

# Department of Economic, Small Business Development, Tourism and Environmental Affairs



**destea**

department of  
economic, small business development,  
tourism and environmental affairs  
FREE STATE PROVINCE

## Strategic Plan For Financial Years 2015 to 2020

Free State Province



## FOREWORD

Government has declared the year 2015 "The Year of Freedom Charter and Unity in Action to Advance Economic Freedom. It is the year of going the extra mile in building a united, democratic, non-racial, non-sexist and prosperous South Africa". This lays a firm foundation for this department's programmes for the next 5 years.

For the next five years, each and every year we set for ourselves a plan of action that will see us to achieve in our endeavours of making the Free State Province the economic hub of the country. Guided by the strategic intent of the ruling party, National Government, Provincial Growth and Development Strategy (PGDS), Municipal Integrated Development Plans (IDPs), National Development Plan and the 2015-2020 MTSF, we are sure to address the needs of our people.

This Strategic Plan for the next 5 years should take a cue from the President's vision of this country's economic growth as outlined in the SOPA 2015. President Zuma put down 9 points that will ignite growth and create jobs. These are:

1. Resolving the energy challenge.
2. Revitalising agriculture and the agro-processing value chain.
3. Advancing beneficiation or adding value to our mineral wealth.
4. More effective implementation of a higher impact Industrial Policy Action Plan.
5. Encouraging private sector investment.
6. Moderating workplace conflict.
7. Unlocking the potential of small, medium and micro enterprises (SMMEs), cooperatives, township and rural enterprises.
8. State reform and boosting the role of state owned companies, information and communications technology (ICT) infrastructure or broadband roll-out, water, sanitation and transport infrastructure as well as
9. Operation Phakisa aimed growing the ocean economy and other sectors.

Our planned programmes and projects are aimed at ensuring an effective and efficient economic growth by creating a conducive environment that will drive the economic landscape of the province. In this way our programmes will ensure that we execute our mandate of "To improve the socio-economic livelihoods of Free State communities through economic, small business, tourism and environmental development programmes".

At the centre of our programme is effective Economic Development that is underpinned by successful Small Business Development, efficient Tourism Development as well as sustainable Environmental Management. Our message to the people we serve is that they should know their area and claim the space. We will, as the President has directed, pay added attention to township and rural business as they are critical to local economic development and drivers of job creation.

To ensure that we are successful in executing our mandate and realising our vision of "A transformed economy and a prosperous society that is living in harmony with its natural

resources through integrated and sustainable economic growth", we will have to attract relevant qualified economists and scientists.

Throughout this period we will focus on unlocking the economic potential of our province through concentrating on the business sector but not neglecting other sectors.

Jwale Ke Nako ya Kotulo, Rea Kubeletsa!



Hon. MJ Zwane

**MEC: Department of Economic, Small Business Development, Tourism and Environmental Affairs**

## OFFICIAL SIGN-OFF

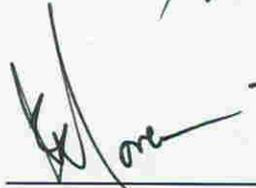
It is hereby certified that this Strategic Plan:

- Was developed by the management of the Department of Economic, Small Business Development, Tourism and Environmental Affairs under the guidance of the honourable MEC M. Zwane.
- Takes into account all the relevant policies, legislation and other mandates for which the Department of Economic, Small Business Development, Tourism and Environmental Affairs is responsible.
- Accurately reflects the strategic goals and objectives which the Department of Economic, Small Business Development, Tourism and Environmental Affairs will endeavour to achieve over the period 2015/16 to 2019/20.

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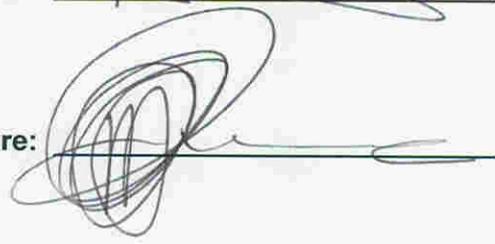
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Executive Authority

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## Acronyms

AIDS	Acquired Immune Deficiency Syndrome
ANC	African National Congress
APP	Annual Performance Plan
AQMP	Air Quality Management Plan
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
CA	Comparative Advantage
DESTEA	Department of Economic, Small Business Development, Tourism and Environmental Affairs
DM	District Municipality
DMP	Demand Management Plan
EIA	Environmental Impact Assessment
EIP	Environmental Implementation Plan
EHWP	Employee Health and Wellness Programme
EMC	Environmental Management Committee
EPWP	Expanded Public Works Programme
ETEYA	Emerging Tourism Entrepreneur of the Year Awards
FDC	Free State Development Corporation
FS	Free State
FSGDS	Free State Growth and Development Strategy
FSWIT	Free State Women in Tourism
GDP	Gross Domestic Product
GDPR	Gross Domestic Product by Region
GP	Gauteng Province
HIV	Human Immune Deficiency Virus
HOD	Head of Department
HR	Human Resource
ICT	Information Communication Technology
IED	Integrated Economic Development
IDP	Integrated Development Plan
IR	Intergovernmental Relations
IT	Information Technology
CCCU	Central Communication Coordinating Unit
IWMP	Integrated Waste Management Plan

<b>KM</b>	<b>Knowledge Management</b>
<b>KZN</b>	<b>KwaZulu-Natal</b>
<b>LED</b>	<b>Local Economic Development</b>
<b>LQ</b>	<b>Location Quotient</b>
<b>MEC</b>	<b>Member of the Executive Council</b>
<b>MISS</b>	<b>Minimum Information Security Standards</b>
<b>MTSF</b>	<b>Medium-Term Strategic Framework</b>
<b>MTEF</b>	<b>Medium-Term Expenditure Framework</b>
<b>NEM</b>	<b>National Environmental Management</b>
<b>NSSD</b>	<b>National Strategy on Sustainable development</b>
<b>OHC</b>	<b>Operation Hlasela Campaign</b>
<b>PAs</b>	<b>Protected Areas</b>
<b>PCF</b>	<b>Provincial Co-operative Forum</b>
<b>PEC</b>	<b>Permit Evaluation Committee</b>
<b>PFMA</b>	<b>Public Finance Management Act</b>
<b>PGDS</b>	<b>Provincial Growth and Development Strategy</b>
<b>PSBAC</b>	<b>Provincial Small Business Advisory</b>
<b>RIDS</b>	<b>Regional Industrial Development Strategy</b>
<b>SA</b>	<b>South Africa</b>
<b>SEZ</b>	<b>Special Economic Zones</b>
<b>SITA</b>	<b>State Information Technology Agency</b>
<b>SMME</b>	<b>Small, Medium and Micro Enterprise</b>
<b>DTI</b>	<b>Department of Trade and Industry</b>
<b>SBD</b>	<b>Small Business Development</b>

## PART A: Strategic Overview

The Department's Five-Year Strategic Plan for the period from 2015/16 to 2019/20 provides an opportunity to ensure that activities of the Department are aligned with the overall strategic intent of the ruling party, National Government, Provincial Growth and Development Strategy (PGDS), Municipal Integrated Development Plans (IDPs), National Development Plan, the MTSF and the prioritised Outcomes for the Country. It provides a comprehensive framework within which development planning can be implemented.

