

## ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING

### Introduction

The Department of Environmental and Cultural Affairs and Sport (DECAS) existed up to 31 July 2002 and was responsible for conserving, enhancing and promoting the natural and cultural heritage of the Western Cape, as well as promoting sport and recreation for present and future generations.

The Department devoted itself to making the Western Cape a province where nature, cultural heritage and humankind can coexist in harmony. To effect this the departmental 2002/03 budget was divided among the four programmes as follows: Administration 9%, Environmental Affairs 41%, Cultural Affairs 44% and Sport 6%.

In order to render a more effective service and align the departmental structure of the Province with Ministerial portfolios, it was resolved by Cabinet (Minute No. 242/2002 dated 3 July 2002) to split the department in two. The single Department of Environmental and Cultural Affairs and Sport was divided into the Department of Environmental Affairs and Development Planning (Vote 9) and the Department of Cultural Affairs and Sport (Vote 14). In addition to splitting DECAS into two, the programme Development Planning was shifted from Vote 8: Planning, Local Government and Housing to the new Vote 9: Environmental Affairs and Development Planning. The restructured Department of Environmental Affairs and Development Planning's budget structure appears as follows in nominal terms;

**Table 1: Expenditure 1997/98 to 2004/05**

PROGRAMME	Actual					Voted	Medium-term estimate	
	1997/98 R'000	1998/99 R'000	1999/00 R'000	2000/01 R'000	2001/02 R'000	2002/03 R'000	2003/04 R'000	2004/05 R'000
1. Administration	0	382	5 755	7 944	12 549	16 107	16 380	16 847
2. Environmental affairs	45 343	45 901	51 590	58 262	66 895	77 052	80 560	84 836
3. Development planning	20 001	18 916	20 081	13 782	15 123	17 605	17 892	18 479
<b>TOTAL</b>	<b>65 344</b>	<b>65 199</b>	<b>77 426</b>	<b>79 988</b>	<b>94 567</b>	<b>110 764</b>	<b>114 832</b>	<b>120 162</b>

All personnel, finance and other staff functions of the Department of Cultural Affairs and Sport will be rendered on an agency basis by the corporate service function under Vote 9: Environmental Affairs and Development Planning. The

figures for Administration therefore still include administration costs related to the new department, which has a new Vote 14: Cultural Affairs and Sport, and will only be split after the Organisational Development investigation has been completed and a Human Resource Plan finalised for both departments.

## Spending Trends per Programme

### Programme 1: Administration

The expenditure trend in nominal terms from 1998/99 to 2000/01 was steadily upwards. The average real growth was 13,4%. The average real growth between 2001/02 and 2004/05 is projected to be half that of the earlier period at 6,9%.

Projection for the 2002/03 to 2004/05 financial years were made before the reallocation of departmental responsibilities and therefore adjustments may need to be effected. As they stand currently, the projections for Administration do not reveal significant growth – nominal 1,7% and 2,8% for the outer MTEF years.

### Programme 2: Environmental Affairs

Between 1998/99 and 2001/02, spending under the programme Environmental Affairs increased on average by 10,2% in real terms. In 2002/03 the projected increase in expenditure compared with 2001/02 is 15,2%. If the expected rate of inflation is taken into account, this rate equals 8% in real terms. Across the budget years 2001/02 to 2004/05 the average real growth rate in expenditure is 6,9%.

**Table 2: Expenditure allocation per Sub -Programme 1998/99 to 2004/05**

SUB-PROGRAMME	Actual				Voted	Medium-term estimate	
	1998/99 R'000	1999/00 R'000	2000/01 R'000	2001/02 R'000	2002/03 R'000	2003/04 R'000	2004/05 R'000
1. Management	34 125	0	0	1 321	695	752	776
2. Environmental Management and Policy	11 181	1 408	5 516	6 507	9 121	9 618	11 179
3. Integrated Pollution and Waste Management	595	0	0	6 779	12 035	13 035	13 961
4. Environmental Comm.	0	0	0	0	1 615	1 615	1 615
5. WCNCB	0	50 182	52 746	51 603	52 476	54 330	56 060
6. Bio-diversity	0	0	0	685	1 110	1 210	1 245
<b>Total</b>	<b>45 901</b>	<b>51 590</b>	<b>58 262</b>	<b>66 895</b>	<b>77 052</b>	<b>80 560</b>	<b>84 836</b>
<b>Percentage Increase</b>		<b>12,39%</b>	<b>12,93%</b>	<b>14,82%</b>	<b>15,18%</b>	<b>4,55%</b>	<b>5,31%</b>

