision whether or not to add the sites to the World Heritage List.

Apart from coordinating the inscription of the Richtersveld Cultural Landscape and the Prince Edward Islands on the World Heritage List, the Department has major plans for 2007/8. These include establishing management committees for four (4) World Heritage Sites, reviewing Integrated Management Plans for World Heritage Sites, and conducting a feasibility study for a joint management board for World Heritage Sites. The Department will also support and coordinate preparations for South Africa's input into the 31st session of the World Heritage Committee, which will be held in New Zealand during June/July 2007.

SUSTAINABLE USE AND PROTECTION OF OUR MARINE AND COASTAL RESOURCES

Our Marine and Coastal Management programme is tasked with managing the development and sustainable use of our marine and coastal resources, as well as protecting the integrity and quality of our marine and coastal ecosystems. The programme's activities are governed by the Marine Living Resources Act of 1998, with operations financed through the Marine Living Resources Fund.

South Africa's 3 751km coastline is a natural asset, serving as a major shipping trade route, home to a vast biodiversity of marine and coastal species, provider of food and jobs for many of our people, and attracting growing numbers of tourists each year.

2006/7 was a year with many notable achievements offset by ongoing challenges in other areas.



The allocation of long term fishing rights has boosted sustainability and transformation in the commercial fishing sector.

FISHING RIGHTS AND INDUSTRY TRANSFORMATION

We have three (3) key objectives regarding the country's commercial fisheries:

- To transform the industry
- To ensure equitable sharing to sustain viable fishing businesses
- To broaden access through in-shore (less than forty metres depth) limited rights allocation to emerging companies

The allocation of long-term fishing rights was completed during the previous reporting period. Of more than eight thousand (8 000) applicants, two thousand four hundred and eighty (2 480) were granted long-term fishing rights. However, as expected, the Department received many appeals which had to be considered during the year. This process was finalised on schedule, and the appeals, final allocations and transformation figures are outlined on the next page:



Annual surveys are used to determine Total Allowable Catch, helping to conserve our diversity of marine species.

Fishery Sector	Successful appeals	Total rights allocated	% Black ownership
Hake Deep Sea Trawl	6	52	26.72
Hake Inshore Trawl	0	17	47.79
Horse Mackerel	3	18	42.5
South Coast Rock Lobster	4	16	71
Small Pelagics (sardine & anchovy)	19	114	61.15
Patagonian Toothfish	0	5	58
KZN Prawn Trawl	0	4	63.25
Hake Longline	7	139	91.1
West Coast Rock Lobster (Offshore)	50	245	61.8
Squid	12	121	48.42
Demersal Shark	2	6	72.9
Seaweed	0	13	55.08
Hake Handline	49	88	36.4
Tuna Pole	75	173	55.08
West Coast Rock Lobster (Nearshore)	404	822	93.25
Traditional linefish	115	393	43.69
KZN Beach-Seine	2	24	36.84
Netfish	32	121	51.3
Oysters	2	107	60
White Mussels	0	7	100

Fishing rights do not just apply to the commercial fisheries, but to subsistence and small-scale fisheries too. During the period under review, the Department drafted policies for the Subsistence and Small-scale fisheries, and conducted public consultation workshops.

The allocation of subsistence and small-scale rights poses a different challenge from commercial rights, in

that stakeholders from these sectors are not as literate as the commercial industry. The draft policies have been translated into the four coastal languages (English, Zulu, Xhosa, Afrikaans), and the rights process is being implemented in three phases. For Subsistence and Small-scale fisheries the finalization of policy and rights allocation remains a priority for 2007/8.

It had been planned to finalise the policy and management regime for Recreational Fisheries as well during 2006/7. This process took longer than expected, partly due to the lack of a formal body representing recreational fishers. Subsistence rights were also deemed a more urgent priority, so the drafting of policy for Recreational Fisheries has been moved to the next period.

In terms of fishing rights beyond South Africa's Exclusive Economic Zone (EEZ), the Department negotiated successfully at the International Commission for the Conservation of Atlantic Tunas (ICCAT) for an allocation of 1200 tons of swordfish, an increase of nearly 100 tons over the previous quota.

However, this level of allocation cannot be taken for granted. The Large Pelagics sector, encompassing tuna and swordfish, is not performing at optimal levels. This may affect the country's international swordfish allocations in future. For 2007/8, the Department aims to conduct a comprehensive review of the fishery (including granting new rights) to improve performance.

At the Commission for the Conservation of Marine Living Resources (CCAMLR), the Department also negotiated to maintain access to the Patagonian Toothfish fishery.

RESOURCE MANAGEMENT

With the commercial long-term rights allocations completed, the focus shifts to fisheries resource management and interventions. Although the commercial fisheries are in better shape than before (particularly with regard to BEE ownership), fish stocks are declining. Nineteen (19) of fifty (50) commercial linefish stocks have collapsed and, apart from declining numbers in other fisheries, there has also

been a large-scale migration of pilchard and west coast rock lobster numbers southward and eastward.

The magnitude of this shift is evident in catch statistics. In 1994, more than 60% of pilchards and sardines were caught on the Cape's west coast, with the remainder on the southeast coast. By 2005, less than 10% of the catch was recorded on the west coast. West coast rock lobster have shown a similar migration which, in turn, has affected abalone. The lobster eat sea urchins which provide shelter for abalone larvae. This has caused high abalone mortality, and is partly responsible for the abalone Total Allowable Catch (TAC) declining alarmingly from six hundred (600) tons (1995/6) to just one hundred and twenty-five (125) tons in 2006/7.

While scientists are still investigating and reaching consensus on the cause(s) for this migration, it is clear that management intervention is needed if we are to reach our Johannesburg Plan of Action goal of restoring depleted fish stocks by 2015. Apart from adjusting TAC annually based on the results of surveys conducted by MCM, management intervention could also entail temporary closure of fisheries, implementation of a closed season, or restrictions on the types of gear allowed for fishing.

There is also ongoing assessment of the performance of commercial rights holders, through performance measuring. Depending on the fishery, this is stipulated 1, 2 or 3 years after allocation of the rights. The performance review is a check and balance to ensure that the transformation objective of the rights allocation process is being followed through. The performance review also measures whether rights holders are utilising their rights and catching their quotas. The Department is currently examining the project in terms of process and the mechanisms to be used in performance measuring. This process started in January, 2007 and performance measuring will be a main priority for the next reporting period.



