

FOREWORD BY MEC FOR TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS

This document sets out the Department of Tourism, Environmental and Economic Affairs strategy for the year 2005 to 2010 and it represents a road map that will guide the department's actions for the next five years. The strategy outlines our vision for the future and how we intend to attaining this vision.

A rigorous process was followed in the formulation of this strategy in order to promote a greater degree of strategic alignment within the department as well as strategic alignment with both the provincial and national policy priorities. The political priorities were derived from both the Free State Development Plan, the outline of the state of the nation address by our state president, the Honourable Thabo Mbeki and the Provincial address by Premier Beatrice Marshoff. The following strategic goals were formulated and identified as policy priorities of our Department:

- ✚ To promote sustainable economic activity within the Province
- ✚ To promote sustainable environmental conservation within the province.
- ✚ To ensure internal departmental business process excellence.

The above are in line with Vision 2014 wherein government committed itself to:

- ✚ To accelerate the economic growth rate.
- ✚ To create new employment opportunities.
- ✚ To reduce economic inequalities
- ✚ To initiate programmes that alleviate poverty
- ✚ To reduce unemployment by half
- ✚ To develop Human Resource
- ✚ To accelerate infrastructural development in the Province

In line with the Government priority on reducing poverty, inequality and vulnerability, all provincial Departments were requested to align their budgets with their strategic plans. To enhance political oversight of both the strategic and budget planning process, political heads of the departments were involved from the beginning of the bilateral with our provincial treasury.

All our efforts will be directed towards economic activities that will address high levels of unemployment in our province. We are dedicated towards economic prosperity and Environmental Conservation for all.

.....
Mr Neo Harrison Masithela
Member of the Executive council (MEC)
Tourism, Environmental and Economic Affairs

TABLE OF CONTENTS

FOREWORD BY THE MEC	1
PART A: STRATEGIC OVERVIEW	2-3
1. Overview of Strategic Plan: Acting Head of Department	3
2. Vision	4
3. Mission	4
4. Values	6
5. Sectoral Situation Analysis	6
6. Legislative and Other Mandates	7
7. Broad Policies, Priorities and Goals	9
8. Description of the Status Quo	9
9. Description of Strategic Planning Process	9-10
PART B: PROGRAMME AND SUB-PROGRAMME PLANS	
10. Programmes	
10.1 Situation Analysis	28
10.2 Policies, Priorities and Strategic Objectives	28-43
10.3 Analysis of constraints	44
PART C: BACKGROUND INFORMATION	50
11. Appendix one: Analysis of Service Delivery Environment	50
11.1 Policy changes and trends	50
11.2 Environmental factors and emerging challenges	51
11.2.1 Demographic profile of the department	51
11.3 Evaluation of current implementation	52
12. Appendix two: Organizational Information and the Institutional Environment	53
12.1 Organisational design	54
12.2 Delegations and performance agreements	
12.3 Capital investment, investment and asset management plans	54
12.4 Performance management system	54
12.5 Financial management	55
12.6 Audit queries	56

PART A

1. INTRODUCTION

1.1 Statement of Policy and Commitment by the MEC

The objective of the Department of Tourism, Environmental and Economic Affairs is to facilitate economic growth through Tourism development, SMME Growth, Environmental conservation, Facilitation and Retention of Direct Investments including, Protection of Consumer Rights. The challenge is to address the situation of high unemployment, poverty reduction, vulnerability in social and economic infrastructure.

The Free State real economic growth rate in 2002 was estimated at 3, 4%. If the rate of economic growth in real terms is compared with other provinces, the Free State's growth rate is ranked third in the list of nine provinces. The Province's contribution to the South African economy in 2002 was at an estimate of 5, 7%. In terms of average annual economic growth, the Province recorded approximately 2%.

The economy of the Free State has changed over time from being dependent on agriculture and mining alone. The economic structure is now inclusive of sectors such as manufacturing, wholesale, retail, financial and estates.

Our main areas of focus in addressing the challenges facing provincial government are as follows:

Growing and Expanding Provincial Economic Base

- ✚ Beneficiation of our natural resources
- ✚ Capacity building and empowerment of our people to enable them to participate meaningfully in the mainstream of the economy. This will be done through joint ventures and mergers.

Growth Sectors In Support Of a Growing Economic Base

The significance of the Free State Provincial Growth and Development Summit can be described by the fact that role players agreed that the effective use of sector strategies based on sector co-ordination and partnerships in identified sectors is needed to restructure our provincial economy. The following sectors were identified as areas of focus;

- ✚ Agro-Processing
- ✚ Petro-chemical down-streaming
- ✚ Tourism promotion and development
- ✚ Mineral beneficiation

Broad Based Black Economic Empowerment We Intend To:

- ✚ Create awareness of legislation pertaining to broad-based black economic empowerment.
- ✚ Facilitate partnership programmes with financial institutions.
- ✚ Design sector corporate programmes in partnership with industry stakeholders.
- ✚ Develop strategies on how to access financial services and capital.
- ✚ Alignment with redress charters.

We depend on the involvement of our stakeholders in the development of our economy. The integrated development approach is key towards achieving a better life for all our people.

1.2 Introduction by Acting Accounting Officer: E.B. Mathebula (Mr)

Overview of the Strategic Plan

The Department of Tourism, Environmental and Economic Affairs has redefined its business and reviewed its organisational structure in order to be able to carry out its mandate. A strategic planning workshop was held from 13 to 15 and 23 September 2004.

The Department of Tourism, Environmental and Economic Affairs has redefined its business and reviewed its organisational structure to align it with the strategic plan. The department is now in the better position to can carry out its mandate. The Executive Authority was involved from the beginning to the end of the whole process.

The purpose of the workshop was to achieve the following outputs:

- ✚ Business definition
 - Vision
 - Mission
 - Core business values
 - Strategic goal
 - Product and service portfolio
 - Business processes
 - Stakeholder framework
- ✚ Internal environmental analysis
- ✚ External environmental analysis
- ✚ SWOT analysis, Target and Strategy perspective
- ✚ High level structure

The Departmental vision and mission statements are aligned with core business:

Vision

Dedicated towards
Tourism Promotion,
Economic prosperity and
Environmental conservation for
All

Mission

To provide an economic and environmental governance system that contributes towards sustainable livelihoods together with relevant stakeholders to ensure job creation and poverty alleviation within the Free State Province.

The department came up with the following three strategic goals that will be focused upon in the medium term;

- ✚ To promote sustainable economic activity within the province
- ✚ To promote sustainable environmental conservation within the province
- ✚ To ensure internal departmental business process excellence.

The following service programme categories were identified that will enable the department to achieve its mission:

- ✚ Investment promotion
- ✚ Business support services

- 🇷🇷 Regulatory services
- 🇷🇷 Tourism Promotion
- 🇷🇷 Economic sector development (non Tourism)
- 🇷🇷 Bio-diversity conservation
- 🇷🇷 Environmental quality management services
- 🇷🇷 Sustainable development support service

The Department comprises of five programmes to perform our responsibilities:

- 🇷🇷 Programme 1 : Administration (Management, MEC office, Corporate Affairs and Chief Directorate Finance)
- 🇷🇷 Programme 2 : Tourism
- 🇷🇷 Programme 3: Environmental Management
- 🇷🇷 Programme 4 : Economic Affairs
- 🇷🇷 Programme 5 : Transversal Functions(FDC, Gambling Board)

Departmental values

Within the framework of the Batho Pele principles the Department committed itself to the following core business values.

- 🇷🇷 Accountability
- 🇷🇷 Integrity
- 🇷🇷 Compassion
- 🇷🇷 Teamwork
- 🇷🇷 Transparency

The challenge facing the department now is the translation of this plan and resources allocated into meaningful service delivery programmes. A good monitoring and evaluation system will be in place so that management reports can provide valuable information. A meaningful contribution by all stakeholders will lead towards economic growth that will create job opportunities for our people in the Free State Province

**MR E.B. MATHEBULA
ACTING ACCOUNTING OFFICER: DTEEA**

1.3 Overview of past performance and spending trends

- ✚ The successful roll out of the International Tourism Marketing Campaign and the increase in tourist arrivals to South Africa.
- ✚ Launch of Horizon Tourism Route
- ✚ The Bethlehem Air show is one of the major events which attracts thousands of tourist and participants both locally and internationally. This show is usually held in the winter months and this makes the Thabo Mofutsanyana district an all season tourist destination area.
- ✚ Launch of the Free State Tourism CD in partnership with Harmony Gold, CSIR and Afrikaanse Handels Instituut (AHI) which has unique tracking system that allows for visitors both local and international to plan their entire trips from start to finish in the finest detail.
- ✚ A dossier for the listing of the Vredefort Dome was finalized and presented to UNESCO. The Free State Province and South Africa are currently waiting for the final decision of listing the Vredefort Dome as an International Heritage site. The decision will be taken in July 2005;
- ✚ The department has raised awareness on waste and pollution management activities through the following initiatives:
 - Air Quality Summit that actually outlined the role of national, provincial and local governments with regard to the implementation of the new Air Quality Act.
 - Waste Information System workshop that also outlined the role of national, provincial and local governments with regard to integrating waste reporting system as part of the IDP Process.
 - Awareness was also raised on the implications of the Polokwane Declaration wherein municipalities were encouraged to budget for implementation of this declaration.
 - Cleanest Town Competition was also one of the highlights wherein the municipality of Naledi was declared the cleanest local authority in the Province and will represent the Free State nationally.
- ✚ The department has issued 113 Environmental Impact Assessments records of decision that are contributing towards sustainable development.
- ✚ The department has further initiated a process of developing protected area management plans and thus far, two protected area management plans were done last year and the process for the 15 remaining reserves will be completed in November 2005.
- ✚ The first draft to the amendment of the Nature Conservation Ordinance was completed in the last financial year and the law reform process for this ordinance will be completed within this financial year.
- ✚ The department has also held a successful game auction that yielded profits above 60% of the expected income.
- ✚ The department has also refurbished resorts and reserves to a tune of R10 million. This has created jobs and was one of the projects identified under the EPWP.
- ✚ Two cooperatives were established last year with focus on unemployed youth and women.
- ✚ The department held a successful BEE conference as strategy to the BEE promotion drive. The conference was an eye opener to the Free State Government where issues pertaining to SMME development were raised. Access to finances was a major concern.
- ✚ The department has successfully marketed the Free State through trade missions in Senegal, Uganda and London wherein currently partnerships have been forged and there is an increase in the export market on Free State products to those destinations.
- ✚ The department has developed the new Provincial Liquor Legislation. The public consultation and finalization of the Bill will be done by November 2005.
- ✚ The Free State Consumer Court functioned well and recovered goods and monies amounting to the value of R150 000.00 from unscrupulous dealers. The recovered monies and goods were sent back to consumers.
- ✚ At SAITEX the Province once more won the Special Merit Award for the best exhibition pavilion, and the number of participants increased from 56 to 70 companies. We believe that this remains an appropriate platform to showcase the Free State capability and potential. This year we intend to increase the number of participants significantly.
- ✚ The department has recruited 40 learnerships who were placed in the fields of Environment Management, Tourism Marketing, Economic Affairs and general administration. One of the

persons under the learnership programme has since been absorbed into the Environmental Management unit of the department.