### 1. VISION

The Department has adopted the following Vision:

*“A transformed economy and a prosperous society that is living in harmony with its natural resources through integrated and sustainable economic growth.”*

This Vision is based on the following principles:

1. Diversification of the Free State economy to ensure:
  - a. Acceleration of the economic growth rate ;
  - b. Creation of new employment opportunities;
  - c. Reduction of economic inequalities ;
  - d. Business creation and development.
2. Ensuring effective, efficient and sustainable resource management.

### 2. MISSION

The Department adopted the following Mission:

*“Radically create a conducive, enabling environment for the creation of decent jobs, poverty and inequality reduction through sustainably managed environment and Economic Development Programmes in the Free State.”*

Specifically, the Department's Mission will focus on ensuring sustainability of all the Department's programmes through:

1. Application of feasibility assessments as well as proper monitoring and evaluation systems.
2. Involvement and continuous consultation of all relevant stakeholders.
3. Appropriate and adequate sustainability indicators that reflect Provincial poverty and employment trends.

### 3. DEPARTMENTAL VALUES AND CULTURE

The success of any organisation depends on its culture, which is under-pinned by its shared values. The Department laid particular emphasis on the importance of values in its strategic planning process and the following shared values were agreed upon for the Department:

<b>Passion</b>	We build and promote an energising and inspiring work environment.
<b>People Centric</b>	We support and involve others in their endeavours to learn and expand their strengths (Learning & Innovation).
<b>Performance</b>	We involve everyone who is affected in our plans, goals and decisions (Professionalism).
<b>Proactive</b>	We adopt best available science and knowledge practices (Responsiveness).
<b>Integrity</b>	We drive the department's agenda above pursuing self interest (Honesty, Trustworthy).

### 4. LEGISLATIVE AND OTHER MANDATES

The Department adopted the following broad Mandate:

“To improve the socio-economic livelihoods of Free State communities through economic, small business, tourism and environmental development programmes.”

This mandate is derived from a wide range of National and Provincial legislation, including policy specifications by the Department of Trade and Industry, the Department of Environmental Affairs, Department of Economic Development and the Department of Tourism. Key constitutional, legislative and policy mandates are indicated below.

#### 4.1. Constitutional Mandates of DESTEA

The DESTEA's constitutional mandates have been derived from Schedules 4 and 5 of the Constitution of the Republic of South Africa, which requires the Department to oversee and administer the following:

1. Trade
2. Tourism
3. Casinos, racing, gambling and wagering
4. Consumer protection
5. Environment Affairs
6. Industrial promotion and business development
7. Provincial public enterprises
8. Liquor licences and control of undertakings that sell liquor to the public

Furthermore, the Department's constitutional mandate is derived from Section 24 of the Constitution, which emphasises that:

*Everyone has the right*

- a. *to an environment that is not harmful to their health or well-being; and*
- b. *to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that:*
  - i. *prevent pollution and ecological degradation;*
  - ii. *promote conservation; and*
  - iii. *secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.*

#### 4.2. Legislative Mandate

Table 1 indicates core legislative mandates that are applicable to Provincial programmes and objectives.

Programme Name and Core Function	Legal Mandate	Implications
<b>Economic Development: SMME Development</b>	<ul style="list-style-type: none"> <li>• National Small Business Act, 1996 (Act No. 102 of 1996) and Amendments</li> <li>• Business Act 1991, (Act No. 71 of 1991)</li> <li>• Broad Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)</li> </ul>	Promote policy objectives, facilitate strategy implementation and align programmes to encourage SMME development in the Province. Promoting Broad Based Economic Empowerment in the Province.
<b>Economic Development: Gambling &amp; Betting Administration</b>	<ul style="list-style-type: none"> <li>• Free State Gambling and Liquor Act</li> </ul>	The Act replaces Free State Gambling and Racing Act, 1996 (Act No. 6 of 1996)
<b>Economic Development: Consumer Protection</b>	<ul style="list-style-type: none"> <li>• Free State Consumer Affairs (Unfair Business Practices) Act, 1998 (Act No. 14 of 1998)</li> <li>• Consumer Protection Act No 68 of 2008</li> </ul>	Investigation, control and prohibition of unfair business practices. Referral of matters in terms of the National Consumer Affairs Act.
<b>Economic Development: Compliance Monitoring</b>	<ul style="list-style-type: none"> <li>• Credit Agreement Act 1980, (Act No. 75 of 1980)</li> </ul>	Business compliance monitoring and redress.
<b>Economic Development: Liquor Administration</b>	<ul style="list-style-type: none"> <li>• Liquor Act 1989, (Act No. 27 Of 1989)</li> <li>• National Liquor Act, 2003 (Act No. 59 of 2003)</li> </ul>	Regulating the micro-manufacturing, retailing and distribution of liquor in the Province.
<b>Economic Development: Trade Inspection</b>	<ul style="list-style-type: none"> <li>• Trade Metrology Act, 1973 (Act No. 77 of 1973)</li> <li>• Credit Agreement Act, 1980 (Act No. 75 of 1980)</li> </ul>	Ensure compliance with trade metrology and credit agreement regulations.
<b>Environmental Affairs: Protected Areas Management</b>	<ul style="list-style-type: none"> <li>• National Environmental Management Act, 1998(Act No.107 of 1998)</li> </ul>	Regulatory framework for the management and protection of environmental resources and