The Integrated Coastal Management Bill treats the coastline not as a boundary between land and sea, but as a system that must be managed holistically.

Fisheries management is a broadly consultative process in which the Department welcomes input from industry stakeholders. A notable achievement during 2006/7 was the operationalising of the Resource Management Working Groups, the discussion forums between MCM and the industry. All Offshore and High Seas groups are operative, while 75% of Inshore groups are up and running. The Inshore process could not be completed as the sector does not have structured industry bodies. Resource Management Working Groups will remain a feature in Fisheries Management in 2007/8 with the aim of having 100% of these forums operational.

Other 2006/7 achievements in resource management include the completion of economic studies on three commercial fisheries (Hake Handline, Hake Longline and Demersal Shark) and formulation of a draft policy on Management of Seals, Seabirds and Shore Birds. This will guide the management of interactions between fishers and these species, to ensure that fewer seals and birds are harmed by fishing operations. The policy on Management of Seals, Seabirds and Shore Birds will be finalized and implemented in the next reporting period.

With the level of stakeholder negotiation across all the fishing sectors, and the plethora of fishing organisations and other bodies representing stakeholders, it is imperative that the Department compiles a list of recognised industry bodies. During the year, work was started on a draft policy to outline criteria for recognition. The policy could not be finalised before year end, but this will be concluded during 2007/8.

COASTAL MANAGEMENT

The coastline is a unique part of our environment and a limited area that supports many human activities. The coast also holds great economic value, with coastal goods and services estimated to contribute 35% to South Africa's Gross Domestic Product (GDP). The only way to maximise coastal economic and social opportunities, while conserving coastal resources, is for development to be ecologically, socially and economically sustainable. This, in turn, dictates that the coast must be viewed and managed as an integrated system.

In the past, coastal development has often been ecologically insensitive, resulting in extensive coastal erosion at places such as Langebaan. The department assumes responsibility for the country's oceans and fish stocks, as well as for sustainable management of the adjacent coastline.

As such, the department prides itself with the publication of the new Integrated Coastal Management Bill which was gazetted in December 2006 for public comment and will be tabled in Parliament during June, 2007. The Bill brings coastal management issues to the fore, at national, provincial and local levels.

Importantly, it will address the long-standing and contentious issues related to public access to the coast, and the need for an integrated approach to coastal development. The Bill also provides for the creation of a coastal protection or buffer zone in which there will be restricted or limited development. This will serve to protect the coast from erosion, and people and property from the flooding and sea-level rises predicted due to climate change.



The interceptor vessel Florence Mkhize has the speed to pursue and apprehend the inflatable rubber duck vessels used by coastal poachers.

AQUACULTURE

In light of government's national priority to alleviate poverty, aquaculture (farming with fish and other aquatic products) is seen as providing job creation opportunities, particularly for those applicants who did not secure long-term fishing rights. However, as with most other industries, aquaculture must be regulated to ensure that it is practised in a responsible and sustainable manner.

In September, 2006, the Department gazetted its draft Marine Aquaculture Policy. Due to the complexity of the issue, Minister Marthinus van Schalkwyk extended the public participation process from thirty (30) to ninety (90) days. The revised draft policy was presented to provincial Members of the Executive Council (MECs) at the MinMec meeting in May 2007.

The draft policy, which was keenly awaited by the industry, gives a clear indication of the policy direction and how government will support the growth of the industry. For example, where there is currently only one veterinarian assigned to the entire aquaculture sector, government will take a proactive stance in helping to ensure that the scarce skills capacity required to provide sufficient veterinary services are developed.

Although DEAT is only responsible for marine aquaculture and the Department of Agriculture is leading the freshwater aquaculture, the two Departments are collaborating and cooperating closely in developing their policies. Putting in place the processes required for the implementation of pilot aquaculture projects, in line with the final policy, will be a priority during 2007/8.

MONITORING AND ENFORCEMENT

Monitoring, Control and Surveillance supports the Department's regulatory activities by enforcing the suite of laws relating to our coastline and oceans. The priority for 2006/7 was to break the back of poaching syndicates along the South African coast and to focus investigations on five major companies suspected of syndicate activity. By the end of the reporting period, nine companies had been investigated.

Flowing from these investigations, several breakthrough successes were achieved. The highlight was the November, 2006 recovery of four containers from Singapore, each containing an average of eleven (11) tons of poached abalone. This developed from the initial seizure of a container in Table Bay. Twelve (12) arrests were made in the case, which featured exemplary cooperation between DEAT, Customs, SARS, the SAPS and the authorities in Singapore.

Other successes included the Stellenbosch case, in which five thousand and fifty (5 050) abalone were recovered and five suspects convicted. In the Belala case, a shipment of fourteen thousand five hundred and eighteen (14 518) abalone was tracked to Johannesburg, where three Chinese nationals were arrested and convicted. The Stanford case in the Overberg resulted in the closure of an illegal operation, five (5) arrests, and sixty thousand two hundred and ninety (64 290) abalone recovered. In KwaZulu-Natal, the Korean vessel Dong Won 619 was charged with importing fish illegally and fined more than R650 000.

The cumulative statistics (till end of January 2007) are outlined below:

Area	Arrests	Confiscations	Asset Confiscations	Fines
Compliance stations (30)	446	Abalone: 371 550 West coast rock lobster: 5 492	43 vehicles 10 vessels	R1 139 928
Special operations (29)	111 22 convictions	Abalone 293 323	6 vehicles factory equipment	R1 297 128
Environmental Protection Vessels	27 267 vessels inspected 446 permits checked	Abalone 1 067 Crayfish 243	1 vehicle 16 diving sets 7 crayfish nets	48 fines issued

The delivery of the Florence Mkhize in June, 2006 rounded out the MCM Environmental Protection Vessels fleet. The 14-metre long interceptor vessel is built for speed, attaining 60-70 knots at full throttle. The new vessel has already completed half a dozen deployments around the coast. It is hard to quantify the deterrent effect of a patrol vessel.

The establishment of the Vessel Monitoring System (VMS) at DEAT MCM offices in Cape Town provided a significant boost to monitoring capacity. This electronic system allows the Department to monitor the movement of vessels around the South African coast, to as far afield as Marion Island. The ability to track an average of more than 1 000 vessels has boosted monitoring effectiveness, and sixty-eight (68) transgressions were spotted using the VMS.