Proportion of Programme to Budget	Actual				Voted	Medium-term estimate	
	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
PROGRAMME	%	%	%	%	%	%	%
1. Management	74,34	0,00	0,00	1,98	0,90	0,93	0,91
2. Environmental Management and Policy	24,36	2,73	9,47	9,73	11,84	11,94	13,18
3. Integrated Pollution and Waste Management	1,30	0,00	0,00	10,13	15,62	16,18	16,46
4. Environmental Comm.	0,00	0,00	0,00	0,00	2,10	2,01	1,90
5. WCNCB	0,00	97,27	90,53	77,14	68,10	67,44	66,08
6. Bio -diversity	0,00	0,00	0,00	1,02	1,44	1,50	1,47
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

Support and increased attention to environmental matters was demonstrated by increasing the budget of the two sub-programmes Environmental Management and Policy and Integrated Pollution and Waste Management, from R7,432 million to R19,664 million (after the adjustment budget). Additional funding to the tune of R841 000 has also been provided for the sub-programme Biodiversity that was established as a separate component in August 2001.

Of the budget of R20,505 million allocated to the three sub-programmes (Environmental Management and Policy, Integrated Pollution and Waste Management and Biodiversity) for the 2001/02 financial year, R13, 971 million was spent. The underspending of allocated funds can be attributed to a large extent to the fact that 24 additional posts were created in the component Environmental Management and 23 in the Integrated Pollution and Waste Management component. Some of these posts were not filled and the funds therefore not spent.

The *Western Cape Clean-up Operation* programme was established and spearheaded under the component: Integrated Pollution and Waste Management. The programme was launched on World Environmental Day 5 June 2001. Transfer payments amounting to R4,741 million for the 2001/02 financial year and amounts of R3 million and R1,741 million were paid over to municipalities and Governmental Organisations and Community-based Organisations respectively for projects contributing to the improvement of the physical environment. The Western Cape Clean-up Operation will be extended in the 2002/03 and 2003/04 financial years with an amount of R5,250 million for transfer payments for the 2002/03 year.

The programme has extended assistance to educational projects. The Zeekoevlei Environmental Education Programme currently benefits from this assistance and it is envisaged that additional programmes will be established as the Clean-up Operation is extended to areas not previously reached. Extension of the programme might be dependent on additional funds.

A sub-programme entitled Environmental Commissioner was established in the 2001/02 financial year and allocated a budget of R865 000. The National Treasury has to authorise the establishment of the Office of the Environmental

Commissioner as a public entity. As no Environmental Commissioner has been appointed yet, the budgeted amounts to date remained unspent. The spending projections for the MTEF years have been fixed at the 2002/03 budgeted amount of R1,615 million as not to exceed on which to base spending is available.

Two-thirds of the programme's budget is allocated to the Western Cape Nature Conservation Board (W.C.N.C.B.) which was established on 1 April 2001 and listed as a public entity. More than 500 staff members previously employed by DECAS were seconded to the Board. Eighty percent of the initial staff seconded to the Board were transferred, with the remainder electing to apply for severance packages. Transfer Payments of R51,603 million were made to the Board in the 2001/02 year. The budget for 2002/03 allowed for a 1,7% increase in this spending to R52,476 million, mainly as the result of an amount of R1,1 million being shifted from the Department of Transport and Public Works for the day-to-day maintenance of buildings. Within inflation at the rates projected in the range of 4 to 6%, the additional allocations to this function mean real declines in allocations. This is at variance with the overall allocation of the Vote.

### **Programme 3: Development Planning**

The aim of the programme: Development Planning is to create an integrated sustainable environment. To this end, within formulated policy, the department is involved in forward planning, development management, the gathering, analysis and distribution of information, and the drafting of legislation and regulations.

Specific objectives include:

- Reviewing and managing the Western Cape Provincial planning legislation;
- Processing applications to the Western Cape Planning Review Board and Planning Advisory Board;
- Building capacity in the local government sphere in respect of planning and development;
- Initiating and promoting bio-regional methodology, principles and concepts;
- Initiating and financing the implementation of spatial development frameworks based on bio-regional planning principles and concepts and linking these to municipal Integrated Development Plans;
- Involvement in the evaluation of rural and urban development actions and of regional planning projects;
- Maintenance of a departmental Geographic Information Service (GIS) and coordination of a Provincial GIS.