Programme Name and Core Function	Legal Mandate	Implications
	<p>and Amendments</p> <ul style="list-style-type: none"> <li>• Free State Nature Conservation Ordinance, 1969 (Ordinance No. 8 of 1969)</li> <li>• Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004)</li> <li>• National Environmental Management: Protected Areas Act, 2003 (Act No.57 of 2003)</li> <li>• National Heritage Recourses Act, 1999 (Act No. 25 of 1999)</li> <li>• World Heritage Conservation Act, 1999 (Act No. 49 of 1999)</li> <li>• Game Theft Act, 1991 (Act No. 105 of 1991)</li> <li>• National Water Act, 1998 (Act No. 36 of 1998)</li> <li>• National Environmental Management: Waste Act, 2008 (Act No.59 of 2008)</li> <li>• National Environmental Management: Air Quality Act, 2004 (Act No. 39 of 2005)</li> <li>• Veldt and Forest Fire Act, 1998 (Act No. 101 of 1998)</li> <li>• Conservation of Agricultural Resources Act, 1983 (Act No. 43 of 1983)</li> <li>• Animal Protection Act, 1962 (Act No.71 of 1962)</li> <li>• Tourism Act, 1993 (Act No.72 of 1993)</li> </ul>	<p>coordination.</p> <p>Regulates and sets out the mechanisms for managing and conserving South Africa's biodiversity, its components and institution</p> <p>Regulate protected areas.</p> <p>Ensuring the protection and effective management of National Heritage and World Heritage Sites.</p> <p>Providing a framework for the implications of game theft.</p> <p>Providing a regulating framework on water usage in the Province.</p> <p>Regulates waste management; provides for national norms and standards for regulating the management of waste by all spheres of government; and provides for the licensing and control of waste management activities.</p> <p>Regulates air quality.</p> <p>Provide a regulatory framework for the prevention and combat of veldt and forest fires.</p> <p>Ensuring the conservation of vital agricultural resources in the Province.</p> <p>Ensuring the protection of various animal species in the Province</p> <p>To make provision for the promotion of tourism in the Republic; and further to regulate and rationalize the</p>
<b>Tourism</b>		

Programme Name and Core Function	Legal Mandate	Implications
	<ul style="list-style-type: none"> <li>Free State Tourism Authority Act, 2005 (Act No. 3 of 2005)</li> <li>Tourism second amendment Act No.70 of 2000</li> </ul>	<p>tourism industry</p> <p>Provide legal and operational framework for tourism promotion and development in the Province.</p> <p>Act provides for training and registration of tourist guides; and make provision for a code of conduct and ethics for tourist guides.</p>

### 4.3. Policy Mandate

This section lists the main policies and their implications for Departmental Programmes. Selected Provincial policies will be analysed further to specify their connotations with the Department.

Programme Name and Core Function	Mandate	Implications
<b>Economic Development: SMME Development</b>	<ul style="list-style-type: none"> <li>National Policy and Strategy Framework from the DTI</li> <li>Municipal Public-Private Partnership Regulations</li> <li>NDP/MTSF</li> </ul>	Promote policy objectives, facilitate strategy implementation and align programmes to encourage SMME development in the Province.
<b>Economic Development: Local Economic Development</b>	<ul style="list-style-type: none"> <li>Policy Guidelines for Implementing LED in South Africa, March 2005</li> <li>NDP/MTSF</li> </ul>	Influence the manner in which practitioners in all three spheres of government understand approach and implement LED in South Africa.
<b>Investment Promotion</b>	<ul style="list-style-type: none"> <li>Policies formulated by the DTI and delegated to Provinces</li> <li>NDP/MTSF</li> </ul>	Promote domestic and foreign direct investment in the Province.
<b>Spatial Development Initiatives, Industrial Development and Strategies</b>	<ul style="list-style-type: none"> <li>Policies derived from the DTI, Special Economic Zone (SEZ) and Regional Industrial Development Strategy (RIDS) Programmes</li> <li>NDP/MTSF</li> </ul>	New industrial zones and development programmes to be identified and implemented in line with Spatial Development Framework.
<b>Environmental Affairs: Protected Areas Management</b>	<ul style="list-style-type: none"> <li>Game Management Policy</li> <li>Private Nature Reserve Policy</li> <li>NDP/MTSF</li> </ul>	To coordinate the implementation, regulation and administration, as well as monitoring and evaluation of protected areas.
<b>Integrated Environmental Management</b>	<ul style="list-style-type: none"> <li>Integrated Pollution and Waste Management</li> </ul>	Implementation and regulation of legislation

Programme Name and Core Function	Mandate	Implications
	Policy, (IP & WM 2004) <ul style="list-style-type: none"> <li>• Biodiversity White Paper</li> <li>• Various regulations in terms of some of the above legislation i.e. Environmental Impact Assessment (EIA) Regulations.</li> <li>• NDP/MTSF</li> </ul>	related to environmental protection and management.
<b>TOURISM</b>	National Tourism Sector Strategy	Significant growth of sustainable Tourism economy in South Africa

#### 4.4. Policy Statements that Link to the Strategic Plan

##### 4.4.1. Policy Framework

###### a) *National Development Plan (NDP)*

The National Development Plan provides detail on how South Africa can realise goals of alleviating poverty and reduction of inequality by 2030, by drawing on energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state and promoting leadership and partnerships through society.

The plan focuses on critical capabilities needed to transform the economy and society. This requires a change in how things are done. Given the complexity of national development aimed at providing direction towards improved planning, implementation and achievement of national outcomes, the National Development Plan – Vision 2030 sets out six interlinked priorities:

- Uniting all South Africans around a common programme to achieve prosperity and equity
- Promoting active citizenry to strengthen development, democracy and accountability
- Bringing about faster economic growth, higher investment and greater labour absorption
- Focusing on key capabilities of people and state
- Building a capable and developmental state
- Encouraging strong leadership through society to work together to solve problems

###### b) *Medium Term Strategic Framework (MTSF)*

The Medium Term Strategic Framework (MTSF) seeks to identify the development challenges facing South Africa and outlines the medium term strategy for improving the lives of all South Africans. The main purpose of the MTSF is to guide planning and resource allocation in all spheres of government. This framework services as the implementation plans for the NDP. The current framework is for the period 2014-2019.



### c) Free State Growth and Development Strategy (FSGDS)

The FSGDS is thus an important instrument to shape and coordinate the allocation of resources across a wide government and societal spectrum based on the provincial development needs and priorities. It impels both the provincial government and social partners to be focused and decisive; weigh up trade-offs and make choices in the face of competing demands; develop and implement consistent strategies and programmes; and ensure that their plans reflect a shared vision by all. The objectives of the FSGDS are thus the following:

- To serve an overarching planning instrument articulating the development agenda and providing strategic direction for the province.
- To build uniformity of application of planning processes and methodologies.
- To formulate development plans and priorities for the province.
- To ensure inclusivity of planning processes.
- To make effective use of scarce resources within the province by searching for more cost-effective and sustainable solutions, whilst addressing the real causes of development challenges instead of merely the symptoms.
- To facilitate the speedy delivery of government programmes and plans.
- To identify opportunities for investment and provide an environment of certainty and predictability critical for investment.
- To provide a common vision and act as the basis for common action amongst all social partners, both inside and outside government in a province.
- To serve as a framework for budgets, implementation, and performance management.
- To serve as a framework for provincial spatial development.
- To monitor the implementation of plans and evaluate the impact thereof against the government's developmental priorities