For the first time ever, the Department also used aerial helicopter surveillance during its festive season operations in December 06 - January 07. This proved to be a strong visual deterrent for poachers, and the helicopter surveillance was extended to the Eastern Cape for February/March.

As successful as the deployments of vessels were, the Department would have liked to undertake more patrols during 2006/7. One target was to undertake several Southern African Development Community (SADC) patrols. Ultimately, only one SADC patrol was possible (to Mozambique), thanks partly to Mozambique contributing US\$150 000 to co-fund the patrol.

Financing further patrols is a challenge, although significant cost savings were achieved by the Department taking over duties previously sub-contracted to the Overberg Municipality. The contract entails inspections and enforcement in the Overberg area and this is now done in-house. Over the three year duration of the contract, the Department will realise cost savings of R19 million.

Inspections, monitoring and enforcement must be backed up by adequate prosecution expertise and capacity. In December, 2006, the Department appointed two in-house prosecutors. With the closure of the Hermanus environmental court in 2006, the appointment of the prosecutors has added welcome capacity.

MARINE RESEARCH

The Department's activities are supported by scientific research, which also forms the basis of various bilateral and multilateral agreements with other countries. The main objective every year is to complete all the scheduled surveys and to make recommendations on all the key fisheries. The department made scientifically defensible stock size estimates and recommendations to the Minister for eighteen (18) key fisheries in this period.

In collaboration with the National Research Foundation, the Department established an offshore node for the South African Environmental Observation Network during 2006. These nodes monitor environmental changes, providing valuable data for research scientists. Hake research received a boost with recommendations on improved hake research guided by Norwegian demersal specialist Knut Korsbrekke, who visited South Africa under the auspices of the Norway-SA (NorSA) programme. Norway also contributed, via the Norwegian Institute of Nature Research, to a successful research programme to identify the value of the Langebaan MPA to fish stocks in the area.

With a R5 million support grant from the Department of Science and Technology and expert Norwegian and US input, the Department also concluded successful mariculture research projects during the year, including research into abalone diseases, shellfish production techniques and feed combinations for various local species. The Department also updated its annual report on the Status of Marine Fish Resources, which examines each fisheries sector and its trends and prospects. The plan is to publish this as a public document in future.

The Coelacanth programme was unable to complete all its scheduled cruises during the year, due to funding shortfalls. On the positive side, R5 million of Department of Science and Technology funding was sourced for the construction of a new submersible.

The R110 million project to replace the aging research vessel *Sardinops* proceeded well during the year. Construction work on the new 42-metre vessel, is almost complete and the new vessel should be delivered on schedule in June 2007. She will be named the *Ellen Khuzwayo*.

The Department kept its three bases (Gough, Marion Island and SANAE) supplied throughout the year, and met all its infrastructure commitments to the South African National Antarctic Programme (SANAP) run by the Department of Science and Technology.

The construction of the new base at Marion Island experienced some problems with costs escalating. However, additional funds were sourced and the base

is now 60% complete, and will be finished early in 2008. The new base will be a modern modular base with excellent research facilities, capable of accommodating eighty (80) people.

Replacing the research vessel *SA Agulhas* is a major project that will cost R600-700 million. During the year, the Department completed a Private-Public Partnership Analysis study, which has been submitted to Treasury for consideration.

In the coming year, the Department intends to meet all its survey, biological research and stock assessment commitments for all key fisheries species, but also develop a strategy to monitor and assess small-scale and subsistence fisheries, while redoubling efforts to develop an experimental octopus fishery and fully assess horse mackerel as an offshore resource. It also intends to complete a new research strategy for our most valuable resource, hake, as well as develop a strategy to integrate social and economics research into its advice. In the area of marine aquaculture, it aims to significantly advance methods of culturing at least two local finfish species as well as a shellfish species, scallops, partly through extended collaboration with the Department of Science and Technology. It is also intended that semester reports on the State of the Ocean Environment and an annual State of Fisheries Resources report will be issued. Top predators on our coast and at the Prince Edward Islands will be assessed and at least three species of shark will be studied to determine the impact of ecotourism. A major initiative and area in which South Africa excels continues to be Ecosystem Approach to Fisheries Management (EAF) and integrating such approaches, including by means of Marine Protected Areas research at Langebaan and De Hoop, will continue in key fisheries.

On the Antarctic front, the new Marion Island Base will be nearing completion by the end of the financial year and it is hoped that funding for the new research and supply vessel can be obtained from Treasury on the basis of a review conducted in partnership with DST. Internationally, the focus will be on the establishment of research activities on transboundary resources such as hake in the regional Benguela Current Commission, as well as scientific advice to regional fisheries Management Organisations.



The Marine Living Resources Fund is sustained by costs recovered from the fishing industry.

SUSTAINABLY FINANCING THE COASTAL AND MARINE MANDATE

There is ongoing concern about the ability of the Marine Living Resources Fund (MLRF) to generate sufficient revenue to fund MCM's activities given the self generated income has been less than the expenditure of the Fund in the period 2002 - 2006. Expenditure shortfalls were covered by the sale of confiscated marine produce such as abalone. This situation culminated in negative publicity for the Department during August, 2006. However, the period under review was also marked by several important achievements towards sustainable revenue generation.

The first was the full implementation of the new Oracle-based financial system, which went live in December, 2006. This system was developed following the development of modules required by the MLRF and included a process by which different financial models employed by other maritime fishing nations were also assessed. The MLRF had never had a fully functional and integrated accounting system previously. In development since late 2005, the new Oracle system has been rolled out to all proclaimed fishing harbours.

The second achievement was the completion of the draft Cost Recovery Framework. The framework will define how fishing levies are determined, which in turn will address the crucial issue of cash flow. Current fee structures were set in 1988 according to the Sea Fisheries Act, and increased annually based on CPIX averages of 3-4% per annum.

These levies do not cover the Department's expenditure for the work that it is required to do. The cost recovery framework will clearly define the work done by the department, and what industry should contribute.

It is envisaged that the early in the new financial year, the framework will be submitted to Treasury for approval, and then rolled out to the fishing industry.