- ✚ The department has allocated R450 000 to the Tswaranang Waste Recycling Project in Thabo Mofutsanyana district as part of the EPWP.
- ✚ The department has established an Employee Assistance Programme that has initiated programmes that focused on communicable diseases, substance abuse and stress related illnesses. Counselling was done to affected employees and follow ups are continuing and there is a significant decrease in SOMA related cases.
- ✚ The Gender desk in the department has coordinated on gender related activities as stipulated by the Office of the Status of Women. Gender activities were mainstreamed into programmes activities of the department.
- ✚ The Disability desk in the department has coordinated on disability related activities including the implementation of the national policy on disability. Buildings of the department are currently being revamped to accommodate people with disabilities.
- ✚ The Moral Regeneration Movement programme has been initiated and issues of Human Rights are addressed through this process.
- ✚ The department allocated an amount of R40 million to the FDC for purposes of promoting economic growth and SMME development.
 - 4 B & B's were established,
 - 85 SMME's received loans between R1000 and R6 million from the FDC to initiate entrepreneurial activities. 2 760 new jobs were created in the process and 38% of projects funded by FDC were women.
- ✚ Total revenue generated by the department amounted to R39m.

1.4 Expenditure over the last 4 years is reflected in the table below.

PROGRAMME	2002/2003 (Audited) R'000	2003/2004 (Audited) R'000	2004/2005 (un-audited) R'000
1 Administration	23,160	40,830	37 543
2 Tourism	7,423	9,933	7 638
3 Environmental Affairs	57,522	77,484	72,602
4 Economic Affairs	28,155	36,561	18,772
5 Transversal Functions	56,623	50,720	103,562
TOTAL	172,882	215,528	240 117

2 Strategy Perspective

Strategy perspective	
KEY FOCUS AREA / GOAL	STRATEGIC OBJECTIVES
Promote sustainable economic activity within the province	✚ To promote investment
	✚ To ensure effective business support services
	✚ To ensure an effective regulatory framework for economic activity
	✚ To facilitate tourism development
	✚ To facilitate development of other economic sectors (non-tourism)
Promote sustainable environmental conservation within the province.	✚ To promote environmental quality within the province
	✚ To promote bio-diversity conservation within the province
	✚ To ensure an effective regulatory framework for environmental management
	✚ To provide environmental business support services
	✚ To provide sustainable development support
Ensure internal departmental business process excellence	✚ To ensure effective business leadership / management

	<ul style="list-style-type: none"> ✚ To ensure effective internal: ✚ Human resource management ✚ Financial management ✚ Infrastructure (facilities, Assets) management ✚ ICT management ✚ Information management
	✚ To ensure effective programme/ project implementation
	✚ To ensure effective internal risk management
	✚ To ensure effective stakeholder relations
	✚ To ensure effective departmental communication
Transformation	✚ Use information technology to improve service delivery
	✚ Develop and retain a representative and performing team capable of achieving the goals and objectives of the department
	✚ Empower South Africans to participate in Tourism, Environmental management and economic growth and empowerment programmes through networking, outreach and strategic partnerships
	✚ Transformation in Game industry, First Economy structures and the Tourism Industry
	✚ Promote economic improvement, job creation and poverty eradication
	✚ Ensure the practice of good governance within the department
	✚ Transformation and BEE in fishing, tourism and conservation sectors
	✚ Development of SMMEs and formation of Cooperatives

3. Core Business Values

- ✚ **Accountability**/responsibility/discipline/taking ownership/results oriented
- ✚ **Integrity** /Honesty/ reliable/trustworthy/fair
- ✚ **Committed** Loyal/dedicated/motivated/passionate /dependable
- ✚ **Walk the talk**/exemplary/ dynamic/agile
- ✚ **Productive** /efficient/effective/economic /accuracy/precision
- ✚ **Transparency**/openness
- ✚ **Respect**/empathy/compassion/humble
- ✚ **Teamwork** /cooperative/participative/collaborative/ consultative/accommodative/ considerate/tolerant/patient/synergy
- ✚ **Focused** /decisive/frankness/taking charge
- ✚ **innovative**/Initiative/creative/flexibility/adaptability
- ✚ **Client focused** /Responsive/client oriented courteous/service orientated/friendliness /hospitable

4. Culture Characteristics

Changes Towards ...	Moving Away From ...
Community participation in governance	Top down approach towards the community
Strong inter relationships between government spheres	Sectoral planning
Integration of activities	Working in silos
Budget driven by objectives	Budget driving objectives
Acceptance of responsibility to coordinate own capacity building efforts	Abdicating our responsibility towards own capacity building efforts
Responding towards rapid legislation / policy changes	Resisting legislative / policy changes

Initiating legislative / policy in line with local requirements	Reactive mode with regard to legislative / policy
Medium to longer term planning perspectives	Crisis management approach
Positioning as a strategic partner within our municipal jurisdiction	Moving away from ad hoc strategic alliances
Developmental Local Government	Administrative Local Government
Proactively aligning our business with the Constitution	Reactionary focus
Target driven reporting	Activity driven reporting
Unleashing the intellectual capacity (human capital) within the Municipality	Resisting / suppressing new knowledge from within Municipality
A learning organisation	A teaching organisation
Gender balance	Gender imbalance
Sensitivity to diversity	Stereo typing
Strong service delivery orientation	Apathy

5. Service Categories;

- ✚ Investment promotion
- ✚ Business support services
- ✚ Regulatory services
- ✚ Economic sector development
- ✚ Bio-diversity conservation
- ✚ Environmental quality management services
- ✚ Sustainable development support services.

5.1 Business Processes

a) Business leadership / management

- ✚ Strategic positioning
- ✚ Business structure
- ✚ Organisational culture
- ✚ Business performance management
- ✚ Teamwork

b) Resource management

- ✚ HR management
- ✚ Financial management
- ✚ ICT management
- ✚ Infrastructure facilities / asset management
- ✚ Information management

c) External stakeholders' relations management

d) Co-operative governance

e) Communication

f) Risk management

g) Project / program management

h) Policy development

i) Monitoring and evaluation

6. SECTORAL SITUATION ANALYSIS

Description of Status Quo

The Free State Province has a population of 2.8 million, which accounts for 6, 5 percent of the total country's population. The Province consists of five main districts with various categories of municipalities. The Free State Province is regarded as the second poorest province in the country. The Thabo Mofutsanyana district has around 80% poverty level, and the province has an estimated poverty rate of 48%.

6.1 Summary of Service Delivery Environment and Challenges

The principal operational activities of the department are conducted through public entities, which are accorded specific functional responsibilities that are implemented in accordance with their strategic plan.

They are the following;

- ✚ Free State Development Corporation
- ✚ Free State Gambling and Racing Board
- ✚ Free State Liquor Board
- ✚ Free State Consumer Court

The relationships between the department and the Public entities have been formalized through appropriate Service Level Agreements.

6.2 Summary of Organisational Environment and Challenges

Some of the Departments operations are managed by Head Office which co-ordinates some operations which happen in the regions namely; resorts and reserve. The department has a special program unit which is focusing on Gender, Youth, Disability, Employee Assistance programmes and Moral regeneration programmes.

The Department's maintains close relationships with the Departments of Trade and Industry and of Environmental Affairs and Tourism in terms of policy formulation and implementation strategies. It also has relationship with other government department and parastatals like South African Tourism and others.

7. Legislative and Other Mandates

The Departments mandates are derived from a wide range of national and provincial legislation, including policy specification by the department of Trade an Industry (DTI) and the Department of Environment and Tourism (DEAT). Key mandates are indicated in Table1, as derived from the constitution of the Republic of South Africa (constitution Act. 108 of 1996)

Legislative and other mandates		
Programme Number, Name and Core Function	Mandate	Description
Administration: Personnel Administration	- Public Service Act, Employment Equity Act - Skills Development Levies Act 9 of 1999 - Basic Conditions of Employment Act	Ensure that Public Service requirements related to personnel administration and development are adhered to and managed effectively and efficiently
Financial Administration	Public service Act	Ensure that Public Service requirements