### d) NDP, MTSF and FSGDS alignment summary

The table below explains the various areas contained in the NDP, MTSF and FSGDS to which this strategic plan will contribute:

NDP	MTSF	FSGDS
Chapter 3: Economy and employment	Outcome 4: Decent employment through inclusive growth	Driver 3: Expand and diversify manufacturing opportunities
Chapter 5: Environmental sustainability	Outcome 6: An efficient, competitive and responsive infrastructure network (SIP's and SEZ's)	Driver 5: Harness and increase tourism potential and opportunities
Chapter 13: Building a capable and developmental state	Outcome 10: Protect and enhance our environmental assets and national resources	Driver 12: Integrate environmental concerns into growth and development planning
Chapter 14: Fighting Corruption	Outcome 12: An efficient, effective and developmental orientated public service	Driver 15: Foster good governance to create a conducive climate for growth and development

## b) Strategic Priorities and Programmes

Based on the NDP, MTSF and FSGDS the department has identified several strategic priorities and programmes to deal with the outlined objectives:

Strategic Priority	Identified Priority Areas	Role of the DESTEA
<b>Strategic Priority 1:</b>	Speeding up growth and transforming the economy to create decent work and sustainable livelihoods.	<ul style="list-style-type: none"> <li>• Policy Development</li> <li>• Regulation</li> <li>• BBBEE Policy &amp; Monitoring</li> <li>• Market Research and Information dissemination</li> <li>• Promotion of trade &amp; export</li> <li>• Business and enterprise support</li> <li>• Small Business Development</li> <li>• Tourism Development</li> </ul>
<b>Strategic Priority 2:</b>	Massive programme to build economic Infrastructure.	<ul style="list-style-type: none"> <li>• Policy Development</li> <li>• Coordination and research</li> <li>• Environmental &amp; Economic Regulation</li> <li>• Enterprise support</li> <li>• Project Planning and Coordination</li> </ul>
<b>Strategic Priority 3:</b>	Strengthen the skills and human resource base.	<ul style="list-style-type: none"> <li>• Internship programmes</li> <li>• Skills transfer on a project basis</li> <li>• Policy Development</li> </ul>
<b>Strategic Priority 4:</b>	Improve the health profile of all South Africans.	<ul style="list-style-type: none"> <li>• Environmental regulation and policy development</li> <li>• Awareness campaigns</li> <li>• Pollution control and monitoring</li> <li>• Employment creation and economic development</li> </ul>
<b>Strategic Priority 5:</b>	Intensify the fight against crime and corruption.	<ul style="list-style-type: none"> <li>• Sound financial management in the Department that will ensure a clean (unqualified) audit report.</li> <li>• Enforcement of local and international environmental treaties</li> <li>• Implementation and administration of sound HR policies</li> <li>• Fraud and corruption prevention</li> </ul>
<b>Strategic Priority 6:</b>	Build cohesive, caring and sustainable communities.	<ul style="list-style-type: none"> <li>• Promotion of an inclusive policy environment</li> <li>• Promoting community, environmental and conservation programmes and projects</li> <li>• Promoting Batho Pele principles through all activities of the Department</li> </ul>
<b>Strategic Priority 7:</b>	Pursuing advancement of Africa and enhanced	<ul style="list-style-type: none"> <li>• International and African trade fairs and expos</li> </ul>

Strategic Priority	Identified Priority Areas	Role of the DESTEA
	international cooperation	<ul style="list-style-type: none"> <li>• Identification of foreign trade opportunities</li> <li>• Foreign trade development initiatives</li> <li>• SMME trade support</li> <li>• Promoting the Free State as a favourable business destination</li> </ul>
<b>Strategic Priority 8:</b>	Sustainable Resource Management and use.	<ul style="list-style-type: none"> <li>• Environmental resource regulation, monitoring and coordination.</li> <li>• Development of agrarian and mining regulations to ensure sustainability</li> <li>• Sound financial management practices that will ensure that all resources are used in an efficient and effective manner.</li> </ul>
<b>Strategic Priority 9:</b>	Building a developmental state including improvement of public services and strengthening democratic institutions.	<ul style="list-style-type: none"> <li>• Policy development that is cognisant of community well-being.</li> <li>• All actions by DESTEA should be aligned with the Bill of Rights in the Constitution.</li> <li>• Contributing to an environment conducive to economic growth.</li> <li>• Institutional cooperation and outreach programmes.</li> <li>• Assuming accountability within the structures of government and community welfare</li> </ul>

#### 4.4.2. State of the Nation and Province Addresses

The State of the Nation and Province Addresses underline the importance of dealing with issues such as economic development, poverty, unemployment, education and equality.

#### 4.4.3. Outcome Based Performance Management Policy priorities

Outcomes based performance management is the ultimate desired changes and improvement that government wants to make to enhance the impact of its interventions. This is a management approach which entails planning, managing, monitoring and evaluation, which will ensure that intended outcomes are achieved.

Fourteen distinct priority outcomes emerge from the ANC Manifesto, National Development Plan and the MTSF, which will represent 80% of government budget and these are as follows:

1. Quality basic education.
2. A long healthy life for all.
3. All people in South Africa are and feel safe.
4. Decent employment through inclusive economic growth.
5. Skilled and capable workforce to support an inclusive growth path.

6. An efficient, competitive and responsive economic infrastructure network.
7. Vibrant, equitable and sustainable rural communities contributing towards food security for all.
8. Sustainable human settlements and improved quality of household life.
9. Responsive, accountable, effective and efficient local government system.
10. Protect and enhance our environmental assets and natural resources.
11. Create a better Africa and a better world — make our contribution to global relations.
12. An efficient, effective and developmental orientated public service and an empowered, fair and inclusive citizenship.
13. Social Protection
14. Nation Building and Social Cohesion

The DESTEA leads in Outcomes number 4 and 10 and this will be the main focus of this plan.

#### 4.5. Relevant Court Rulings

There have been no relevant court cases or rulings.

#### 4.6. Planned Policy Initiatives

The Department plans to continue with implementation of:

1. All environmental policies and legislation.
2. Trade related policies.
3. Economic development policies, including SMMEs and cooperative development.
4. Consumer protection and business regulations policies and legislation.
5. Tourism related policies.