A further system which is being implemented is the Marine Activity System (MAST) which is a consolidated database to allow for streamlining which is to enable the MLRF to improve service delivery to both the sector and the public. Trial implementation has commenced in 2006 with full integration to be completed in 2007.

Inadequate staff capacity for purposes of managing the fund over the past five years has also been singled out as a contributing factor to the challenges faced by the MLRF. Following the completion of an Institutional Review process, three new directorates were created for management of the MLRF. In addition the MCM branch rolled-out specific and relevant training for all its financial staff members and ongoing refresher training sessions are taking place.

The Department had anticipated launching Smartfish, the smart card technology that will make revenue collection easier and more efficient. Due to the core accounting and administration systems taking longer than expected to implement, the Smartfish launch had to be rolled over to the next reporting period, when it will be a major priority.

A further priority for 2007/8 will be the focus on maximising the revenue based on the resources available to the MLRF. This will entail establishing a new Revenue Management Unit, which will be tasked with investigating all potential sources of income for the Department. With the right funding models in place, it is hoped that the MLRF can become sustainable on an annual basis.

MEETING OUR INTERNATIONAL COMMITMENTS AND PROMOTING SOUTH AFRICA'S PRIORITIES INTERNATIONALLY

South Africa's environmental and tourism initiatives are not restricted to national activities, but also extend into regional and international programmes in cooperation with other countries. There are a myriad of environmental and tourism initiatives influenced by bilateral or multilateral agreements at country partner, regional, continental and global levels.

Our international programme prioritised three functions (1) Negotiation of, and participating in dialogue around, international multilateral agreements (2) international environmental governance issues, and South Africa's bilateral, South-South and South-North cooperation arrangements (3) Resource mobilisation

Currently, there are twenty-eight (28) formal international commitments (with DEAT as the lead agency) that have been acceded into South African law by Parliament. DEAT manages a further thirty-three (33) bilateral agreements on South Africa's behalf, and is the lead agency in six international institutions - the UN Environment Programme, the Global Environment Facility, the UN World Tourism Organisation, SADC and African tourism organisations, and the African Ministerial Conference on the Environment.



The UN building in New York, USA.

A central focus of the year's activities was to consolidate South Africa's national position and priorities across all international engagements. Membership of, and participation in, the wide range of international organisations carries the inherent risk that South Africa could be seen to support a particular position in one engagement, and a conflicting position in another.

In 2006, a Bilateral and Donor Strategy for the Department was developed and it identified the environmental priorities for South Africa (climate change, desertification and broad biodiversity issues including Genetically Modified Organisms) and incorporated these priorities into a coherent programme. The Strategy will shape South Africa's bilateral and donor engagements for the next two to three years, and implementing the Strategy is a key target for 2007/8.

Another major initiative was the rationalisation and linkages of the international environmental governance strategy. The United Nations runs multiple fragmented programmes linked to globalisation and the environment. The department lobbied for rationalisation and linkages, to create a much more holistic, coherent and coordinated UN reform agenda. This is an ongoing process, which has resulted in two key decisions, regarding the strengthening of the UN Environment Programme (UNEP) and greater coherence and coordination in Chemicals.



South Africa has become a preferred destination for international conferences.

The department also implemented a focus shift in its Africa Programme, which includes the African Union (AU), Southern African Development Community (SADC), and the New Partnership for Africa's Development (NEPAD) and the African Ministerial Conference on the Environment (AMCEN). Previously, the focus had been on raising funds for national projects within South Africa. Now, the focus has shifted to facilitating funding for provincial and municipal projects, and also towards South Africa being a funding facilitator for SADC and African projects. This is in line with South Africa's growing reputation as a country whose position is often not just geared to our own national needs, but also resonates well with SADC, African and developing world needs and priorities. This was particularly evident in the work around the Global Environment Facility (GEF).

THE GLOBAL ENVIRONMENT FACILITY

In 2006 we had the honour of hosting the 3rd Assembly of GEF in September in Cape Town. The GEF is the only major financing mechanism for environmental projects with global benefit.

It was the first time that the GEF Assembly was held in Africa with one thousand nine-hundred and thirty-four (1 934) delegates from one hundred and thirty (130) nations, including fifty-six (56) Ministers. The GEF Assembly generated about R16, 3 million for the Cape Town economy.

The Cape Town meeting raised serious debate, and was also used to promote African priorities and successes on the agenda. The negotiations at the assembly resulted in the replenishment of the fund to the tune of US\$3.13 billion, to cover the next four years. As a donor member, South Africa participated in the negotiations around the RAF, lobbying to make the RAF more equitable to address Africa's needs.

South Africa recently took the decision to become a donor as well as a recipient of GEF funding, and will contribute around R38 million to GEF for the next four-year period. There was an important strategic reason for becoming a donor - only GEF donor members participate in discussions and decision-making around the Resource Allocation Framework (RAF) which determines how GEF funds are disbursed.

Other GEF concerns include sustainability and the diminishing value of the GEF fund, the lengthy cycle (typically three years) from project concept to approval, and the difficulties in defining the difference between global and national benefits (GEF stipulates global benefits as a prerequisite to funding). The unit is engaging with other stakeholders to resolve these issues on an ongoing basis.

Regarding our own national GEF allocation, the department also developed a RAF Strategy, to determine how we will use our US\$90-100 million allocation to best effect.



South Africa collaborates with other countries.

INTERNATIONAL AND REGIONAL LEADERSHIP

South Africa's profile in international environmental governance was boosted by two achievements during the year. The first was chairing the G77 group of developing nations. South Africa was praised for rekindling the G77 as a negotiating bloc during its tenure as Chair, especially with regard to the Convention on Biodiversity (CBD), the climate change process and the International Environmental Governance debate in New York.

South Africa is very active in building and strengthening structures. During the 11th Session of the African Ministerial Conference on the Environment (AMCEN), held in the Congo during June, 2006, South Africa was elected as a Vice-President, and will take over the Presidency of AMCEN in 2008. This will include hosting the 12th Session of AMCEN in South Africa during 2008. The key focus during our AMCEN Presidency will be on strengthening the organisation.

The department also pushed for a similar structure of Environment Ministers in SADC, as there is no dedicated Environmental Ministerial forum within the SADC structure. The unit coordinated and funded regional meetings to promote this goal, and SADC Heads of State have now approved the establishment of the forum.