	Public Finance Management Act, 1999 Provincial Exchequer Act and	related to financial management and administration are adhered to with efficiency
Administration: Strategic Planning research, Policy Analysis and FSDP Development, review and assessment of policy planning issues and associated research	MEC's Policy Speech Strategic Plan Goals. All legislation, regulations and policy, which may impact on the mandate of the Department, such as the DTI	An important aspect of the research and policy planning function is to be aware of the commitments made by the MEC and the kinds of activities that are reflected in the Department's Strategic Plan.
Information Management	Public Service Regulations, 1999 (Part III B1 (f) and Part III E)	Apart from legislative imperatives, the information system function maintains the department's IT/IS capacity, as well as training in computer literacy.
Information Management	Sita Act 88 of 1988	The objective of the SITA is to provide information technology, information system and related services in a maintained information systems security environment to, or on behalf of, participating departments and organs of state and in regard to these services, act as an agent of the South African Government.
Economic Affairs: SMME Development	National Small Business Act of 1995 Businesses Act 71 of 1991. Free State Development Corporation Act(Act 6 of 1995	Small business development through the provision of business development services and financing options.
Economic Affairs: Gambling & Racing administration	Gambling and Racing Act of 1996	Regulation and administration of gambling and betting activities in the Province
Economic Affairs: Tourism	Tourism development strategy.	Provides operational frameworks for tourism promotion
Economic Affairs: Consumer Protection	Consumer Affairs Act 5 of 1998	Establishment of services and facilities for protecting the interests of consumers
Economic Affairs: Consumer Education	Consumer Affairs Act 5 of 1998. Credit Agreement Act 75 of 1980. Usury Act.1968. Sales & Services Act 25 of 1965	
Economic Affairs: Trade inspection	Trade Metrology Act of 1973. Credit Agreement Act 75 of 1980	
Economic Affairs: Liquor administration	Liquor Act 27 of 1989. National Liquor Act of 2001.	
Environmental Affairs: Protected Area Management	National Environmental Management Act Environmental Conservation Act Bio-diversity Bill	
Environmental Affairs: Integrated Environmental Management	Integrated Pollution and Waste Management Policy (IP& WM 2004) Biodiversity White Paper Environmental Conservation Act 73 Of 1989 National environmental Management Act 107 of 1998. NEMA: Air Quality Act	Implementation and regulation of legislation related to environmental protection and management

	Farm Feed fertilizers Act Hazardous substance Act	
Environmental Affairs: Environmental Education Community Liaison Services	Environmental management white paper. Biodiversity white paper, national Environmental Management Act 107 of 1998. Environmental conservation Act, 1989	Promotion of environmental understanding through the implementation of environmental education services.
All Programmes and Public entities	Managing HIV/AIDS in the workplace: Section 41 of the public services Act of 1994. Amended Public Services Regulation	
All programmes and Public Entities	Domestic violence Act: Act 116 of 1998	
All Programmes and Public Entities	Integrated National Disability Strategy	
All Programmes and Public Entities	National Gender Policy Women Empowerment and Gender Equality; 2000 Protects Women's Rights.	
All Programmes and Public Entities	United Nations Convention on the Rights of the Child: S.A. Made a call that children of South Africa be put first in everything we do.	
All Programmes and Public Entities	Promotion of Equality and Elimination of Unfair Discrimination Act, 2000: Guards against all forms of discrimination.	
All Programmes and Public Entities	Employment Equity Act: No. 55 of 1998. Code of good practice on the employment of people with disability.	

7. Broad policies, priorities and strategic objectives

- ✚ Tourism in GEAR
- ✚ Tourism White Paper
- ✚ Tourism Growth Strategy
- ✚ Departmental Strategic Plan (2003-2005)
- ✚ Tourism Transformation Strategy
- ✚ Broad Based Black Economic Empowerment Strategy (BEE)
- ✚ Preferential Procurement Framework
- ✚ NEMA Framework
- ✚ Free State Growth and Development Plan
- ✚ Tourism Investment Strategy
- ✚ Tourism Growth Strategy

8. Description of Strategic Planning Process

The Departments held a strategic planning workshop from 13 to 15 September 2004. Group Dynamics (PTY) LTD. Facilitators facilitated the process. The approach followed was output orientated and participative in nature. In order to achieve the highest degree of consensus, information technology was utilised to achieve the information of high quality in the shortest time. The executing authority and the entire management

structure of the Department took part during the workshop. The process consisted of a number of concentrated working sessions

Part B

Budget Programme and Sub-programmes plans

10 Programme 1: Administration

The Administration programme consists of the following sub-programmes:

- ✚ Office of the MEC
- ✚ Office of the HOD
- ✚ Strategic Financial Management
- ✚ Corporate Affairs
- ✚ Internal Audit

10.1. Situation analysis

The Programme leads and supports other programmes in the department. Its role is to:

- ✚ To provide the department with political and strategic leadership so as to enhance the broader government delivery mandate as enshrined in the relevant policy documents like; the constitution of the country, the election manifesto, the Presidential state of the nation address, the Premier's State of the Province address, the MEC budget speech, the National and Provincial government cluster priorities and the Provincial Growth and development Programme.
- ✚ To enhance the effectiveness and efficiency of the department's quality management of financial, personnel and supply chain management to ensure the establishment of a functional organisational structure, work procedures and the appointment of sufficiently skilled staff with special emphasis on women, youth and the disabled.
- ✚ To establish, maintain and extend monitoring and evaluation tool that will be used to monitor progress related to strategic objectives. Regular reporting on a quarterly basis is necessary to manage the performance of management.

The unit has been restructured to also coordinate communication activities, special programmes including the EPWP, strategic planning and coordination, and the management of the provincial economic, employment and job creation cluster. Key challenges facing the programme in the current strategic planning cycle include the following:

- ✚ Implementation and monitoring of all HR policies
- ✚ Implementation and monitoring of all financial management policies
- ✚ Performance management
- ✚ Skills development and capacity building
- ✚ Creation of the positive image of the department
- ✚ Filling of all vacant posts
- ✚ Change management and transformation activities
- ✚ Functioning of the Audit Unit of the department

The department has another challenge of ensuring that National policies are implemented in the department.

10.2. Policies, Priorities and Strategic objectives

Strategic Goal: To ensure internal departmental business process excellence

OBJECTIVES	STRATEGIES
To ensure effective business leadership/management	• Align structure to support business strategy
	• Business performance reviews
	• Instil a conducive business culture within the department
	• Ensure compliance to PFMA
	• Create a process to address gaps on non-financial audits
	• Fill all funded positions
	• To develop effective Performance management practices within the department
	• Implement the EAP policy
	• Implementation and monitoring of HR policies
	• Develop an HR plan for the department
	• Conduct an Employee satisfaction survey
	• Develop an Equity plan
	• Develop a Workplace Skills plan
To ensure an effective and efficient Strategic Financial Management system	• Align budget to departmental strategy
	• Develop a Financial Calendar
	• Ensure regular Financial Management reporting
	• Create a process to address gaps as identified in the Financial Audit
	• Implement the departmental Supply Chain Management policy
Conduct a Financial Management Practices User Satisfaction Audit within the department	
Infrastructure /Facilities/Asset Management	• Make a decision with regard to the future positioning of Regional offices
	• Develop and maintain a Departmental Asset Register
	• Development and implement of an Asset management plan
	• A plan to align departmental facilities to be user friendly for persons with disabilities
ICT Management	• Develop an Information Security Policy
	• Develop a Strategic Information Systems Plan (MSP)
Information Management	• Conduct regular information user satisfaction surveys
	• Develop a strategy to ensure compliance with the Archives Act
	• Develop a plan to improve Management Information within the department
	• Develop a Knowledge Management strategy for the department
To ensure effective programme / project implementation	• Create a departmental Programmes Monitoring and Oversight capability
To ensure effective internal risk management	• Develop an integrated Risk Management Plan
	• Develop an Anti-Fraud and Anti- Corruption Plan
To ensure effective stakeholder relations	• Review and develop Service Level Agreements with relevant stakeholders
	• Conduct a Stakeholder Satisfaction Survey

	<ul style="list-style-type: none"> • Develop an stakeholder directory • Conduct a Inter Governmental Requirements Assessment
To ensure effective departmental communications	<ul style="list-style-type: none"> • Develop and Implement a Media Relations Strategy
	<ul style="list-style-type: none"> • Implement the Departmental Branding Strategy (Corporate identity) • Develop a Departmental Communications Strategy • Facilitate a process to develop a Product Branding strategy for the provincial products and services

10.1.1 Analysis of Constraints and measures planned to overcome them

Constraints facing the department in addressing most of the electoral mandate are dominated by resources that include personnel and budget. The image building strategy, refocusing and prioritisation will assist in addressing some of the constraints.

10.1.2 Description of planned quality improvement measures

In improving quality the department will:

- ✚ Ensure that the PDMS is fully implemented and monitored
- ✚ Ensure that Senior and middle managers sign performance contracts
- ✚ Ensure that the department is service delivery orientated
- ✚ Ensure that the department operates within its determined and values and the Batho-Pele principles.
- ✚ Ensure that all objectives of the strategic plan are addressed and met.

10.1.3 Transformation

In ensuring quality the department will also accelerate the transformation process through the following activities:

- ✚ Succession plans and personnel development plans are in place.
- ✚ Managers/supervisors must develop personnel development plans through the PDMS as part of their performance review.
- ✚ Increase representivity in middle management
- ✚ Filling of all vacant posts.
- ✚ Timely and proper response to general submissions.

10.1.4 INTERDEPARTMENTAL LINKAGES

The Department works together with national departments, provincial departments and local government, in the implementation of the scope of its work.

The main programmes of the Department are integrated into the various cluster programmes and priorities. Examples of these are given below.

HODs CLUSTER	INTEGRATED IMPLEMENTATION OF DTEEA PROGRAMMES IN CLUSTERS	MECHANISMS FOR MONITORING IMPACT ON PEOPLE'S LIVES
Economic, employment and job creation	<ul style="list-style-type: none"> ✚ Tourism Growth Strategy ✚ Unblocking tourism ✚ Transformation of Tourism Industry ✚ Economic development ✚ Game industry : Transformation and management ✚ Economic development ✚ Black Economic Empowerment 	<ul style="list-style-type: none"> ✚ Statistics on international tourists arrivals ✚ Number of SMMEs at Indaba ✚ State of Environment report ✚ Audit of BEE in tourism industry ✚ Number of BEEs in Game industry

	<ul style="list-style-type: none"> EPWP 	
International relations, Peace and Security	<ul style="list-style-type: none"> International Marketing and Branding of South Africa All bilateral, multilateral and international agreements Transfrontier Conservation Areas 	<ul style="list-style-type: none"> Statistics on international tourists arrivals Number of BEE / SMMEs established through TFCA process
Social sector	<ul style="list-style-type: none"> Poverty Relief Programme 	<ul style="list-style-type: none"> Number of jobs created
Governance and Administration	<ul style="list-style-type: none"> No specific programme, but all legislation, appointment of Boards of Public Entities etc 	<ul style="list-style-type: none"> Impact of legislation measured through mechanisms provided in various Acts

Cooperation with National departments is coordinated through the MINMEC Tourism, MINMEC Environment, MINMEC DTI and its sub structures.