## 5. SITUATIONAL ANALYSIS

### 5.1. Performance Environment

The 2011 census indicated that the Free State Province has an estimated population of 2 745 590, which is the second smallest share (5.3%) of the South African population. Females represent the majority of the population with a total of 1 416 623 (51.6%) followed by males with a total of 1 328 967 (48.4%). According to Global Insight, when this population is structured according to age, the following picture emerges:

**Figure 1: Population structure, Total – 2013**

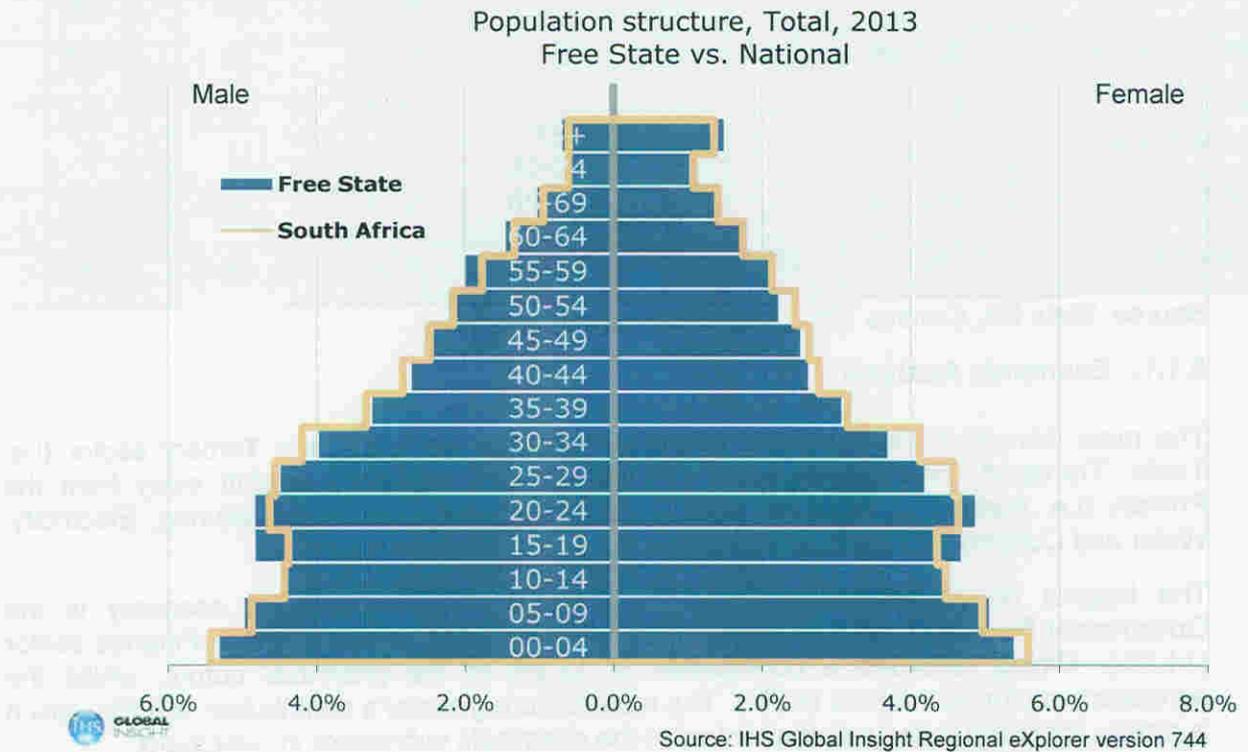


Figure 1 clearly demonstrates the dominance of the age groups 0-4 followed by 5-9, 20-24, 15-19 and 25-29. These age groups, except for the 0-4 and 5-9 age groups, represent the youth that should be equipped with the necessary skills and training in order to be absorbed into the labour market. This population structure requires DESTEA as the lead department in economic development to adjust its activities and functions, ensuring that the majority of its services will benefit these age groups.

Most of the population resides, as per Table 1 in, Mangaung Metro (747 431), followed by Thabo Mofutsanyane (736 258) and Lejweleputswa (627 626). Xhariep has a population of 146 259. Table 1 furthermore depicts that 65.4% of the people is within the age structure of 15-64 followed by 29.1% under the age of 15 years. Only 5.5% of the population is within the age structure of 65 years and older.

**Table 1: Population, age structure and dependency ratio - 2011**

	Population 2011	Age structure			Depende ncy Ratio	Sex Ratio	Population Growth (% p.a.)	
		<15	15-64	65+	Per 100 (15-64)	Males per 100 females		
		2011	2011	2011	2011	2011	1996- 2001	2001- 2011
Free State	2 745 590	29.1	65.4	5.5	52.9	93.8	0.55	0.14
Xhariep	146 259	30.8	62.9	6.3	59.0	96.1	2.09	-1.07
Lejweleputswa	627 626	28.9	66.1	5.0	51.4	97.4	-1.36	-0.46
Thabo Mofutsanyane	736 258	31.9	62.6	5.5	59.6	87.3	1.33	-0.61
Fezile Dabi	488 036	28.1	65.8	6.1	51.9	98.6	0.48	0.61
Mangaung	747 431	26.9	67.8	5.3	47.4	94.0	1.34	1.47

Source: Stats SA, Census 2011, Municipal Fact Sheet

### 5.1.1. Economic Analysis

The main drivers of the provincial economy currently are within the Tertiary sector (i.e. Trade, Transport, Finance, Personal and Government services), a shift away from the Primary (i.e. Agriculture & Mining sectors) and Secondary (i.e. Manufacturing, Electricity, Water and Construction sectors) industries.

The biggest contributor (as indicated in Table 2) to the provincial economy is the Government Services with a contribution of 14.7% in 2014 followed by the Finance sector (14.2%). Mining recorded a contribution of 13.3% to the provincial output, whilst the agriculture sector contributed (4.3%). The manufacturing sector's contribution is 8.5%, which is mostly attributed to the activities linked to the chemicals sub-sector in Sasolburg.

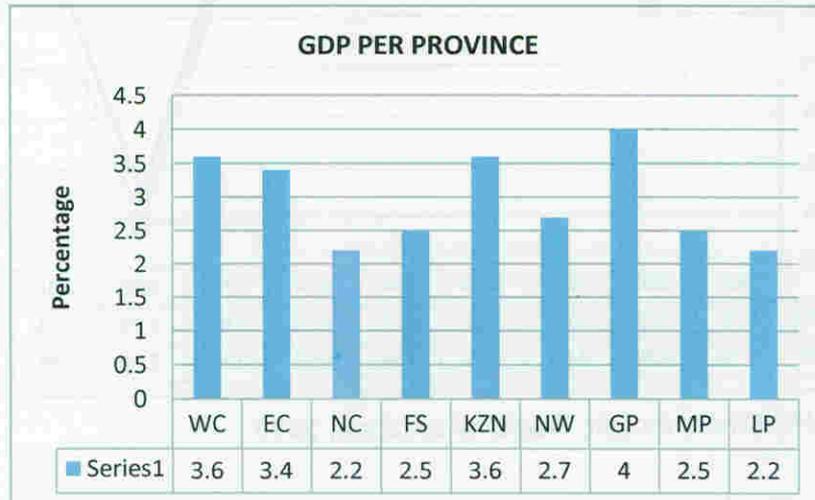
**Table 2: Gross Domestic Product (GDP) contribution by sector 2010 - 2014 (Percentage contributions)**