A highlight for the next reporting period will be the hosting of the G20 Finance Ministers meeting in South Africa during November, 2007.

BILATERAL AGREEMENTS

2006 was a very busy year for bilateral agreements. New agreements were concluded with the United States, Australia, Japan, Saudi Arabia, Angola, and Namibia.

Four highlight achievements were:

- Working together with Germany on the greening of the 2010 World Cup. Germany ran a greening project titled 'Green Gold' for their World Cup in 2006, and South Africa can benefit from Germany's experience in this regard. South Africa is also lobbying FIFA to make greening a prerequisite for hosting a Soccer World Cup.
- The unit is finalising the new European Union Multi Indicative Programme, which will result in hundreds of millions of Euros funding for South Africa from 2007-2010. The unit is working to ensure that the environmental portfolio features within the programme.
- Environmental cooperation with Norway. This R80 million agreement covers biodiversity, pollution, waste and environmental management, with R40 million funding each for environment and fisheries until 2010.
- Environmental cooperation with Denmark. This urban environmental management programme will provide approximately R250 million of Danish funding over the next five years.



South Africa donates funds to Quickstart, in order to build chemicals management capacity in developing countries.

INTERNATIONAL CHEMICALS

South Africa's international engagements in chemicals are based on three Conventions and one broader international process, as follows:

- Stockholm Convention (persistent organic pollutants)
- Rotterdam Convention (prior and informed consent for cross-border trade in chemicals)
- Basel Convention (transboundary movement of hazardous waste)
- Strategic Approach to International Chemicals Management (SAICM), a broad framework that integrates environmentally sustainable management approaches to chemicals internationally.

Coordinating position papers involves close cooperation with the Departments of Trade and Industry, Agriculture, Science and Technology, and Health, among others. This was achieved successfully for the Stockholm 2nd Conference of the Parties (COP2) in May, the Rotterdam 3rd Conference of the Parties (COP3) in October, the SAICM Africa Regional meeting in Cairo during September, and the Basel 8th Conference of the Parties (COP8) in December, 2006.

The SAICM meeting was very successful, resulting in the agreement of an African Framework for implementing SAICM. Two key issues of interest for South Africa arose from Basel COP8. The first was global agreement and support for the establishment of regional training centres in the movement of hazardous waste. The second was the issue of the developed world dumping electrical waste (like old computers and audio equipment) in the developing world. This is particularly prevalent in Africa, and it was the first time that this issue had been on the Basel agenda.

Rotterdam COP3 was not so successful for South Africa. Our delegation hoped to have asbestos listed as a substance that requires prior and informed consent for trade, but this goal was not achieved. A further setback was that negotiations around the establishment of a Compliance committee broke down.

During the year, South Africa also became a donor to the Quickstart programme, a SAICM project to generate seed funding for demonstration projects to build chemicals management capacity in developing countries. The rationale for becoming a Quickstart donor was the same as for GEF - to promote funding for African nations. South Africa's funding commitment to Quickstart is about R750 000.



South Africa has become an important role player in raising funds internationally for conservation projects in SADC and Africa.

SUSTAINABLE DEVELOPMENT, TRADE AND ENVIRONMENT

One significant milestone achieved was the finalisation of the draft National Framework on Sustainable Development. The Framework translates South Africa's commitments to international conventions into national action. As such, it is a cross-cutting document of central importance to the country's path ahead.

The draft was completed in October and published for public comment; the Framework is scheduled for approval during 2007/8.

A DEAT led South African delegation attended the 14th Session of the Commission on Sustainable Development (CSD14), held in New York during May, 2006.

CSD operates according to thematic cycles, with the current cycle incorporating energy, climate change, air quality and industrial development. CSD14 reviewed national progress on targets relating to these four thematic areas.

In preparation for CSD15 a number of intergovernmental consultations were undertaken, and the unit has also subsequently finalised the national position paper for CSD15 in May, 2007.

The World Trade Organisation negotiations broke down midway through 2006. However, the department worked with the Department of Trade and Industry and other stakeholders to develop a coherent position on tariff reductions or elimination for defined 'environmental goods'. This includes for example, scrubbers installed in stacks to reduce air pollution emissions.

The difficulty is that there are many different views on what defines an environmental good. The developed and developing world are promoting different views based on their own needs and interests. The developed world emphasises high-tech cleaner production goods, while the developing world wants a broader definition, to include goods that promote sustainable development.

South Africa engaged Egypt, Senegal, India and Brazil to consolidate a developing world definition. The issue also encompasses broader issues such as trade barriers due to environmental standards, and access to markets.

South Africa participated in several Committees on Trade and Environment meetings throughout the year, and was active in formulating the developing countries' position.



Climate change is predicted to cause severe weather events, like this snowstorm in the Eastern Cape.



Energy, climate change, air quality and industrial development were the year's themes for international work in sustainable development.

CLIMATE CHANGE

Due partly to chairing the G77 during 2006, South Africa enjoyed a high profile in international climate change negotiations. In the run-up to the 12th Conference of the Parties to the Kyoto Protocol (COP12), South Africa hosted the Informal Ministerial Indaba on Climate Action at Kapama Lodge in June, 2006. This meeting of like-minded Ministers, attended by Ministers and Heads of Delegations from 22 countries and hosted by Environmental Affairs and Tourism Minister Marthinus van Schalkwyk, looked ahead at how to break the impasse surrounding prescribed emissions reduction targets when the current Kyoto obligations expire in 2012.

As a follow-up, South Africa also funded preparatory meetings of African climate change negotiators, in order to formulate a coherent African position for COP12. This position included the continental perspective on the Clean Development Mechanism, technology transfer and adaptation to climate change consequences.

South Africa also provided financial support of R4.5 million to Kenya, to help with the hosting of COP12 in Nairobi during November. At COP12 itself, South

Africa led the negotiations on behalf of the G77 bloc. The South African delegation managed to achieve five key aims:

- Finalisation of the five (5) year programme of work on adaptation, which involves research, science and technology support to help countries adapt to the impacts of climate change. This negotiation took three (3) years to finalise, and was a very important achievement for South Africa.
- Promoting more Clean Development Mechanism (CDM) projects in Africa, which currently has only 1.5% of the total CDM projects internationally.
- Progress on the Expert Group on Technology Transfer, which relates to intellectual property rights and the affordability of technology.
- Forwarding the debate on the climate regime post-2012, to ensure a new set of commitments is agreed before current commitments expire. This resulted in agreement on a framework to move negotiations forward.
- Promoting dialogue outside the negotiation framework



Grasslands constitute 29% of South Africa's landscape.