10.2 Sub-programme 5.1: Corporate Affairs

10.2.4 Situation analysis

Strategic leadership in ensuring internal departmental business excellence through supportive provision and management of a dedicated enabled and empowered workforce within the provisions of applicable legislative frameworks governing the Public Service.

Provision of a sustainable service to the department in a coordinated manner, in the areas of:

- ICT Management
- Personnel Administration
- Labour Relations
- Human Resource Development
- Legal Compliance and Legal Services Support
- Organisational Efficiency
- Fleet and Facilities Management
- Financial and Management Capability

The department operates through the following Human Resource management strategy that strives:

- To support the realisation of organisational objectives through realistic and responsible human resource policies, partnerships, research and development, taking into consideration the overall transformation objectives of the public service.
- To improve the supply and retention of high quality human resources and skills, particularly scarce skills, through innovative and responsive human resource provisioning and skills development interventions.
- To build service delivery capacity and commitment through restructuring, affirmative action initiatives and integrated performance management and development.
- To facilitate the creation of a conducive and enabling working environment/ culture that is free from discrimination and occupational health and safety risks.
- To establish social and managerial partnerships through the introduction and empowerment of consultative and democratic structures.

10.2.2 Policies, Priorities and Strategic objectives

✚ STRATEGIC GOAL Ensure proper staffing and functionality of the department

OBJECTIVES	STRATEGIES
To provide and retain a well developed and competent workforce	<ul style="list-style-type: none"> ✚ Attainment of Employment Equity Plan ✚ Proper placing of employees ✚ Well developed recruitment strategy
To develop HR Management Policies	<ul style="list-style-type: none"> ✚ Facilitate operation of Policy Committee ✚ Develop HR Plan and relevant Policies ✚ Align Structure to support Business Strategy and do relevant job evaluations
To develop supporting interventions for organizational efficiency	<ul style="list-style-type: none"> ✚ Do a Departmental skills audit and report ✚ Establish an operational training committee ✚ Facilitate job descriptions and evaluations ✚ Manage departmental assets like the fleet, buildings, telephones, etc. efficiently ✚ Monitor PDMS and apply Resolution 3 of 1999 agreement
Promote Labour Peace through effective Grievance and Disciplinary Procedure supported by an efficient and effective legal support function	<ul style="list-style-type: none"> ✚ Align G&D Procedure with Public Service prescripts ✚ Supply quarterly reports on labour related matters ✚ Train all line managers in basic Labour Relations and Public Service Code of Conduct ✚ Offer legal support service to effective operation of the Department
Develop an empowering information and communication technology	<ul style="list-style-type: none"> ✚ Develop a Departmental Communication Strategy with supportive media monitoring trends analysis reports quarterly ✚ Empower all staff with basic operational tools work needs like computers, etc. ✚ Do an information technology needs analysis for Department's well functioning
To promote effective and efficient management systems and reporting	<ul style="list-style-type: none"> ✚ Align Chief Directorate Business Plan with the Department Strategic Plan ✚ Develop an MTEF Budget in line with Business Plan mandates and deliverables ✚ Submit reports timeously as and when required

10.2.3 Analysis of constraints and measures planned to overcome them

- ✚ Oversight and advisory role played by the programme on management development capacity per basic Labour Relations skills, understanding of the code of conduct, grievance and disciplinary procedures
- ✚ Development of policies and regulations that are relevant to the department
- ✚ Implementation of the internship programme
- ✚ Submission of standing reports as per relevant prescripts e.g. Employment Equity Report
- ✚ Offering of clean and secured working environment, as well as basic work tools and advice on their procurement
- ✚ Training of managers and supervisors on Performance Development and Management System (PDMS) so as to keep a motivated work force
- ✚ Offering of bursaries to both internal personnel and the community in order to improve the skills database of the country

10.2.4 Description of planned quality improvement measures

In improving quality the Chief Directorate will:

- ✚ Facilitate the approval of all departmental policies
- ✚ Conduct workshops and training sessions to empower managers on relevant administrative matters
- ✚ Ensure that budget inputs are made in time in order to improve funding level of all relevant services that are rendered by the Chief Directorate

10.2.5 Specification of measurable objectives and performance indicators

Measurable Objectives	Performance Measure/ Indicator	Year 1 2005/06 Target	Year 2 2006/07 Target	Year 3 2007/08 Target	Year 4 2008/09 Target
Effective communication strategy	<i>Planned communication roll-out of activities</i>	Structured flow of communication messages	Well planned calendar of events	Structured flow of communication based on activities / programmes of the department	Maintain the flow of communication messaging
Media services	Positive coverage on the departmental programme of action	Utilizing departmental activities to overshadow negative publicity	Forging relationship with all media houses		Healthy relationship with all media resulting in positive publicity
Community liaison	Constant interaction with public on service delivery programme	Constant engagement with stakeholders and public	Forging Public Private Partnership to accelerate service delivery	Implement and evaluate partnership strategies	Maintain the relationship
Service Delivery Improvement Plan (SDIP)	Well satisfied customers	Implementing and evaluating the plan and make necessary improvements	Annual review	Annual review	Annual review
Management of branding strategy	Uniformity in all usage of corporate identity	Implementing and monitoring the strategy	Position the department as a brand within the Free State Province	Incorporate the brand to the Tourism Board for synergy.	Maintain the brand
Provide an adaptable and flexible ICT infrastructure that meets the needs within the department	- Linked Reserves & Resorts and Regional Offices. Merged LANs. Usage of Phillips/AST Tel network at all Remote Offices.	- Remote offices linked on to the Dept's WAN Single LAN for Head Office Single Tel	- Remote offices linked on to the Dept's WAN Single LAN for Head Office Single Tel System for DTEEA	Maintenance of the infrastructure and improve	Maintenance of the infrastructure and improve

		System for DTEEA			
Create an enabling environment for all the managers to perform their functions more effectively and efficiently	Availability of Computerized systems tailored to suit various functions	Begin the implementation of recommended systems	Maintenance of systems	Maintenance of systems and improvement	Maintenance of systems and improvement
Develop standards for technologies and Security Policies	Standardized IT Equipment	Begin the implementation of policies and standards	Monitoring and evaluation	Monitoring and evaluation	Monitoring and evaluation and review
Implementation of Skills Development Act	Approved HRD Committee Approved Annual Workplace Skills Policy and Plan	Individual and organizational performance improved by 40%	Individual and organizational performance improved by 60%	Individual and organizational performance improved by 70%	Individual and organizational performance improved by 80 %
Deliver Transversal and Occupational Training	Annual and quarterly reports on Workplace skills plan targets	Annual Reports	Annual Reports	Annual Reports	Annual Reports
Maintain Training and skills database	Updated Monthly	Electronic database available	30% Functional Electronic skills database	50% Functional Electronic skills database	70% Functional Electronic skills database
Implementation of Internship / Learnership programme	Quarterly and Annual Reports on internship and learnership	Increased by 6%	Increased by 8%	Increased by 10%	Increased by 12%
Ensure full implementation of PDMS in the Department	Reports of performance and development plans of all personnel available	100% compliance of PDMS including SMS Performance Agreements	100% compliance of PDMS	Propose Electronic System for PDMS	Functional Electronic System on PDMS
To promote social integration and economic empowerment of people with disabilities	Number of awareness and information programmes Number of people with disabilities included in departmental projects	On going 2%	On going 2%	On going 3%	On going 4%
Monitoring and Evaluation	Available quarterly reports	On going	On going	On going	On going
Labour Relations Policy	A well developed L.R Policy through consultation with	Reviewed annually	Reviewed annually	Reviewed annually	Reviewed annually

	social partners				
Finalisation of Disputes (Grievances and Misconducts)	Speedy finalisation of disputes	Ongoing (within 2 months of the declaration of a dispute)	Ongoing (within a month of the declaration of a dispute)	Ongoing (within a month of the declaration of a dispute)	Ongoing (within a month of the declaration of a dispute)
Training of staff on labour relations issues including collective agreements	Understanding of Labour relations issues by personnel	75 % of employees trained	85 % of employees trained	100 % of employees trained	100% of employees trained
Establishment Of A Holistic Employee Health And Wellness Programme	Number Of Employees Who Have Utilized The Programme	An integrated programme that concentrates on the following aspects: -HIV & Aids -Benefits and Allowances Health and Safety -Wellness -Incapacity management	50% of employees	70% of employees	75% of employees
	Filling of posts for full time staff that will run the Health and Wellness Programme.	Four members should run the unit	The unit should be reviewed annually to determine the workload	The unit should be reviewed annually to determine the workload	The unit should be reviewed annually to determine the workload
	Management of HIV and AIDS in the Workplace.	10% of Peer educators have been trained	30% Peer educators have been trained	60% Peer educators have been trained	85% Peer educators have been trained
To improve work organization	Improved coordination of activities – Roles clearly defined in the new structure Improved performance and acceptance of structure by all employees	Ongoing – Structure Reviewed bi - annually	Ongoing – Structure Reviewed bi - annually	Ongoing – Structure Reviewed bi - annually	Ongoing – Structure Reviewed bi - annually
To give effect to Part III of the Public Service Regulations	Approved job descriptions signed by supervisors and subordinates All posts are	40% Job Descriptions finalised All mandatory	60% Job Descriptions finalised 40% posts below level 9	80% Job Descriptions finalised 70% posts	A database of job descriptions for all posts developed in the department 100% posts in

