

BUDGET VOTE SPEECH BY MARTHINUS VAN SCHALKWYK, MINISTER OF ENVIRONMENTAL AFFAIRS AND TOURISM, NATIONAL ASSEMBLY, 20 MAY 2008

INTRODUCTION

South Africa's trove of natural treasures and beauty is unmatched. Although we occupy only 2% of the Earth's land surface, we are home to more than 7% of the world's vascular plants. Nearly 60 newly discovered species are added every year.

If it is true that a picture is worth a thousand words, then the value of a visit to our country holds millions of visitors speechless. This is the wonder that greets the millions of tourists who travel to our shores to experience our country, our cultures and our people.

TOURISM GROWTH AND BENEFITS

The real value of tourism goes well beyond concepts like revenue, turnover, and occupancy rates. The greatest value of tourism lies in its power to bring people together, to help conserve the environment and to uplift communities.

The growth in our tourism industry is well documented. In 1994, fewer than 600 000 tourists visited South Africa. By 2007, that shot up to over 9 million foreign arrivals, which represented an increase of 8.3% over the previous year. This by far outstrips global growth, which between 2006 and 2007 was just over 6%.

We look forward to an even better 2008, and with the exciting global projects being rolled out by SA Tourism in the new fiscal year, I am more confident than ever that South Africa will exceed the target of 10 million foreign visitors by 2010.

To help us spread the benefits of tourism more widely, the reinvigorated Tourism Enterprise Partnership will further boost the development of sustainable enterprises, job creation and transformation. By the end of 2007, 4 166 SMME's have already been empowered through the establishment of business linkages, as well as training in the development of business and marketing plans. The value of linkages created for SMME's amounted to R 3,4bn by the end of last year.

DEAT is also working with MATCH, the official accommodation partner for the 2010 FIFA World Cup, and the Tourism Grading Council of South Africa (TGCSA) to assist SMME accommodation establishments and more specifically establishments from previously disadvantaged communities to be graded and registered as official accommodation suppliers for the 2010 FIFA World Cup. This will provide a vital springboard to these SMMEs.

Looking beyond SMME development, job creation and empowerment, we will also ensure that a successful World Cup leaves a "green" legacy.

ENSURING ENVIRONMENTAL QUALITY

Climate Change - LTMS

Madam Speaker, climate change and its impacts has become one of the biggest global challenges that we, our children and our grandchildren will face. We understand that it would not be economically, environmentally or politically sustainable for South Africa to continue to grow along a business-as-usual path, in other words without a carbon constraint.

Although South Africa has contributed, and continues to contribute, a relatively small amount to the global greenhouse gas emissions that are the cause of climate change, we are far from blameless. Emissions from our coal-based electricity production are substantial. We have used the privilege of cheap electricity not responsibly. We have become one of the most energy-inefficient countries in the world and we are Africa's largest contributor to greenhouse gas emissions.

If our country and the rest of the world had to do nothing, it would be disastrous, most significantly for us in Africa. It would most certainly lead to temperature increases that can be regarded as "dangerous".

However, we also know that even if we could stop all of our emissions tomorrow, we would still have to bear the impacts of climate change - the droughts, the floods, the sea-level rise, the dramatic plant and animal extinctions, the extreme weather events and the spreading of disease vectors. So adaptation must be a central part of our response. Climate change is a global problem that will only be addressed through committed and active global interventions.

Thus, in response to scientific realities, we are faced with two choices -

0. one: we could simply continue on a business as usual path and hope that every other country does not follow the same route;
0. or two: we can actively encourage "business unusual" and trust that our actions, taken together with the actions of other responsible nations, will provide the necessary leverage to ensure committed and active global interventions to address the challenge of climate change.

The choice seems obvious. Yet, it would be hugely irresponsible for us to implement an ill-informed strategy that could have dire consequences for our people and economy, especially in respect to climate change mitigation - the reduction of our greenhouse gas emissions.

To ensure well-informed responses, Cabinet mandated a national process of building climate change mitigation scenarios informed by the best available research and information. In 2005, stakeholders from government, business and civil society agreed at the National Climate Change Conference to embark on this process, seeking to protect the climate while meeting the

development challenges of poverty alleviation and job creation.