BIODIVERSITY

Hosting the GEF Assembly opened up opportunities to promote our biodiversity and desertification agenda, particularly considering that GEF funds biodiversity and desertification projects.

In November, 2006, we hosted an Access and Benefits Sharing Workshop, with the help of German funding, in Cape Town. Fifty to sixty (50 - 60) delegates attended, representing communities, NGOs and other groups from Botswana, Burundi, Kenya and Namibia. The aim of the workshop was to share experiences and to build capacity so that African countries can develop their own legislation and policies around access and benefit sharing.

Genetically Modified Organisms (GMOs) is another biodiversity issue affecting developing nations. Efforts are underway currently to develop an international Framework for Liability and Redress. South Africa was active at the Technical Working Group preparatory meetings, and negotiated to have South Africa's position reflected in the final Framework.

For the first time, the department participated in the intergovernmental meeting of the World Intellectual Property Organisation (WIPO) during 2006. This was significant, as WIPO has strong linkages to the Access and Benefits Sharing initiative and the protection of indigenous knowledge. DEAT's participation brought some expertise in the usage of genetic resources and indigenous knowledge to the debate.

Although the Convention on Biodiversity COP8 and the Cartagena Protocol on Biosafety COP/MOP3 were held in Brazil during the previous reporting period, the unit conducted follow-up meetings with other stakeholder Departments in June, 2006, to gain consensus on the way forward.

98% of South Africa has been classified as 'dry land', and 2006 was declared the International Year of Deserts and Desertification. So the 5th Committee to Review Implementation of the United Nations Convention on Combating Desertification (CRIC5) meeting, held during March, 2007 in Buenos Aires, is of special significance to South Africa. The unit prepared input for CRIC5, which will also examine how South Africa is performing in implementing the UNCCD.



Protecting indigenous knowledge, along with Access and Benefits Sharing, will help to curb exploitation of Africa's natural resources.

CONSOLIDATING OUR INTERNATIONAL WORK

The International Relations and Governance, Chemicals, Climate Change, Sustainable Development and Trade areas have been consolidated within the strategy project to align international engagements with the national interest. Some Biodiversity areas, such as the Convention on Biodiversity and the Cartagena Protocol on Biosafety, have also been incorporated.

Capacity constraints have resulted in the UNCCD and Marine agendas not yet being included in the overarching strategy. As capacity grows within our international cooperation programme these areas will be incorporated and given stronger focus.

The department has also begun building a centralised International Focal Point Administrative System. Each agreement undertaken by South Africa has several national focal points. This results in 50 - 60 different South African representatives communicating internationally. There is an obvious need to track communications and ensure that all stakeholders are kept in the loop. The Focal Point Administrative System will ensure that the focus is firmly fixed on the national interest, rather than pet projects.

While the first two years of consolidating our international programmes has been a hectic period with many challenges, it has also been rewarding to see the rapid progress made. From the initial management of a wide range of fragmented agreements with differing agendas, the department has honed its focus and is now speaking to the world with one unified South African voice.

MAKING IT HAPPEN AND PROVIDING STRATEGIC SUPPORT

THE
EYE
OF
THE
STORM

The various DEAT branches require a full portfolio of support services to help them fulfill their mandate - legal, communications, human resources and transformation, information and communication technology (ICT) and administrative services, along with the provision of a safe and healthy working environment, infrastructure and equipment.

Two programmes, being (1) administration and (2) sector services provide key strategic and corporate affairs to support the Department's broad range of activities. The key challenge has been the integration of our headquarters operations with our Marine and Coastal Management in Cape Town, and has led to improved Human Resource Management processes.

Coordination and strategically supporting a growing organisation like ours can prove to be difficult. The Office of the Chief Operating Officer (COO) is tasked with the role of coordinating and managing the strategic functions and operations of the Department.

The functions in this nerve centre of the department include driving and overseeing the implementation of the DEAT strategic goals and providing functional and operational support to the Director General's national projects.



The DEAT Learning Network exposes managers to professional perspectives from outside DEAT.

BUSINESS PERFORMANCE AND REPORTING

All routine reporting was concluded successfully, including Cabinet documentation, the annual report and the State of the Environment Report. In accordance with Public Financial Management Act (PFMA) regulations, the Department's Strategic Plan was tabled in Parliament. The Strategic Plan forms the basis of all business planning and budgeting for the year, and any shortfalls or omissions would have a ripple effect throughout the organisation. The Strategic Plan was workshopped extensively with the Portfolio and Select Committees before finalisation, in order to ensure broad political buy-in.

During the year, the department conducted a review of the current Performance Management System, accompanied by a proposal on necessary changes. It was decided that a Balanced Scorecard Performance Management System would provide improvements and more effective performance management.

The planning and initiation of the new system also commenced during the review period. The benefit of the new system is that real-time data will be generated electronically and be easily available to stakeholders. The system will also change the performance management culture across the Department, enhancing high delivery.



DEAT's Social Responsibility infrastructure projects, such as Coast Care (left) and Working for Wetlands (right), created 12 500 job opportunities during 2006/7.

Staff performance is assessed regularly, with 98% of employees having performance agreements. We have exercised strict quality control, aligning performance agreements to key performance areas that relate to DEAT's goals. This, in turn, has increased buy-in among staff.

IMPROVING COOPERATIVE AND CORPORATE GOVERNANCE

A second achievement was improving engagements with provinces. The MinTec and MinMEC mechanisms have been leveraged to ensure all work is integrated with provinces, improving communication and cooperation between the national Department and provincial environment and tourism departments.

All DEAT projects in the Government Programme of Action (GPOA) for 2006 were successfully concluded. The GPOA uses the Cluster system to promote closer cooperation between different Departments to speed up service delivery.

There is increasing improvement in the coordination of cluster participation in DEAT projects, and channels information and feedback between the Department and Cluster stakeholders. Conclusion of all GPOA projects was a highlight which illustrates the Department's commitment and capability in working cooperatively with other stakeholders.