	graded according to Job Evaluation	posts evaluated	evaluated	below level 9 evaluated	the Department evaluated
	Proposed Performance Agreements and delegations presented to the Head of Department	100% Performance Agreements and delegations for all SMS posts	70% Performance Agreements for levels 9 – 12	100% Performance Agreements for levels 9 - 12	100% performance Agreements cascaded down to all levels in the department
Total management of departmental and subsidized vehicles	Increased satisfied service delivery	70% satisfaction	100% Satisfaction	100% Satisfaction	100% Satisfaction
Capacity Building on the usage of departmental vehicles	Trained Officials	146 trained	500 Officials	700 Officials	1000 Officials
Hygienic working environment Liaison with Buildings Owners and Department of Public Works	Acceptable Healthy working environment Safe and Healthy conditions of working environment	25% maintenance of healthy environment 75% acceptable conditions	100% 100% Acceptable conditions	100% 100% Acceptable conditions	100% 100% Acceptable conditions
Maintenance of telephone communication system	Enhance quality voice communication in the working environment	85% current functionality	100%	100%	100%
Develop Service Delivery Improvement Plan.	Quarterly reports	Road show on promoting the SDIP Compliance to quarterly and annual reports	Road show on promoting the SDIP Compliance to quarterly and annual reports.		
Employment of people according to the Employment Equity Act and White Paper on Affirmative Action	Available quarterly reports	Ongoing	Ongoing		
To promote	Number of	Ongoing	Ongoing		

social integration and economic empowerment of women	awareness and information programmes Number of people with disabilities included in departmental Projects				
To promote women economic development and empowerment initiatives.	Policy and Practice guidelines (norms and standards) in place. Number of intervention programmes in place Number of beneficiaries	40 women trained in entrepreneurial skills	50 women trained in entrepreneurial skills		
To rebuild and enhance the social moral fibre through Moral Regeneration Movement.	Functional approved MRM Committee Number of intervention program in place Number of beneficiaries	1 Intervention Program per district 60%beneficiaries	1 Provincial Intervention program 100% beneficiaries		
Human Resource Plan	A well developed H.R. Plan	Annually	Annually		
Recruitment and Selection plan	A well developed Recruitment and Selection plan	Reviewed annually	Reviewed annually		
Staff Establishment	Officials are properly placed in the department	Reviewed annually	Reviewed annually		
Proper administration of conditions of services	All posts are linked to CORE	Ongoing	Ongoing		
Efficient and effective utilization of personnel	Correct grading of Personnel A well developed and functional Employee	Ongoing Ongoing	Ongoing Ongoing		

10.3 Sub-programme 5.2: Strategic Financial Management

10.3.2 Situation analysis

The sub-programme offers financial support services to a variety of stakeholders both external and internal. These include:

External support:

- ✚ Ensuring that service providers enter into legal and official contracts with the department to later facilitate ease of payment processes.
- ✚ To ensure that payment to contractors is made within the period prescribed by the PFMA and Treasury Regulations.
- ✚ To ensure that correct and affordable tariffs are applied for services rendered by the department.
- ✚ To communicate feedback to the community on the effective use of allocated funds.

Internal support:

- ✚ To ensure procurement and provisioning of goods and services which enable programmes to meet their mandate of service delivery to the people.
- ✚ To provide management with accurate reports and information that will assist in informed decision making processes.
- ✚ To monitor use of budget allocations and engage in management of risk and fraud prevention.

10.3.3 Policies, Priorities and Strategic objectives

Strategic Goal: To ensure compliance associated with allocation funds for effective service delivery.

OBJECTIVE	STRATEGIES
To ensure an effective and efficient Strategic Financial Management system	• Align budget with departmental strategy
	• Develop a Financial Calendar
	• Ensure regular Financial Management reporting
Asset Management	• Create a process to address gaps as identified by the Financial Audit within the department
	• Develop and maintain a credible Departmental asset register
To ensure effective internal risk management	• Develop and implement an Asset Management Plan
	• Develop an integrated Risk Management Plan
	• Develop an anti-Fraud and anti-Corruption Plan

10.3.4 Analysis of constraints and measures planned to overcome them

The Financial Management Chief Directorate's constraints have perpetually been dominated by shortage of personnel and the resultant difficulty in releasing personnel for external training. Segregation of duties has always been marginalized giving rise to audit queries which never seem to be addressed.

10.3.5 Description of planned quality improvement measures

Two things need to be done to improve the quality of performance in this chief directorate:

- ✚ Filling of vacant positions to enable the chief directorate to meet all challenges of decentralization of functions from Provincial Treasury.
- ✚ Appropriate training to be given to personnel to enable officials to produce plausible reports.
- ✚ Creating an atmosphere which enables managers to concentrate on issues of policy development and monitoring of compliance instead of doing clerical work.

10.3.6 Specification of measurable objectives and performance indicators

Measurable Objectives	Performance measure or indicator	Year 1 2005/06 Target	Year 2 2006/07 Target	Year 3 2007/08 Target	Year 4 2008/09 Target
Preparation and monitoring of credible budget for the Department	- Alignment of budget with strategic plan - Timely submission of budget to Treasury - Capturing of approved budget by 30 th March Implementation of budget policy	Capturing of budgets by the 30 th March 60% implementation of budget policy. Monthly monitoring and evaluation by the budget committee.	Capturing of budgets by the 30 th March. 80% implementation of budget policy. Monthly monitoring and evaluation by the budget committee	Capturing of budgets by the 30 th March. 90% implementation of budget policy. Monthly monitoring and evaluation by the budget committee	Capturing of budgets by the 30 th March. 100% implementation of budget policy. Monthly monitoring and evaluation by the budget committee
Effective and Efficient revenue collection	Annual revision of revenue tariffs. Collection of revenue through all sources	60% implementation of approved revenue strategy monthly accurate revenue reports Review of revenue tariffs Identification of additional revenue source	70% implementation of approved revenue strategy monthly accurate revenue reports Review of revenue tariffs Identification of additional revenue source	90% implementation of approved revenue strategy monthly accurate revenue reports Review of revenue tariffs Identification of additional revenue source	100% implementation of approved revenue strategy monthly accurate revenue reports Review of revenue tariffs Identification of additional revenue source

10.4 Sub-programme 5.3: Internal Audit

10.4.2 Situation analysis

The unit assists the department to achieve it's objective. Its role is:

- To give assurance that the procedure and control in place are adequate and effective enough to assist the department in achieving its objective.
- To conduct risk management assessment in order to address or recommend controls for those risks that were not addressed.
- To render consultative and management service e.g. develop policies, train and facilitate.

The unit has been restructured to include performance audit, IT audit, Environmental audit and forensic audit, and will be fully functional as compared to the previous financial year.

10.4.3 Policies, Priorities and Strategic objectives

OBJECTIVES	STRATEGIES
To give an assurance (express an opinion) that with the controls that are in place the department will achieve its objective	Conduct audit assurance
	Perform the departmental risk assessment
	Advice management and perform consultative services
To ensure that professional standards are met by Internal Auditors	Ensure and encourage that all auditor are members of professional bodies
	Ensure that the auditors are trained and informed about new audit development

10.4.4 Analysis of constraints and measures planned to overcome them

Constraints facing the unit are dominated by resources that include personnel and budget. They will only be addressed by prioritization

10.4.5 Description of planned quality improvement measures

In improving quality the unit will:

- Ensure that the official's work is assessed
- Ensure that the internal quality assurance is conducted annually
- Ensure that the external quality assurance is performed once in five years time

10.4.6 Specification of measurable objectives and performance indicators

OBJECTIVES	PERFORMANCE	Tgt 0405	Tgt 0607	Tgt 0708	Tgt 0809
To give an assurance (express an opinion) that with the controls that are in place the department will achieve its objective	Internal Audit reports (Assurance report) and Consultation reports	X	X	X	X
	Risk management assessment report	X	X	X	X
	Follow ups to the implementation of assurance and consultative recommendations.	X	X	X	X
To ensure that professional standards are met by Internal Auditors	Audit Committee reports	X	X	X	X
	Internal quality assurance report	X	X	X	X
	External quality assurance report		X		

11 PROGRAMME 2: TOURISM

Tourism has during the past year undergone organisational structural transformation. It now has three directorates;

- ✚ Tourism destination development, which focuses on tourism investment initiatives and processes that will maximise investments in the identified tourism destinations of the province on one side and the identified tourism destinations such as the Maluti-Drakensberg Transfrontier Project (MDTP), Xhariep and Vredefort Dome Development Initiatives as well as the Eco-Park Recreational at the Soetdoring Nature Reserve.
- ✚ Tourism support, which has the core business as facilitating and co-ordinating activities around tourism quality assurance and standards of tourism facilities so as to enhance the experience derived from the tourism plant of the province; the tourist guiding sector; the tourism research and policy making efforts of the department, and lastly the tourism safety and awareness drive that is centred on the principles and practices of responsible tourism (RT).
- ✚ Resorts management, which has as its core business the transformation of the resorts of the province into self sustaining business units of the provincial parks.

11.1 Situation analysis

The provincial tourism growth in the past year signifies an increasing demand by visitors to the Province. More focus was invested in events promotion and participation at World Tourism Markets (WTM), ITB and others such as Indaba 2004 and Macufe.

However, there is a need to package and broaden the tourism base. Transformation in the tourism industry is gaining momentum even though the two major contributors are the tour guiding and the accommodation sectors.

The key challenges over the strategic plan period are to;

- ✚ facilitate broad based tourism BEE
- ✚ broaden tourism product base, thereby enhancing its appeal
- ✚ increase service levels of product owners and service providers in the industry through skills development programmes
- ✚ reinforce integrated tourism planning and management between government spheres
- ✚ improve tourism awareness programmes
- ✚ to focus on destination development in areas/regions with potential growth
- ✚ improve infrastructure, especially signage

Last year a process of working towards the development of a provincial tourism investment and development plan on the principles of responsible tourism was initiated. This was further reinforced by the fact that tourism growth in the province would be accelerated through tourism destination development in those areas where there is tourism growth potential.