This process is now known as the Long-Term Mitigation Scenario (LTMS) process. By late 2007, after more than a year of intense research and modeling, the initial technical work of the LTMS was signed off by the Scenario Building Team. Two weeks ago I presented an interim report to Cabinet.

The product of this work has been discussed at the highest levels of government and industry and with every sector of society and it is clear that

- 0. One: if we continue a business as usual approach we will effectively quadruple our greenhouse gas emissions by 2050 and, in the process, become an international pariah.
- 0. Two: substantially reducing our emissions is possible, even highly desirable in some cases, but it will not be easy. Most immediate interventions are affordable.
- 0. Three: all of our actions and interventions to reduce our electricity demand are fully aligned with many of the described LTMS interventions and have a positive impact on our carbon footprint.

I am therefore proud today to announce the details of the Cabinet-mandated Long Term Mitigation Scenario (LTMS) study which will set the pathway for our long-term climate policy and will eventually inform a legislative, regulatory and fiscal package that will give effect to our policy at a mandatory level. Cabinet has noted these findings and have mandated DEAT to bring implementation plans back to Cabinet during the 3rd quarter of 2008, as a first step towards fast tracking the process of translating our strategic options into policy directions.

It is clear from the study that partial solutions to the climate challenge are pointless. Ad hoc interventions will not close the gap between where we are heading and where science requires us to be. Nor will they be efficient. We need to be ambitious and demonstrate leadership.

What we need is a consolidated approach to a low-carbon economy. In aiming for the "Required by science" option our emissions need to peak, plateau and decline sooner rather than later - otherwise it will become more painful & expensive.

The LTMS lays a firm basis for a progressive National Policy on Climate Change. It will culminate in a National Climate Summit and Science Conference early in 2009. During this Summit we will formally launch the policy process that will translate the LTMS into fiscal, regulatory and legislative packages as well as sectoral implementation plans. The National Summit will involve the key government departments, industry, labour, NGO's and others.

Environmental Impact Management

Speaker, I would now like to turn to environmental impact management.

The NEMA Amendment Bill was introduced in Parliament in July 2007. The process is well underway to bring the environmental management of mining into the NEMA legislative system. Enactment of the Bill will likely take place by August 2008, which will immediately be followed by the promulgation of the amended EIA Regulations. This will introduce a new era of implementation under a more efficient and effective system.

Already, due to our decisive interventions, and financial support to provinces, the pre-2006 backlog from the EIA system has been reduced by 80%. 95% of all EIA applications submitted to DEAT in terms of the 2006 Regulations have been processed within specified time frames. All this was achieved without compromising the integrity of the system.

Although great strides have been made in improving the EIA system, implementation capacity at provincial level remains of concern as at least 98% of EIA applications are processed at provincial level. I continuously receive reports from provincial departments indicating high levels of staff turn-over and lack of financial resources to develop the decision-support tools required to improve their EIA efficiency and effectiveness. It is for this reason that the bulk of the operational budget of the EIM section is dedicated to providing financial support in the development of Environmental Management Frameworks and other decision support tools.

Together with the Departments of Public Enterprise, Minerals and Energy and the Presidency, we have also developed a strategy and guideline for EIAs associated with strategically important developments. This work will soon culminate in a formal agreement and a guideline on EIAs associated with projects emanating from the Electricity Response Plan (ERP).

An EIA efficiency and effectiveness review has also commenced and the audit of the EIA administrative capacity as well as a needs analysis is nearing completion. The findings of these projects will be discussed at a national conference - 10 years of environmental impact management - planned for October 2008.

GROWING OUR CONSERVATION ESTATE

Speaker, in my introduction I mentioned our countries proud and rich biodiversity. Approximately 5.9% of South Africa's land surface area is currently under formal conservation through the system of national and provincial protected areas. The National Spatial Biodiversity Assessment (NSBA) confirmed that our current protected area network does not conserve a representative enough sample of South Africa's biodiversity. Due to historical reasons, formal protected areas were often established with limited consideration to biodiversity and the maintenance of ecological processes. A large proportion of biological diversity and critical ecosystem processes are therefore found outside of terrestrial and marine protected areas.