SOCIAL RESPONSIBILITY

As a major employer and national organisation, the Department has obligations towards society, particularly in the national priority areas of job creation and poverty alleviation. The function of the Social Responsibility Policy and Projects (SRPP) sub-programme is to create jobs, develop skills and Small, Medium and Micro Enterprises (SMMEs), and uplift households, especially those headed by women. SRPP also incorporates the objectives of the Expanded Public Works Programme (EPWP) in its policies and projects. The cross-cutting projects promote the objectives of the Department's and broadly of government through, for example, development of tourism facilities, environmental rehabilitation and waste minimisation initiatives.

For the 2006/7 financial year, SRPP was allocated a budget for R447 million, and set the following targets:

Activity	Target
Job opportunities created	12 500
Permanent jobs created	400
Training days	130 000
Budget allocation to nodal / project consolidate municipal areas	40%
SMMEs used	310
Increase in BEE spend	48%
Increase in number of learners registered on learnerships, skill development programmes and short courses	60



DEATers attending an Environment Week information session.

All targets were achieved, with the exception of the number of permanent jobs created. It is difficult to determine the creation of permanent jobs, and the target was overestimated. This target will need to be reviewed for next year. Some projects, such as cleaning of beaches or upgrading of beach facilities, are temporary in nature and will not result in permanent jobs being created. Some projects are also seasonal, such as wetland rehabilitation projects. Other projects are not easily taken on, for example waste projects.

The Department also has a target to fund projects which pilot alternative technologies. This is reliant upon provinces and municipalities submitting projects that pilot alternative technologies in terms of energy production. Solar panel technology would be ideal, but people are not yet confident in solar technology. Only one solar project has been proposed, using solar technology for water heating systems and lights in an area of Khayelitsha, in the city of Cape Town. However, the project is under enormous pressure. If it succeeds, it will promote the benefits of solar panel technology and help to open up the market.

SRPP completed development of the Norms and Standards for Aquaculture and Waste as planned during the year. The target for next year is to develop Norms and Standards for Accredited Training.

The department has increased the number of Community Environment Workers to forty-five (45), from an initial total of fifteen (15) in 2005/6. CEWs are placed in nodal and district municipalities to raise the profile of environmental issues, and educate municipalities about the importance of the environment, especially with regards to tourism development. SRPP is developing a Local Government database, which CEWs will use as a reporting tool for information collected in their sphere of operations.

CEWs have now been placed in all twenty-one (21) urban and rural nodes that require development assistance, as identified by the Urban Renewal Programme (URP) and Integrated Sustainable Rural Development Programme (ISRDP). However, CEWs are only placed if the municipality wants them. The move has now been towards placement of CEWs in the district municipalities.

Challenges for the year included the lengthy evaluation process for projects started during the 2005/6 financial year. For the next financial year, SRPP's budget allocation is set to increase to R538 million. Target figures will increase accordingly, bolstering the Department's contribution towards the national poverty alleviation priority.



The DEAT choir adds cultural flavour to many DEAT events.

LEGAL SERVICES

A special unit was established in 2006 to deal with law reform issues, cooperate legal support and advise on litigation. This has served to boost capacity significantly, from the previous total of five staff to twelve (12) staff in Pretoria and six (6) at MCM in Cape Town.

Legal Services assisted the Department in introducing the NEMA Amendment Bill, the National Waste Management Bill and the Integrated Coastal Management Bill. Assistance was also given in terms of the EIA regulations, Threatened and Protected Species regulations, Access and Benefit Sharing regulations, Waste Tyre and Asbestos regulations, and Elephant Management Norms and Standards. Policy input was provided for the broad range of policies adopted by the Departments, including the Shark Cage Diving and Whale Watching policies.

Legal Services also developed a Protocol on dealing with appeals, with the aim of speeding up the legal processes involved. The internal services have included a process to tighten up contractual arrangements with external service providers, leading to improved risk management across the procurement spectrum.

DEVELOPMENT COMMUNICATIONS

During 2006, a standout achievement was the launch of Indalo Yethu, an environmental awareness campaign that reinforces the role of environmental protection within the national economic and social development programme. The campaign illustrates that environmental responsibility is a key ingredient to meeting our goals of a better life for all South Africans.

We have also developed a draft Stakeholder Relations and Community Outreach strategy to enhance communications with the public and stakeholders. The DEAT website was consolidated with the addition of the MCM Department and website recorded 98% uptime and experienced a 19% increase in traffic during the year. The DEAT call centre has also experienced a growth in calls during the year.

The internal newsletter Lekgotla and the external stakeholder publication Bojanala continue to communicate DEAT issues in a highly visual and accessible format. For the mainstream media, the Department improved its media monitoring analysis to provide a gauge of how the Department and Branches are being presented by the media.



DEAT women reflect the rich diversity within the Department during a Cultural Day event.

In the forthcoming year, our focus will be on community media, increasing our outreach programmes, finalising the public perception survey and effectively utilising our community environment workers to improve information dissemination.

INFORMATION TECHNOLOGY

The highlight achievement of 2006/7 was the development of the Marine Administration System (MAST) for the Marine and Coastal Management (MCM) branch in Cape Town. MCM generates a lot of electronic data around permits, levies, catch totals and other aspects of its activities. In total, the Department had more than twenty different information databases and systems.

The MAST system consolidates all of the diverse data resources into a single integrated system, vastly increasing data availability, and efficiency and response times throughout the Department. The MAST system consists of two areas - the Admin modules and Catch System modules. The Admin modules (levies, compliance, permits, etc) are already operational. The Catch Systems modules should be operational by June, 2007.

During 2005/6, DEAT implemented the Electronic Document Management System (EDMS), which aims to automate business processes and reduce paper usage throughout the organisation. The challenge was promoting the use of the EDMS at all levels of staff. There has been promising progress during the year. Previously, only managers were using the system to full potential. Now, at least half of DEAT staff has transitioned to the paperless system.

IT security was stepped up during 2006, with the installation of state of the art anti-spyware software. The IT Strategic Plan (Master Systems Plan) has been finalised, and implementation should follow in the new financial year.

However, there are also ongoing challenges in IT. Capacity and budget are constraints. For the past two years, the Department received a poor IT audit report, due to a lack of policies and a strategic plan for IT.