11.2 Policies, priorities and strategic objectives

OBJECTIVES	STRATEGIES
To promote responsible tourism development	✚ To create a conducive environment for tourism business development
	✚ To facilitate tourism human capital development
	✚ To promote tourism investment
	✚ To develop and implement a Provincial Tourism Strategy and Policy

	<ul style="list-style-type: none"> ✚ To facilitate broad based BEE in the tourism industry ✚ To manage tourism infrastructure development in the Provincial Resorts
To implement the Tourism Act	<ul style="list-style-type: none"> ✚ To ensure an effective policy framework ✚ Provide performance management support to the Tourism Authority ✚ To monitor performance against targets
To manage tourism infrastructural development in the public Resorts	<ul style="list-style-type: none"> ✚ Implement a public resort upgrading / facelift programme ✚ Implement a programme to position resorts as tourist attractions ✚ Implement a resorts management plan
To facilitate broad based BEE in the tourism industry	<ul style="list-style-type: none"> ✚ Implement various BEE governance charters and policies ✚ Implement a BEE score card

11.3 Analysis of constraints, and measures planned to overcome them

Since tourism is driven by the private sector, there is need from the department to create an enabling environment that will be conducive to further spur growth of the industry. This critical role of the tourism programme can only be realised if and when external stakeholder relations are managed in a transparent and dedicated manner.

Workshops and meetings will be conducted with various strategic stakeholders to ensure that mechanisms and instruments for deepening collaboration on all fronts of tourism industry work in the province are enhanced. Particularly of concern is timeous information sharing amongst stakeholders and also communication will aslo have to be improved.

11.4 Description of planned quality improvement measures

Measurable Objectives	Performance measure or indicator	Year 1 2005/06 Target	Year 2 2006/07 Target	Year 3 2007/08 Target	Year 4 2008/09 Target
To develop and implement a Provincial Tourism Strategy and Policy	Provincial Tourism Strategy and Policy documents	20% implementation of strategy and policy.	40% implementation of strategy and policy	70% implementation of strategy and policy	100% implementation of strategy and policy
To create a conducive environment for tourism business development	Geographical spread (%) Tourist length of stay (days) Tourist spends (%) Increase domestic market share	10 1 3	15 1 5	25 1 5	27 1 5

Facilitate tourism human capital development	Increase in permanent jobs created in the Province (%) Design and Implement a training programme to enhance skills capacity in the tourism industry	5 Training programme document and 25% implement with priority in specialist tour guides, tour operators and assessors as well as events managers	5 50% implement with priority in specialist tour guides, tour operators and assessors as well as events managers	10 80% implement with priority in specialist tour guides, tour operators and assessors as well as events managers	10 100% implement with priority in specialist tour guides, tour operators and assessors as well as events managers
Development of tourism investment and development Plans	Tourism investment and development Plans	10% implementation of investment and development plans	25% implementation of investment and development plans	50% implementation of investment and development plans	75% implementation of investment and development plans
Facilitate broad based BEE in the tourism industry	Black empowerment tourism products (%) Procurement awarded to BEE businesses (%)	5 45	10 50	15 55	20 60
Manage tourism infrastructural development in the Provincial Resorts					

12 PROGRAMME 2: ENVIRONMENTAL AFFAIRS

12.1 Situation Analysis

The programme consists of four sub-programmes that are currently being coordinated by two directorates namely: Conservation and Environmental management. The current status of management is as follows:

- ✚ The conservation of bio-diversity, in accordance with national and international prescripts, and the promotion and maintenance of eco-tourism within the Free State province.
- ✚ All conservation laws were applied in the province.
- ✚ Game industry is regulated through a permit system.
- ✚ Regulatory framework for the hunting industry and wild animals that cause damage particularly to agriculture exists.
- ✚ Management structure for reserves exists.

- ✚ the Constitution mandates the Directorate to provide an environment that protects human health and natural resources and the directorate performs as such
- ✚ NEMA also directs the directorate to protect landscapes, natural heritage, etc through the development and implementation of relevant policy directives. The Directorate performs as such.
- ✚ The Directorate implement international conventions as directed by chapter 6 of NEMA
- ✚ The directorate is participating in the law reform process initiated by DEAT.
- ✚ Directorate coordinates environmental education and capacity building activities in the province.
- ✚ Directorate receives and review all environmental impact assessment applications for consideration and authorizations
- ✚ Develop and assist in the policy formulation regarding integrated environmental management and environmental impact assessments
- ✚ Directorate evaluates all mining applications from Department of Minerals and Energy to ensure that environmental effects of activities are taken into consideration before decisions in this regard are taken.
- ✚ Directorate capacitates municipalities on the implementation and compliance with Environmental Implementation Plan.
- ✚ Directorate compile and co-ordinate provincial State of Environment Report

12.2 Policies, priorities and strategic objectives.

Objectives	STRATEGIES
To ensure bio-diversity conservation	<ul style="list-style-type: none"> ✚ Development and monitoring the databases of: <ul style="list-style-type: none"> ➤ Alien invasive species ➤ Indigenous population ➤ Scarce species ➤ Update private protected areas database ➤ Conservation surface areas ✚ Implement conservancy development plan ✚ Assist DEAT in implementing the Maluti Drakensberg Trans-frontier Development Plan <ul style="list-style-type: none"> ➤ Veld Management Strategy ➤ Invasive Alien Species Strategy ➤ Bio-diversity Strategy ➤ Socio-ecology Strategy ➤ Erosion Control Strategy ➤ Conservation in Protected Areas Strategy ➤ Conservation Outside Protected Areas Strategy ➤ Heritage Sites Strategy ➤ Institutional Development Strategy ➤ Biological Indicator Monitoring ✚ Develop the following Provincial strategies: <ul style="list-style-type: none"> ➤ Review of Veld Management Strategy ➤ Invasive Alien Species Strategy ➤ Wetland Strategy ➤ Bio-diversity Strategy ➤ Socio-ecology Strategy ➤ Input to Erosion Control Strategy ➤ Conservation in Protected Areas Strategy ➤ Conservation Outside Protected Areas Strategy ➤ Heritage Sites Strategy ➤ Biological Indicator Monitoring Reports ➤ Revise Wild Life Management Strategy
To ensure a healthy environment	<ul style="list-style-type: none"> ✚ Development of databases on: <ul style="list-style-type: none"> ➤ Generators ➤ Disposers ➤ Transporters

	<ul style="list-style-type: none"> ➤ Treatment facilities ➤ Recycling facilities ✚ Development of a Medical Waste Strategy ✚ Development of a Industrial Hazardous Waste Strategy ✚ Development of a Air Quality Management Strategy ✚ Input into Mining Waste Strategy ✚ Development of a Pesticide Waste Strategy ✚ Development of a Provincial Waste Recycling Strategy ✚ Development of a Free State Greening Strategy ✚ Input into Provincial Water Strategy
To promote sustainable development	<ul style="list-style-type: none"> ✚ Input into Integrated Development Plans ✚ Co-ordinate the Provincial Environmental Implementation Plan ✚ Input into the Provincial Growth and Development Strategy ✚ Prepare the Provincial State of Environment Report ✚ Contribute to the Johannesburg Plan of Implementation ✚ Implement the Community based Natural Resources Management Strategy ✚ Assist in the implementation of the Integrated Rural Sustainable Development Plan ✚ Develop policies and guidelines for EIA's

12.3 Analysis of constraints and measures planned to overcome them

Constraints that exist in the unit are not limited to:

- ✚ Lack of personnel lead to add-on activities of supervisors
- ✚ Lack of sustainable commitment from communities on environmental projects.
- ✚ Lack of inter program and sub-program communication
- ✚ Inadequate communication with communities
- ✚ Lack of sustainable commitment from communities on environmental projects
- ✚ Shortage of equipment (computers and printers)
- ✚ Logistical issues related to transport and management infrastructure are lacking.
- ✚ Resources and resource management strategies.
- ✚ Legislation review, particularly the existing provincial ordinances.
- ✚ Coordination and implementation of MDTP
- ✚ Initiation and implementation of Xhariep Complex Initiative
- ✚ Initiation and implementation Soetdoring Eco-Park
- ✚ Implementation of World Park Congress resolutions

Measures put in place to address the observed shortcomings include:

- ✚ Proper review and timeous response to transport submissions.
- ✚ Filling of all vacant posts.
- ✚ Budgeting to ensure proper budget allocations.
- ✚ Revise suggested ordinance with all stakeholders in order to bring it in line with national bio-diversity bill.
- ✚ Develop policies in line with the national bio-diversity bill.
- ✚ Review current policies.
- ✚ Conformance to Bathopele and service delivery plan
- ✚ Promote transformational equity.
- ✚ Development of policies of high standards will improve service delivery.
- ✚ Productivity will be improved by the appointment of qualified personnel.
- ✚ An increase in the conditional grant to develop new eco-tourism infrastructure and upgrade existing facilities.

12.4 DISCRPTION OF PLANNED QUALITY IMPROVEMENT MEASURES

OUTPUTS	PERFORMANCE INDICATORS	TARGET 2005/06	TARGET 2006/07	TARGET 2007/08	TARGET 2007/08
Environmental Regulatory System {Protected area management, Non protected area management and bio-diversity management)	Increased surface area under conservation - %	.2	.2	.2	.2
	Indigenous population sustainability - %	100	100	100	100
	Urban conservancies – n	58	61	64	70
	Industrial conservancies – n	6	7	8	9
	Rural conservancies coverage – hectares (million)	1	1.2	1.4	1.4
	Protected areas coverage – hectares (thousands)	?	450	470	470
	Wetlands functionality – %	50	55	60	60
	Scarce species sustainability - %	100	100	100	100
	Invasive species – n	?	5	4	3
	Wild life population versus carrying capacity of veld - %	100	100	100	100
Environmental Regulatory System {Pollution Management System (land and air)}	Decrease in solid waste - %	5	5	5	5
	Decrease in hazardous waste - %	2	2	15	15
	Compliance with Air quality standards - %	100	100	100	100
Environmental Regulatory System (Sustainable development)	Compliance to legislation and mandates - %	100	100	100	100

13 PROGRAMME 4: ECONOMIC AFFAIRS

13.1 Situation analysis

The Economic Affairs programme consists of the following sub-programmes:

- ✚ Liquor Authority and Consumer Protection
- ✚ Small Micro Medium Enterprises Development
- ✚ Investment Promotion

The program takes a lead role in economic development, job creation and poverty eradication by ensuring its role is to ensure the following:

- ✚ Business Development accurse to address the following :
 - SMME development
 - Industry/sector development
 - Investment promotion
 - Trade promotion
- ✚ Regulatory services are provided in the following categories :
 - Consumer protection
 - Liquor regulation
 - Business licensing dispute settlement
- ✚ Strategic thrust of the program has been redefined to enable focus on the under mentioned challenges
 - Business Management/Leadership

- Resource Management
- Communication inward/outward
- Programme/project management
- SMME development
- Industry/sector development
- Cooperative governance
- Regulatory services
- Job creation/poverty alleviation opportunities

The program has another challenge of ensuring that National policies are implemented, it is linked to all activities that are implemented by the Department of Trade and Industry.