Sector	2010	2011	2012	2014
<b>Primary Industries</b>	<b>18.0</b>	<b>18.4</b>	<b>17.6</b>	<b>17.6</b>
Agriculture	4.4	4.3	4.6	4.3
Mining	13.6	14.1	13.0	13.3
<b>Secondary Industries</b>	<b>14.5</b>	<b>13.3</b>	<b>13.0</b>	<b>13.6</b>
Manufacturing	9.7	8.4	7.9	8.5
Electricity	2.9	3.0	3.1	3.1
Construction	2.0	2.0	1.9	2.0
<b>Tertiary Industries</b>	<b>58.0</b>	<b>58.1</b>	<b>59.2</b>	<b>58.5</b>
Trade	12.1	12.4	13.2	12.3
Transport	6.8	7.1	6.9	7.1
Finance	14.2	13.9	14.5	14.2
Personal services	10.8	10.2	10.4	10.2
Government services	14.1	14.4	14.1	14.7
<b>Total Industries</b>	<b>90.6</b>	<b>89.8</b>	<b>89.7</b>	<b>89.7</b>
Taxes less subsidies on products	9.4	10.2	10.3	10.3
<b>Total GDP</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Source: Stats SA, GDP, Q1 2014**

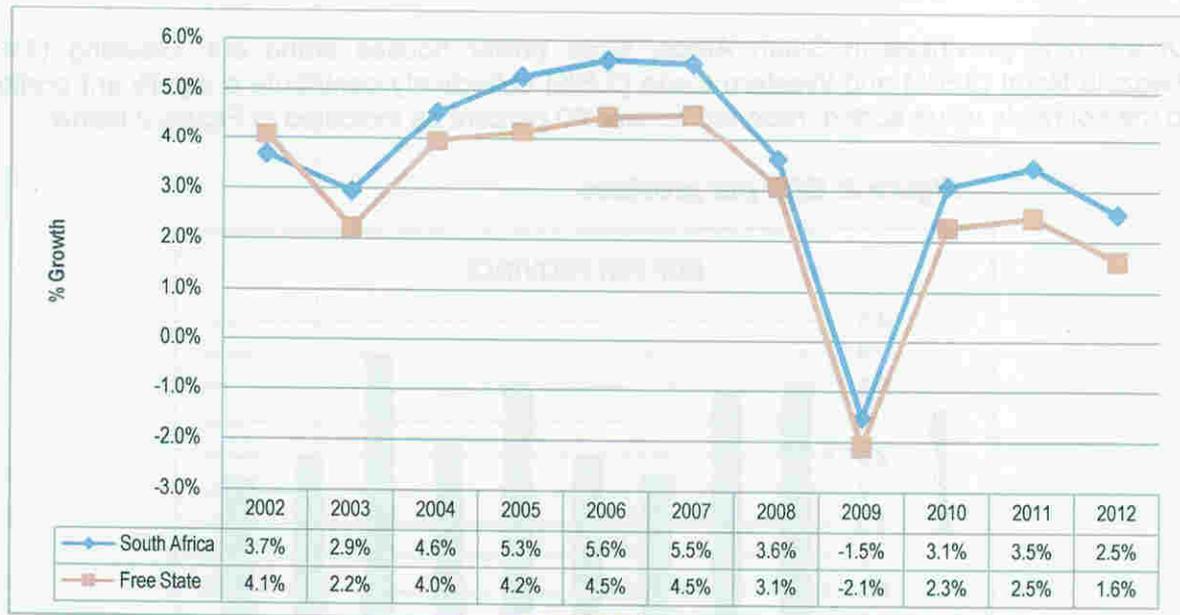
Of the nine provinces in South Africa, three power houses stand out. Gauteng (4%), Kwazulu-Natal (3.6%) and Western Cape (3.6%) collectively contribute a significant portion to the country's value added, reported at over 60 percent as indicated in Figure 2 below.

**Figure 2: GDP per province**



**Source: Stats SA, GDP, Q1 2014**

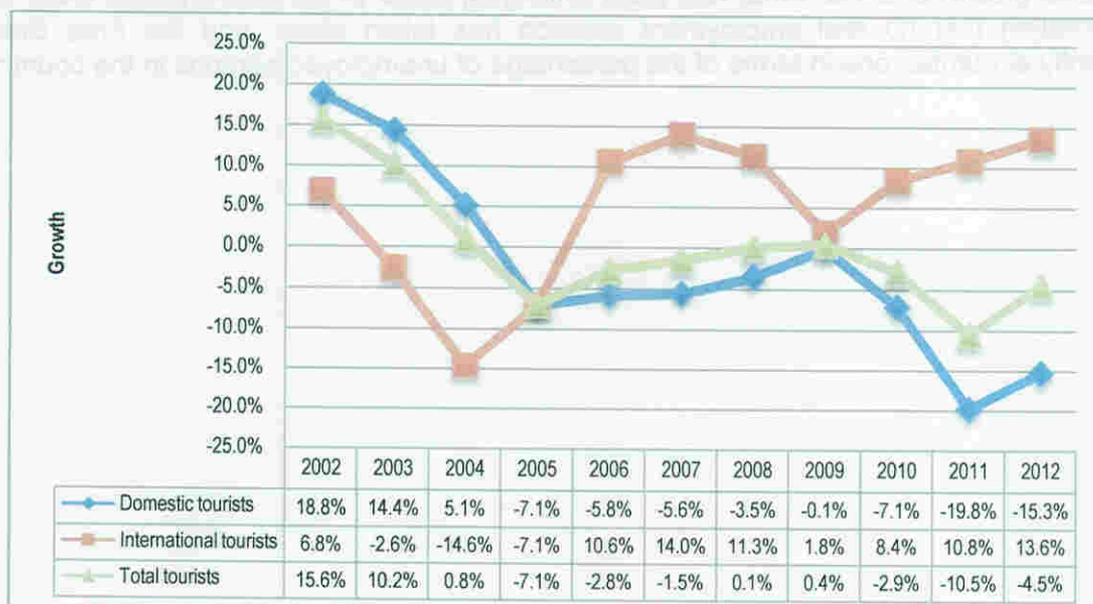
Figure 3, below, indicates and thus confirm that the Free State growth performance has lagged behind the National average, and the other major provinces such as Gauteng, Kwazulu-Natal and the Western Cape. According to the 2011 Free State Provincial Economic Review & Outlook (FSPERO), between 2007 and 2010, the Free State growth rate averaged 1.97%, whilst the National average for the same period was 2.57%, which translated to a difference of about 0.60 percentage points below the National average. Pre-recession, the province's growth was at an average of 3.2% (i.e. 2002 until 2008), and hit a slump following the financial crisis that plummeted the global economy in 2009 to register a negative growth of 2.1%. What has been a stinging factor in the post-financial crisis is the observation that no real employment creation has taken place, and the Free State is currently at number one in terms of the percentage of unemployed persons in the country.