This situation has led to the development of a National Protected Areas Expansion Strategy (NPAES). This strategy sets out a framework for the expansion of the protected areas network in South Africa in order that a more representative sample of biological diversity may be conserved and managed. The Convention on Biological Diversity (CBD), to which we are a signatory, requires that 10% of the terrestrial and 20% of marine biodiversity be conserved by 2010.

Expansion of the national protected area system must take place concurrently with an effort to enhance the management and effectiveness of both the existing protected areas and new areas. It must address the challenges posed by climate change.

DEAT and SANParks have just completed the second year of implementation on the Infrastructure Development Programme for which a total amount of R 541 million was made available over a four year period. Implementation of the projects have started in earnest.

The programme to date has employed 1,357 people. Some 50 SMME's were empowered and transformation in the construction industry is actively supported. There are many examples of completed and running projects under this programme. To name some highlights:

- 0. 145 tourism accommodation units were upgraded and many new accommodation units constructed in various national parks
- 0. 89 upgraded and new staff accommodation units were put in place in various national parks
- 0. Construction work has also started on important initiatives that include the following:
 - 0. a new Transfrontier Park Entrance Gate at Twee Rivieren in the Kgalagadi Transfrontier Park
 - 0. Conference centres in Mopani and Skukuza Rest Camps in the Kruger National Park and
 - 0. a world class Interpretive Centre in Mapungubwe National Park that will celebrate the rich heritage of this world heritage site.

MARINE AND COASTAL MANAGEMENT

Members of Parliament are well aware that we have completed the allocation of long-term commercial fishing rights of 8 to 15 years in 20 fishing sectors. Out of more than 8 000 applicants for fishing rights, 2480 were granted long term fishing rights, while 59% of these were BEE compliant. A performance review process of the commercial fishery rights allocation is currently underway and draft policies on the transfer of commercial fishing rights and allocation of large pelagics have been published. To complete the allocation process, the department is working on a revised Policy on Subsistence/Small Scale fisheries. This sector of the fisheries has not received the attention it deserves, as we have in the past not had a dispensation for small scale fishers. I want to pledge our Departments commitment to elevate this sector as part of our core business.

Speaker, global fish stocks show evidence of decline from a combination of unsustainable fishing pressures, habitat degradation and possibly climate change. This has collectively resulted in 25% of world fish stocks being under serious threat of depletion. Therefore, the biggest challenge in the fishing industry remains to balance declining marine living resources with the high demand for access to these resources. Simultaneously we also have to deal with poaching. This leads to very difficult decisions that need to be taken to keep this industry on a sustainable path. To suspend fishing in a fishery like the wild abalone sector was a very difficult decision to take as we are aware that such decisions have an impact on the livelihoods of many people and families. Unfortunately more difficult decisions lie ahead in the fishing industry. These decisions must be informed by the consideration that we have a responsibility to ensure that future generations will be able to know and enjoy these resources.

Our department, with the assistance and cooperation of other key national and provincial departments, is working towards increasing marine aquaculture production by 2010. Marine aquaculture represents one of the few opportunities for economic growth and job creation with the fisheries sector.

Conclusion

In conclusion, Madame Speaker, I would like to thank the previous DG, Pam Yako, the current leadership in the Department, each and every DEAT staff member, as well as the CEOs and boards of our statutory bodies for their tireless work in our sector.

I would also like to express my sincere thanks to Deputy Minister Rejoice Mabudafhasi for her hard work and support this year, as well as to Honourable Langa Zita, Chairperson of the Portfolio Committee, and to every member of the committee for their committed work.

Thank you to our numerous partners, both beyond and within our borders, including industry, non-governmental organisations and communities for working with us to achieve collectively what none of us could have achieved individually.

Speaker, growing our environment and tourism sectors are important - especially in a country like ours where so many challenges and opportunities exist. We have a joint responsibility to grow these sectors. This is the understanding that will underpin our efforts in 2008. I thank you