13.2 Policies, Priorities and Strategic objectives:

Strategic goal 1: To promote a vibrant economic activity within the Province.	
OBJECTIVES	STRATEGIES
To promote business development	✚ The development of an integrated departmental framework for investment promotion (inclusive of Investment Promotion Policy, targeting and retention strategy, spatial development, etc.)
	✚ Establish an Business Development Resource Centre to communicate opportunities to potential investors
	✚ Establishment of integrated business support centres
	✚ Establish Provincial Co-ops
	✚ Develop frameworks and policies and implement programmes for SMME development
	✚ Develop a Stakeholder Management Strategy that integrates departmental economic stimulation activities with the private sector
	✚ Establishment of Small Enterprise Development Agency in the Province
	✚ Implement a strategy to promote improved access to funds for SMME's
To ensure an effective regulatory framework for economic activity	✚ Development of a monitoring and evaluation system to monitor SMME development across all sectors
	✚ Review and refine a regulatory framework for the liquor industry
	✚ Develop enabling Provincial policy and legislation for SMME development
	✚ Implement an integrated strategy to enhance compliance to liquor legislation
	✚ Amendment of the Consumer Protection legislation
	✚ Compliance to all economic redress Charters

13.3 Analysis of Constraints and measures planned to overcome them

Constraints facing the program primarily relates to lower relative priority of the Free State in relation to prime Provinces. The redefined strategic thrust is intended to provision the Province as a niche market and investment destination.

Description of planned quality improvement measures

- ✚ Enterprise establishment by the Chief Directorate
- ✚ Provision of business development information required versus available
- ✚ Contribution to job creation
- ✚ ROI on investment promotional activities undertaken
- ✚ Contribution to beneficiation growth per targeted sectors
- ✚ Compliance to minimum legislation
- ✚ Evaluation of complaints lodged versus cases resolved
- ✚ Business unit performance index
- ✚ Client satisfaction rating
- ✚ Chief directorate image rating

13.4 DISCRPTION OF PLANNED QUALITY IMPROVEMENT MEASURES

OBJECTIVES	PERFORMANCE INDICATOR	Targ et 05/06	Targ et 06/07	Targ et 07/08	Targ et 08/09	Target 09/10
Growing the economy and poverty alleviation	✚ Directorate contribution to jobs created in the Province (%)	1080	1100	1110	1120	1150
	✚ Relevant business development information required versus available (%)	50	55	60	65	70
	✚ Enterprises established through Directorate contribution (n)	360	380	400	420	440
	✚ Business start-ups versus businesses sustained (%)	50	65	70	73	75
To promote business development	• ROI on investment promotion activities undertaken (missions, expos, etc.) (%)	2	3	5	5	5
	• Directorate contribution towards beneficiation growth per targeted sector (%)	1	5	5	5	5
To ensure an effective regulatory framework for economic activity	• Compliance to minimum legislative requirements (%)	50	50	60	70	80
	• Complaints lodged to Directorate versus cases resolved (consumer and regulatory complaints) (index %)	60	65	75	80	80
	• Enquiries lodged with the Directorate versus enquiries resolved (Business and regulatory enquiries) (index %)	2800	2960	3010	3180	3280

14 PROGRAMME 5: TRANSVERSAL FUNCTIONS

This Programme is about Public and Private Entities that reports to the MEC of DTEEA.

Free State Tourism Authority (FSTA)

FSTA's main aim will be to market South Africa internationally as a tourism destination once established in 2005. It will promote tourism to and within South Africa, regulate the industry, maintains and enhances the standards of facilities and services hired out or made available to tourists, and coordinate the marketing activities of role-players in the industry.

Free State Development Corporation (FDC)

FDC's main aim is to develop programmes that will ensure that there is:

- ✚ Economic growth and development
- ✚ Black Economic Empowerment is advancement
- ✚ SMME development and growth.

Free State Gambling and Racing Board

Free State Gambling and Racing Boards main aim is to regulate the gambling and racing activities in the province on behalf of the Provincial department.

PART C: Background information

15. Appendix one: Analysis of Service Delivery Environment

15.1 Policy changes and trends

The principal operational activities of the department are conducted through public entities; Free State Development Corporation and Free State Gambling and Racing Board, which are accorded specific functional responsibilities that are implemented in accordance with their strategic plan.

The operational activities have, however, been and will be greatly marginalised in the financial years 2004/2005 and 2005/2006, following drastic cuts which have had to be effected to allocations to the public entities.

The relationships between the department and the Public entities have been formalised through appropriate Service level agreements.

15.2 Environmental factors and emerging challenges

The Departments operations are managed by Head Office, located in Bloemfontein, and directed through various regional offices. Regional managers facilitate, co-ordinate and monitor activities related to the Department's overall goals and objectives as reflected in the strategic plan. The Department maintains close relationships with the Departments of Trade and Industry and of Environmental Affairs and Tourism in terms of policy formulation and implementation strategies.

15.2.1 Demographic profile of the department

The department has a staff compliment of Six Hundred and Eighty Two (682) officials in five different categories ranging from semi-skilled to senior management. There has been a fairly high turnover rate with death, retirements and resignations being the biggest contributors at 48%, 19.4% and 12.9% respectively. The table below depicts an elaborative picture.

Turnover rate per category

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total
Death, Permanent	15	48.4	2.2	31
Resignation, Permanent	4	12.9	0.6	31
Dismissal-operational changes, Permanent	1	3.2	0.1	31
Discharged due to ill health, Permanent	1	3.2	0.1	31
Discharged due to ill health, Temporary	1	3.2	0.1	31
Dismissal-misconduct, Permanent	2	6.5	0.3	31
Retirement, Permanent	6	19.4	0.9	31
Retirement, Temporary	1	3.2	0.1	31
TOTAL	31	100	4.5	31
Total Number of employees who left as a % of total employment				4.5

15.2.2 Employment and Income Information

Table: Occupation categories

Occupational categories	Numbers	Percent of total
Managers	11	2
Professionals	202	30
Clerks	79	11
Sales and Service	44	6
Craft and related trades	5	.7
Operators	3	.4
Elementary occupations	338	50
Total	682	100
Employees with disabilities	2	.3

Table: Income distribution

Income per month	Percent Of Total
R1-R500	
R501-R1 000	
R1 001-R2 500	53%
R2 501-R6 000	12%
R6 001-R11 000	25%
>R11 001	10%
Total	100%

15.3 Evaluation of current implementation

The department has been able to achieve implementation of the following strategic objectives:

Tourism

- ✚ Creating a supportive and enabling environment for investment, transformation and empowerment in tourism
- ✚ Providing information and monitoring trends and growth patterns in areas that require development in tourism
- ✚ Promoting nation building through tourism
- ✚ Implementing a strategy for tourism growth which aligns the activities of government and industry
- ✚ Setting standards and assuring a world class tourism product

Economic Affairs

- ✚ Increasing economic output and employment;
- ✚ Progress in achieving broad-based BEE, with emphasis on black women;
- ✚ Increasing the value and volume of exports, with emphasis on priority sectors;
- ✚ Ensuring that consumers are protected in the market place

- ✚ Ensuring that regulatory mechanism and control strategies are in place to regulate the distribution of liquor

Environmental Management

- ✚ Integrated development Toolkit ready for presentation to municipalities
- ✚ Environmental Advisory Committee meeting was held
- ✚ SOER(State Of Environment Report) ready to be work-shopped in all districts
- ✚ EIA (Environmental Impact Assessment). 94 EIAs were issued during this period
- ✚ The SEA(Strategic Environment Assessment for resorts and reserves was finalised and distributed for final comments
- ✚ Protected Area Management Workshop was held.
- ✚ Biodiversity workshop was held.
- ✚ Refurbishment of resorts and reserves. The department has spent R5.6m within this period to refurbish the resorts and reserves.
- ✚ Game Auction. The department has organised a game auction that generated R6m
- ✚ 10 year celebration of resorts and reserves. The department celebrated 10 years of freedom on the sound management and development of resorts and reserves. The occasion was opened by the premier.

16 Appendix two: Organisational information and the institutional environment

16.1 Organisational design

The department is in the process of restructuring. This is going to result in the implementation of a completely new structure designed to address the challenges brought about by either decentralisation functions, or implementation of legislative frameworks.

Department's operations are managed by Head Office, located in Bloemfontein, and directed through various regional offices. Regional managers facilitate, co-ordinate and monitor activities related to the Department's overall goals and objectives as reflected in the strategic plan. The Department maintains close relationships with the Departments of Trade and Industry and of Environmental Affairs and Tourism in terms of policy formulation and implementation strategies.

16.2 Delegations and performance agreements

Delegations have been made to various levels of the departmental hierarchical structure taking the impact of the decisions made at these levels into consideration. The Acting Head of Department has entered into a service level agreement with the MEC for the duration of the financial year starting with his appointment. The Acting Head of Department in turn entered into performance agreements with Senior Management Service personnel.

Performance agreements are also entered into between supervisors and their subordinates at levels 1 to 12.

16.3 Capital investment, investment and asset management plans

Tourism is one of the fastest growing industries in the world today, and South Africa has also seen a massive growth in foreign visitors since 1994.