**Figure 3: South Africa and Free State Growth, 2002 - 2012**


Source: IHS Global Insight, Regional eXplorer, 2013

### 5.1.2. Tourism Sector

The Free State tourism market, quoting the Provincial Economic Review & Outlook (PERO) 2013, is mainly a domestic market with emphasis on business- and weekend tourism. To improve the province's share of tourism, a number of strategic interventions are required at local municipal level to plan and prioritize tourism possibilities, such as the expansion of tourism routes, prioritising of continuous education and skills development, as well as the development of a more diversified ownership profile in respect of tourism establishments.

**Figure 4: Free State Tourists by categories – Growth – 2002 - 2012**


Source: IHS Global Insight, Regional eXplorer, 2013



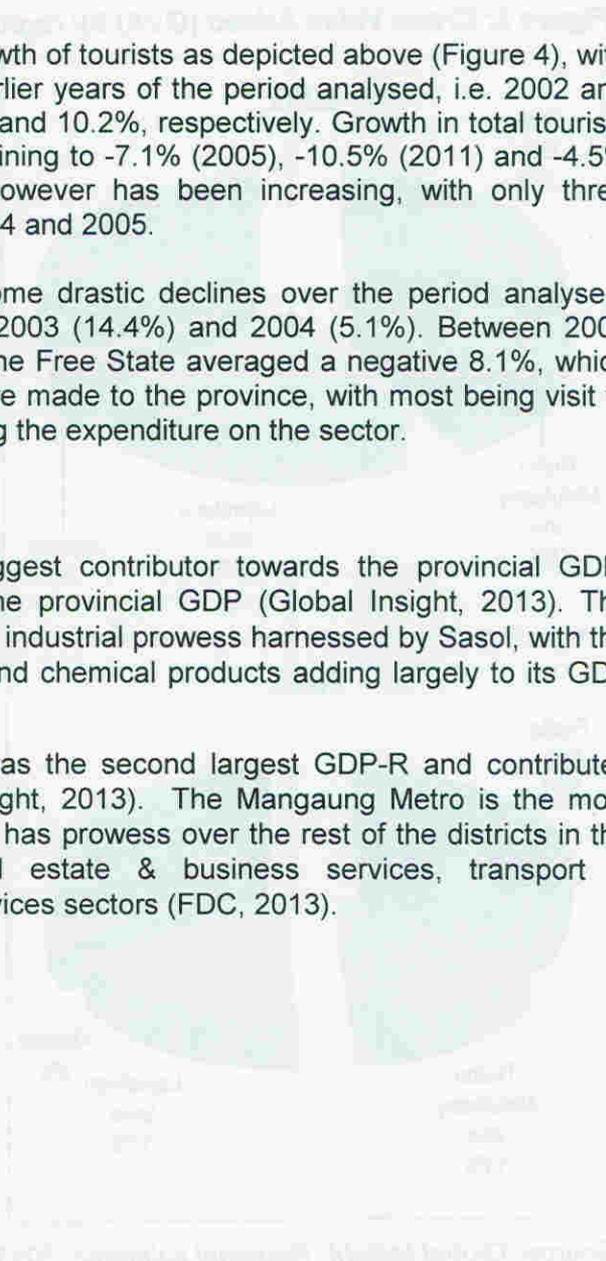
There has been a general decline in the growth of tourists as depicted above (Figure 4), with notable positive growth in tourists in the earlier years of the period analysed, i.e. 2002 and 2003, with growth registered around 15.6% and 10.2%, respectively. Growth in total tourists since this period have been continually declining to -7.1% (2005), -10.5% (2011) and -4.5% (2012). Growth in International tourists, however has been increasing, with only three consecutive years of declines, i.e. 2003, 2004 and 2005.

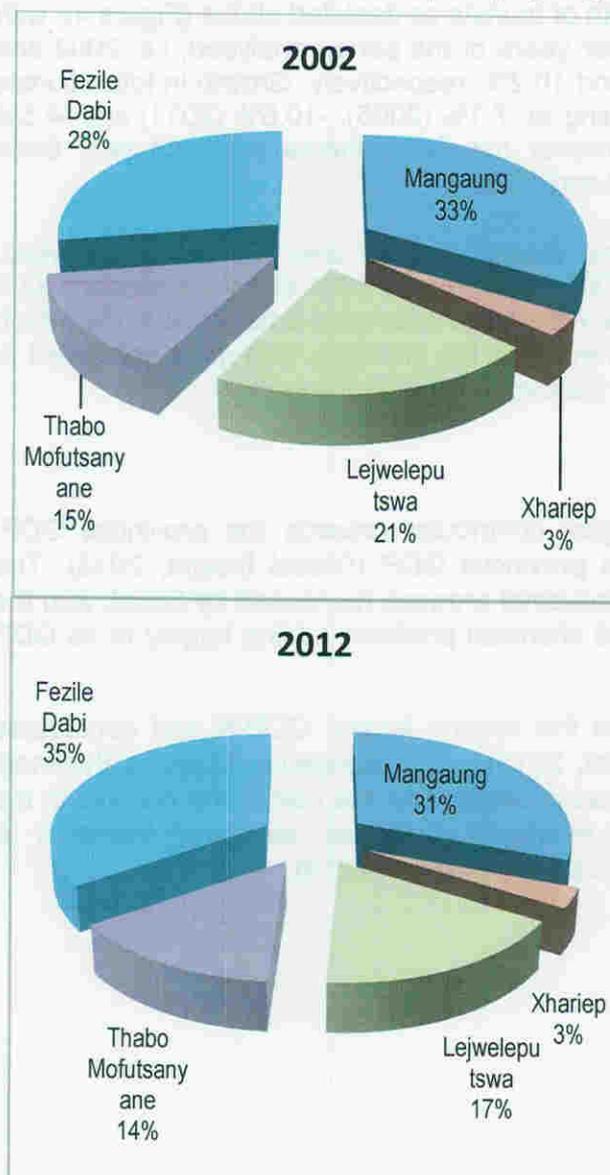
The domestic tourism market has seen some drastic declines over the period analysed. Increasing only for periods 2002 (18.8%), 2003 (14.4%) and 2004 (5.1%). Between 2005 and 2012, the domestic tourism growth in the Free State averaged a negative 8.1%, which can be attributed to the type of visits that are made to the province, with most being visit to family member in the province, thus nullifying the expenditure on the sector.