**Table3: Development Planning Expenditure 1998/99 to 2004/05**

SUB-PROGRAMME	Actual				Voted	Medium-term estimate	
	1998/99 R'000	1999/00 R'000	2000/01 R'000	2001/02 R'000	2002/03 R'000	2003/04 R'000	2004/05 R'000
1. Administration	835	860	585	718	829	836	872
2. Regional planning	8 339	8 179	5 195	7 713	9 140	9 357	9 614
3. Information management	1 858	1 895	1 190	2 198	1 509	1 556	1 624
4. Provincial planning	3 680	3 760	2 499	0	0	0	0
5. Land development management	3 550	5 387	4 313	4 494	6 127	6 143	6 369
6. Legislation	654	0	0	0	0	0	0
<b>Total</b>	<b>18 916</b>	<b>20 081</b>	<b>13 782</b>	<b>15 123</b>	<b>17 605</b>	<b>17 892</b>	<b>18 479</b>

SUB-PROGRAMME	Actual				Voted	Medium-term estimate	
	1998/99 %	1999/00 %	2000/01 %	2001/02 %	2002/03 %	2003/04 %	2004/05 %
1. Administration	4,41	4,28	4,25	4,75	4,71	4,67	4,71
2. Regional planning	44,08	40,73	37,70	51,00	51,92	52,30	52,03
3. Information management	9,82	9,44	8,63	14,53	8,57	8,70	8,79
4. Provincial planning	19,45	18,72	18,13	0,00	0,00	0,00	0,00
5. Land development management	18,77	26,83	31,29	29,72	34,80	34,33	34,47
6. Legislation	3,46	0,00	0,00	0,00	0,00	0,00	0,00
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

It is evident from Table 3 that the largest portion of the programme's budget is allocated to the sub-programme **Regional Planning**. Important matters such as the sense of place, art, history, urban improvement and design in spatial development in the Province are addressed in the Regional Planning function.

With the first democratic elections in 1994, local government in South Africa became an autonomous sphere of government with municipalities responsible for regulating their own affairs. The election on 5 December 2000 was the final phase in the local government restructuring, which saw the repeal of the Local Government Transition Act, Act 209 of 1993, and its replacement by the Local Government: Municipal Structures Act, 1998.

The Regional Planning sub-programme aims to support Western Cape's thirty municipalities drafting Municipal Spatial Development Frameworks to comply with national and provincial prescripts.

Owing to the transformation of local government not transfer payments in respect of planning projects were made during the 2000/01 financial year. This explains the drop in proportional spending in this particular financial year as well as the real decline in expenditure of 36%. As a result of the rollover of transfer payments in the amount of R3,195 million, the expenditure projections for 2002/03 show a real increase of 9%, but in the outer years real growth is projected to drop in real terms by 4% and 1% respectively.

The Information Management sub-programme is responsible for managing and maintaining the Department's Geographical Information Service (GIS). Active participation, support and input was given by this sub-directorate to the local office of Statistics SA in the planning for the population Census 2001 which took place in October 2001.

The actual expenditure for this sub-programme increased by 84,7% from 2000/01 to 2001/02 because of the census and because of payments to a consortium of experts from three universities in the Western Cape who were tasked to prepare a research study on migration into and out of, as well as within, the Western Cape province. After these extraordinary expenditure items, spending returned to normal levels, constituting in the region of 10% of the programme's budget.

The sub-programme Provincial Planning was shifted to the vote of the Premier, Director-General and Corporate Services from the 2001/02 financial year and is captured under the Administration programme of that department.

The Land Development sub-programme consumes the second largest portion of Development Planning's expenditure. Currently the focus is on the implementation of the Western Cape Planning and Development Act, 1999 (Act 7 of 1999). Appeals, and cases of removal of title restrictions in respect of land development management are also addressed by this sub-directorate. In addition it ensures orderly planning and development in the Western Cape by means of adequate legislation and the promotion of good governance through capacity building in the local government sphere as far as planning and development are concerned.

The Planning and Development Act, 1999 (Act 7 of 1999) could not be implemented as planned because amendments had to be effected to the regulations. This explains the decreased expenditure trend in the 2000/01 and 2001/02 financial years.

The budget increase of 36,3% in the 2002/03 financial year can be attributed to a number of projects. The Directorate is drafting Provincial Zoning Scheme Regulations to ensure effective land use by municipalities. Research on developmental planning studies and the outsourcing of elements of provincial spatial planning also add to the expected expenditure.

Compared with the budget for the 2002/03 financial year, negligible growth is forecast for 2003/04, and for 2004/05 a meager 4,11% growth in nominal terms is provided for.

## Economic classification

In Table 4 the economic classification of expenditure from 1998/99 to 2001/02 and for the estimates for 2002/03 to 2004/05 are provided. The pattern for this department mirrors that of all other departments in the Province, showing an overwhelming concentration of current expenditure. Expenditure of a capital nature is virtually non-existent in comparison. The percentages spent on capital is also diminishing annually.