MANAGING OUR SCARCE FINANCIAL RESOURCES

The Department's budget continues to grow in line with the scope and importance of its mandate. From an annual budget of R1.7 billion in 2005/6, the budget for this financial year was increased to just over R2 billion (with an operational budget of R570 million), and will be increased further to almost R2.6 billion for the 2007/8 financial year.

The audit report for the previous financial year contained 6 Matters of Emphasis. All of these were addressed during the year. In addition, all reporting for the Department and its statutory bodies was completed on schedule, in compliance with the Public Financial Management Act (PFMA).

The outlook for the upcoming Audit Report looks promising. The Financial Statements are due in May, 2007 for auditing by the Auditor-General. It is expected that the Financial Statements will result in a clean and unqualified Audit Report.



DEAT is working earnestly to meet all employment equity targets.

MAINTAINING OUR HUMAN CAPITAL

Following the completion of the Institutional Review in 2005 to provide improved capacity for DEAT's ever-growing mandate, the human resources sub-programme embarked on essential carry-over work during 2006/7.

The Institutional Review addressed amongst other high level posts as well the needed supportive substructures.

The Department entered the reporting period with a vacancy rate of 30,9%. Due to the extra posts created by the Institutional Review, coupled with natural staff turnover rate, this rose to over 33%. The target for the year was to reduce that figure to 28%. By the end of the reporting period the vacancy rate had reduced to 27.6%.

The vacancy rate is negatively affecting the Department, increasing the workload on existing staff, which also has implications for wellness. The 5 year plan is to reach single-figure percentage vacancy rates.

During the previous reporting period, the Department experienced an unacceptably high 22% turnover rate. Calculating the turnover rate on employees leaving permanent posts on the approved establishment, it was reduced to 6,8% during 2006/7.. The Department drafted a Retention Policy and evaluated positions with high turnover.

Apart from salary adjustments, the successful reduction in the turnover rate can also be partly ascribed to the positive and meaningful relationship

that the Departmental Bargaining Chamber has with labour structures. 3 meetings with labour were convened during 2006 which started to address, among other issues, the seagoing allowances for Marine and Coastal Management staff.

However, there is still a 26,9% turnover rate at senior management level. Job stability (particularly contract length) and a stressful environment have been identified as key factors in the senior management turnover rate.

EMPLOYMENT EQUITY

The Department has performed satisfactorily in terms of representivity. 77% of employees are black and 44% women. In management, the figures are 78% black and 42.5% women. This is well on course to meet government's target of 50% women by 2009/10. The government disability target of 2% is harder to achieve, particularly considering the scarcity of disabled people in the specialised fields.

Currently, DEAT's disabled staff representation is at 1.1%. So, as part of its recruitment drive, HR focused on people with disabilities. To attract more people with disabilities, the Department has appointed a service provider to help source people with disabilities, and the Department also works with the Office of the Status of Disabled People in the Presidency, referring to their database when shortlisting for vacant posts. HR also convenes a Vacancy Management Committee every two months, which addresses the need to source scarce skills and disabled employees.



The DEAT team responsible for Performance Management within the organisation.

SKILLS DEVELOPMENT

During 2006, the Department embarked on a high intensity skills development programme, covering emerging management right up to leadership development. The programme was run in conjunction with the South African Management Development Institute (SAMDI), and offers NQF aligned qualifications. HR received remarkable interest across all levels of staff, with 594 staff undergoing training.

The Department also increased the number of bursaries to thirty (30), each with a value of R25 000. More importantly, the bursaries are focused on scarce and critical skills. One hundred and eight (108) interns were also accommodated during the year. By December, 2006, twenty-nine (29) had been absorbed and found employment in the public service.

A needs analysis was also conducted regarding an Adult Basic Education and Training (ABET) programme. The analysis showed that many employees will benefit from an ABET programme. From the start of 2007, HR started to roll out the framework for the ABET programme, which will be done in partnership with the Department of Education.

HR also completed a Skills Audit during the reporting period. The results will be tabled by May, 2007, and will prove to be important in developing the Workplace Skills Plan during 2007/8.

DEAT Learning Network

The DEAT Learning Network (DLN) is an initiative aimed at middle and senior management. 4 DLN sessions were held during the year, 3 in Pretoria and one in Cape Town. The value of the DLN is that it allows managers to network with professionals who also provide a perspective from outside the DEAT environment. The DLN has been very successful in promoting a knowledge culture within the organisation.

HEALTH AND WELLNESS

The Health and Wellness units in Pretoria and Cape Town ensure that the facilities are conducive to people with disabilities, and also manages the HIV and AIDS programme. This includes counseling services and a nutritional supplement programme run in conjunction with the Department of Health. The unit also supports external needs and has provided hospices by collecting toys, food and clothing to distribute to needy children. During a special operation in December, the Department donated food to a hospice in Atteridgeville and repainted the Philadelphia School for the Blind in Soshanguve. These projects do not use taxpayer funds, but rely instead on the generosity of donations from DEAT staff.



Some of the 108 interns accommodated by DEAT during 2006/7.

BUILDINGS AND FACILITIES

During the year, the Department concluded important steps towards the purchase of a new building to provide a more appropriate base for DEAT's Pretoria staff. An options analysis and feasibility study was concluded successfully, followed by the purchase of the proposed site on the corner of Soutpansberg Road and Beatrix Street. However, there is still work to be done. The Department has adopted a public/private partnership to procure the new building. Treasury approvals 2A, 2B and 3 (relating to the design, construction, lifecycle maintenance and normal maintenance over twenty-five years) must be obtained before construction can begin.

In line with the Department's environmental mandate, extra recycling and waste bins were placed conspicuously around the building to encourage responsible waste disposal among staff.

The electronic security system was also upgraded during the year. The surveillance system now features more cameras to enhance security, and electronic security is now a 24/7 service. This is a vast

improvement over the previous 'office hours only' security service.

For the next year, the major plan is to rescue the current accommodation crisis in Pretoria. The Institutional Review created more posts which, in turn, has put more strain on available floor space. The department is currently exploring interim options, including open plan, downsizing offices, sharing offices etc.

PIPS

The Department's values were summed up in the internal PIPS campaign which ran during the year - **People, Integrity, Performance, and Sustainability**. The campaign provided a visual reminder of not only the obligations but the benefits of a Department that cares about and develops people, who act with integrity in delivering professional performance that is putting South Africa on the path to sustainable success.