This Department is a major role-player in this industry, in the Province, as one of the providers of visitors accommodation. However, tourism potential is cramped by inadequate infrastructure in some reserves and resorts. Below are some of the infrastructure delivery goals and objectives:

- ✚ To develop Nature reserves in order to meet National and International standards.
- ✚ To supply tourist infrastructure that meets demands stakeholders.
- ✚ To lure visitors into the poor rural areas.
- ✚ To create jobs and ultimately eradicate poverty.
- ✚ To conform to the EPWP program.

For the past 3 years the Department has received R10m per year to start with maintenance and development of facilities on the Provincial Nature Reserves and Resorts.

Due to the inadequacy of the maintenance grant, however, there is still a backlog which subsequently results in inadequate visitor facilities in following resorts:

- ✚ Koppiesdam N/R
- ✚ Erfenisdam N/R
- ✚ Kalkfontein N/R
- ✚ Seekoeivlei N/R
- ✚ Soetdoring N/R
- ✚ Rustfontein N/R

Routine maintenance is done on a day-to-day basis. This includes work that is necessary to keep infrastructures operating, such as repairs to get the infrastructure operational again.

Maintenance Plan

This maintenance plan functions only for large maintenance projects, and targets the busiest Resorts first. Day to day maintenance is done when it a fault occurs and not as part of the plan. Own staff, and some times private contractors, from neighbouring towns are used for urgent repairs.

Summary of Future Costs

- ✚ Planned maintenance carried out by casual/contract workers from neighbouring communities in an effort to create jobs.
- ✚ R1 million per year is used for this, half is spend on salaries and the other half on materials.
- ✚ Day to day maintenance comes from the operational budget of the Reserve/Resort. The provision is not even near enough to do proper maintenance. Only the critical jobs get done.
- ✚ R1 million per year is allocated for fence maintenance. This is enough to only work for 6 months of the year on fences. R2 million per year is needed. 60% will go job creation and 40% on material.

16.3.1 Capital investment plan

Below is a detailed schedule of all capital investment projects. The schedule includes projects carried over from last financial year, projects which will be carried into the financial year 2005/2006. Projects over a Hundred Thousand Rand (R100, 000) are put on tender unless an approval has been granted for deviation.

Capital Investment, Maintenance and Asset Management

No	Project Name	Region / District	Municipality	Project description	Project duration		Project cost		Programme	Personnel costs
					Date: Start	Date: Finish	At start	At completion		
1	Koppiesdam Nature Reserve	Northern Free State	Northern Free State	Electricity, sewerage, chalets, gates, staff housing	Jan, 2003	Jun.2006	5,074			
2	Gariiep nature Reserve	Xhariep	Xhariep	Chalets, Entrance gate, Office complex, stores abattoir	Nov.2002	Apr-08	12,260			
3	Tussen die Riviere	Xhariep	Xhariep	Visitor accommodation	Apr. 2003	Jun.2004	2,305			
4	Caledon Nature Reserve	Motheo	Motheo	Entrance gate, Office complex, Stores, Abbatoir, staff houses	Apr. 2002	Apr. 2003	9,751			
5	Soetdoring Nature Reserve	Motheo	Motheo	Electricity to train camp	Apr. 2004	Dec. 2004	1,246			
6	Erfenisdam Nature reserve	Lejweleputswa	Lejweleputswa	Bush camp	Nov.2004	Nov. 2006	720			
7	Sandveld Nature Reserve	Lejweleputswa	Lejweleputswa	Entrance gate.	Mar. 2003	Sept. 2004	500			
8	MAINTENANCE									
9	Philip Saunders Resort	Lejweleputswa	Lejweleputswa	Repaint and repair Tourist rest camp	Jan, 2004	Jun-05	1,000			
10	Sterkfontein Resort	Thabo Mafutsanyane	Maluti a Phofung	Repaint and repair Tourist rest camp	Jan. 2004	Mar. 2005	900			
11	Soetdoring Nature Reserve	Motheo	Mangaung	Repair ablution facilities for tourists.	Not yet	0	300			
12	Rustfontein dam nature reserve	Motheo	Mangaung	Construct concrete palisade fence	Apr. 2002	2008	3,500			
13	Sterkfontein Resort	Thabo	Maluti a	Erect game proof	June 2003	Jun.2004	125			

		Mafutsanyane	Phofung	fence					
14	Seekoeivlei Nature Reserve	Thabo Mafutsanyane	Maluti a Phofung	Install electric fence on game reserve fence	Apr. 2003	May-04	350		
15	PLANNED DEVELOPMENTS								
16	Xharies nature Reserve	Xharies	Xharies	Buying of land to extend reserve			40,000		
17	Willem Pretorius Nature Reserve	Lejweleputswa	Lejweleputswa	Abattoir, retiring of tourist road, staff houses and upgrade west gate entrance. Tourist roads in reserve, ablution facilities,			10,000		
18	Sterkfontein Resort	Thabo Mafutsanyane	Maluti a Phofung	additional chalets, staff houses. Upgrade entrance gate.			12,000		
19	Seekoeivlei Nature Reserve	Thabo Mafutsanyane	Maluti a Phofung	Tourist roads in eastern sector of reserve.			1,500		
20	Koppiesdam Nature Reserve	Northern Free State	Northern Free State	Conference facilities, ablution facilities, 1 staff house. Upgrade bush camp			5,000		
21	Rustfontein dam nature reserve	Motheo	Mangaung	Upgrade Mellville into guest house and entrance gate. Bungalows at Fransiena.			8,000		
22	Philip Saunders Resort	Motheo	Mangaung	Abattoir, Bushcamp ablution block, upgrade of caravan park, pave resort roads,			10,000		

23	Soetdoring Nature Reserve	Motheo	Mangaung	upgrade entrance gate, amphitheatre Extend madinogwe train camp, 2 ablution blocks			3,000			
24	Sandveld Nature Reserve	Lejweleputswa	Lejweleputswa	Pave entrance road			4,000			
Total recurrent maintenance							38,031			

It is envisaged that some of the projects will not have been completed at the end of the current financial year, and that a request for rollover of funds for these will be requested from Provincial Treasury in 2005/2006.

16.4 Performance management system

Performance agreements have been signed at all levels of the hierarchy. These are based on both strategic plans and on the functions of individual components. The system will be fully functional once the budget is properly linked to strategic plans. It will facilitate accurate assessment of effectiveness of service delivery.

16.5 Financial management

The department under spent its budget in the first two financial years under report. For the financial year 2002/2003 approval for roll-overs were only granted around January, rendering it impossible to expend funds for capital projects within the remaining months same year.

In the year 2001/2002 Economic Affairs component transferred from the then Department of Finance, Expenditure and Economic Affairs to Department of Environmental Affairs and Tourism. The budget was increased from R72, 003m to R135, 605m. At the end of the financial year, the department had under spent by R33 260m, whereas the rollover, for payment of outstanding invoices had been R1, 122m

The budget for the financial year 2002/2003 was under spent by R31, 421m. Losses to the total of R158 000 were written off from relevant programmes' budget

The 2003/2004 budget allocation was over spent by R9, 440m broken down as follows:

Programme	R'000
Administration	792
Corporate Services	2,235
Liquor and Consumer Affairs	3,151
Conservation	2,826
Losses and thefts	487
	<u>9,440</u>

Below is a detailed table on budget allocations against actual expenditure.

PROGRAMME/SPECIAL ITEM	Outcome					
	Audited 2001/02		Audited 2002/03		Audited 2003/04	
	Budget	Actual	Budget	Actual	Budget	Actual
1. Administration	24,056	19,589	24,921	23,160	36,796	37,270
2. Tourism	45,947	11,327	44,988	7,423	10,640	9,933
3. Environmental Affairs	38,852	33,643	77,322	57,522	75,752	74,667
4. Economic Affairs	0	11,786	0	28,155	35,022	33,011
5. Transversal Functions	26,750	26,000	57,073	56,623	51,546	50,720
6. Unauthorised expend.	0	0	0	0	0	9,440
7. Losses	0	73	0	0	0	0
Total payments and estimates	135,605	102,345	204,304	172,883	210, 599	215,528

16.6 Audit queries

2001/2002

Face Value Documents

There was a concern that face value register was not kept and checked by a supervisor to ensure correctness of the entries contained therein.

The register was updated and has, since, been checked by a supervisor.

Bank Deposit

Because of shortage of staff, both in the reserves/resorts and at headquarters, management of revenue was kept to the minimum requirements. Where it was impractical to implement certain requirements of financial frameworks, approval was sort for an alternative.

With the implementation of BAS in 2004, positions had to be created and filled to address the concerns pertaining to financial management in general.

2002/2003

Informal query 18: Weaknesses in General Computer Controls

Weaknesses have been found in computer controls surrounding FMS and PERSAL such that information from these systems can not be fully relied on.

The implementation of controls is the responsibility of SITA, and the department is to contact SITA for the necessary improvements to the systems.

Informal query 19: Personnel Expenditure

Leave Records not Updated Ex. 21

Although leave was correctly recorded on the PERSAL system, leave records in personnel files of some officials were not updated.

A policy has been drafted for approval by the Acting Head of Department and will be effective from the 15th April 2005

2003/2004

Informal query 20: Accounts receivable

Credit control policy Ex. 212

A credit Control policy should be developed and implemented for the recording of debts and collection of the same dept from officials.

The policy have been developed and ready to be approved by the Acting Accounting Officer

Informal query 21:

Advances without S & T Claim forms

In terms of paragraph 4.2 of the Provincial Accountant General: PERSAL P 18 of 2002 the department is supposed to take on as debt, all advances older than 30 days and recovered from the concerned officials.

Control measures have been put in place. All officials must sign a commitment form to submit their claims within 5 days of their return from a trip, failing whc

Transfer payments

Actual vs estimated Gambling Board Revenue Ex. 210

In terms of clause 4.1 of the Memorandum of Agreement between the department and Gambling Board the board must ensure that annual revenue exceeds a minimum of R13m and reasons must be given for failure to achieve this target.

**For any Information on this Document
please contact**

**Office of the Head of Department
Department of Tourism, Environment
and Economic Affairs**

Tel: 051-400 4910

Fax: 051-400 4732

**E-mail: pulenim@dtea.fs.gov.za
Private Bag X20801, Bloemfontein, 9300**