**Table 4: Economic Classification 1997/98 to 2004/05**

ECONOMIC CLASSIFICATION	Actual					Voted	Medium-term estimate	
	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current expenditure	0	64 409	75 298	77 141	89 699	110 288	114 504	119 927
Personnel expenditure		44 145	49 134	17 556	24 427	36 230	37 833	39 678
Transfer payments		5 216	6 088	53 198	56 949	61 911	64 619	67 098
Other current expenditure		15 048	20 076	6 387	8 323	12 147	12 052	13 151
Capital expenditure	0	790	2 128	2 847	4 868	476	328	235
Transfer payments		0	0	924	1 400	0	0	0
Other capital expenditure		790	2 128	1 923	3 468	476	328	235
<b>TOTAL</b>	<b>0</b>	<b>65 199</b>	<b>77 426</b>	<b>79 988</b>	<b>94 567</b>	<b>110 764</b>	<b>114 832</b>	<b>120 162</b>
<b>Annual percentage change</b>								
Current expenditure			16,91%	2,45%	16,28%	22,95%	3,82%	4,74%
Personnel expenditure			11,30%	-64,27%	39,14%	48,32%	4,42%	4,88%
Transfer payments			16,72%	773,82%	7,05%	8,71%	4,37%	3,84%
Other current expenditure			33,41%	-68,19%	30,31%	45,94%	-0,78%	9,12%
Capital expenditure			169,37%	33,79%	70,99%	-90,22%	-31,09%	-28,35%
Transfer payments					51,52%			
Other capital expenditure			169,37%	-9,63%	80,34%	-86,27%	-31,09%	-28,35%
<b>TOTAL</b>			<b>18,75%</b>	<b>3,31%</b>	<b>18,23%</b>	<b>17,13%</b>	<b>3,67%</b>	<b>4,64%</b>

Transfer payments are the main form of current expenditure. Transfers to the Western Cape Nature Conservation Board have made up the bulk of these transfers since its establishment in 2001. This also explains the large percentage increase in spending on transfer payments in 2000/01. A normal annual increase in line with inflationary projections is expected for 2002/03 to 2004/05.

Capital expenditure in 1999/2000 was off a very low base and therefore the increase of 169,4% between 1998/99 and 1999/2000 is distorted. The establishment of the Western Cape Nature Conservation Board also had an impact on capital spending in 2001. Most spending was once-off and hence the tapering of spending on capital assets in general in the outer years.

## Service Delivery and Performance Measures

Listed below are a number of achievements notched up by this department recently:

- The launch of the Western Cape Clean-up Operation programme.
- The Commissioner for the Environment Draft Bill was approved in principle by the Western Cape Cabinet.
- Listing of the Western Cape Nature Conservation Board as a public entity in terms of the Public Finance Management Act.
- Secured donor funding from the Konrad Adenauer Foundation to build environmental rights capacity among senior managers in the Western Cape Provincial Government.
- Sub-directorate Biodiversity, in collaboration with the Western Cape Nature Conservation Board, embarked on a pilot project called the Driftsands Initiation Village.
- Environmental Management developed a wide range of guidelines, including several manuals, to ensure greater consistency and certainty regarding the interpretation and application of the Environmental Impact Assessment Regulations.
- A Western Cape Coastal Zone policy was completed and workshopped with municipalities and other clients of the Department.
- Approximately 1000 applications dealing with appeals and the removal of title restrictions in respect of land development management were finalised.
- The directorate was responsible for finalising uncompleted transfers of erven. To date 296 erven have been transferred in terms of the Upgrading of Land Tenure Rights Act, 1991 (Act 112 of 1991), and 53 have been transferred in terms of the Less Formal Township Establishment Act, 1991 (Act 113 of 1991).
- A Farmworker Settlement Policy was completed and adopted by the Provincial Government.
- An Urban Settlement Policy was completed and a related draft Green Paper compiled.

## Conclusion

This is a new department in terms of the departmentalisation model and was established on 1 August 2002. It will require restructuring and a phase of consolidation.

The Western Cape Nature Conservation Board is the biggest cost driver with financial assistance decreasing in real terms. Although the Vote received higher than inflation adjustment up to 02/03, the same sort of increase is not reflected in the allocation to the Western Cape Nature Conservation Board. The funding of the public entity should at least be kept constant in real terms.

The Department is faced with a number of liabilities in the form of compensation claims/legal fees, mainly in the development, planning and nature conservation environment.

National legislation in the making could have a negative impact on the Department's budget. However, national policy imposing pressure on the provincial budget must be financed through a shift in the vertical split of revenue collected nationally in favour of the Province.

The appointment of an Environmental Commissioner needs to be finalised as funds appropriated for this function are used to cover overspending in the Vote.