**5.1.3. Performance of Districts**

Fezile Dabi district municipality is the biggest contributor towards the provincial GDP, contributing approximately 35% towards the provincial GDP (Global Insight, 2013). The Fezile Dabi area is mostly dominated by the industrial prowess harnessed by Sasol, with the manufacturing of refined petroleum, coke and chemical products adding largely to its GDP (FDC, 2013).

The Mangaung Metropolitan Municipality has the second largest GDP-R and contributes 31% towards provincial output (Global Insight, 2013). The Mangaung Metro is the most developed of the district municipalities, and has prowess over the rest of the districts in the wholesale, retail & trade, finance, real estate & business services, transport & communication and community & social services sectors (FDC, 2013).



**Figure 5: Gross Value Added (GVA) by region**

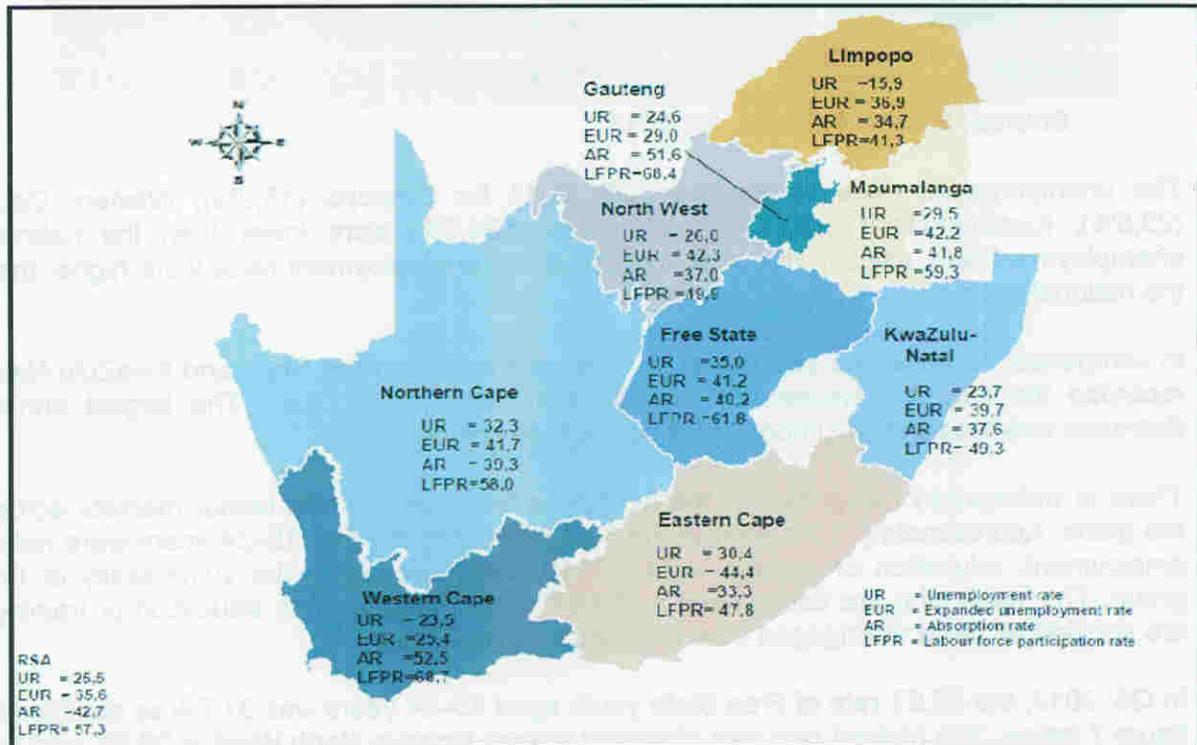
Source: Global Insight, Regional eXplorer, 2013

As depicted in figure 5 above, Fezile Dabi's contribution to provincial output has increased to 35% in 2012 from 28% in 2002, propelling the district to the number one spot when ranking the district by the size of their economy. Mangaung has moved from being the largest contributor to provincial GDP in 2002 with a share of 33% to second position in 2012 with a share of 31%, while Lejweleputswa (17%) and Thabo Mofutsanyane (14%) remain third and fourth respectively. Xhariep remains the smallest region with an unchanged share of 3%.

The large share of the Mangaung Metro in the provincial economy is essentially as a result of its tertiary sector concentration in the province, but that it's GVA is almost on par with Fezile Dabi's (which is essentially composed of secondary markets) that might point to the fact that the metropolitan might be performing below its optimal level (as per PERO 2013). As noted before, the Lejweleputswa district municipality's dependence on commodity markets plays a very large part in its GVA, since external forces determine most of the value created in the district which mostly revolves around mining. The Xhariep and Thabo Mofutsanyane district municipalities, mostly dealing in the primary sector (mostly agriculture), need to diversify and localize their supply chain, along with other measures to increase the efficiency of their labour and capital around creating value in their economies.

### 5.1.4. Free State Labour Market

Figure 6: Labour market measures at a glance, Q2: 2014



Source: Stats SA, QLFS, Q2: 2014

### 5.1.5. Unemployment

The official unemployment rate increased in five of the nine provinces between Q1: 2014 and Q2: 2014 as indicated in Table 3. The Free State province recorded the lowest increase of 0,3% (34, 7% to 35,0%) and the largest increases were recorded in Northern Cape, KwaZulu-Natal and Western Cape (3,3; 3,0; 2,6 percentage points respectively). During the same period the official unemployment rate decreased in Limpopo (2,5 percentage points), North West (1,7 percentage points), Gauteng (1,2 percentage points) and Mpumalanga (0,9 percentage points).

Table 3: Unemployment rate by province (official unemployment rate)

	APR- JUN 2013	JAN- MAR 2014	APR- JUN 2014	QTR-TO- QTR CHANGE	YEAR- ON-YEAR CHANGE
	Per cent			Percentage points	
South Africa	25,3	25,2	25,5	0,3	0,2
Western Cape	23,6	20,9	23,5	2,6	-0,1
Eastern Cape	30,2	29,4	30,4	1,0	0,2
Northern Cape	29,5	29,0	32,3	3,3	2,8
Free State	32,8	34,7	35,0	0,3	2,2

KwaZulu-Natal	22,2	20,7	23,7	3,0	1,5
North West	26,7	27,7	26,0	-1,7	-0,7
Gauteng	24,9	25,8	24,6	-1,2	-0,3
Mpumalanga	29,0	30,4	29,5	-0,9	0,5
Limpopo	17,8	18,4	15,9	-2,5	-1,9

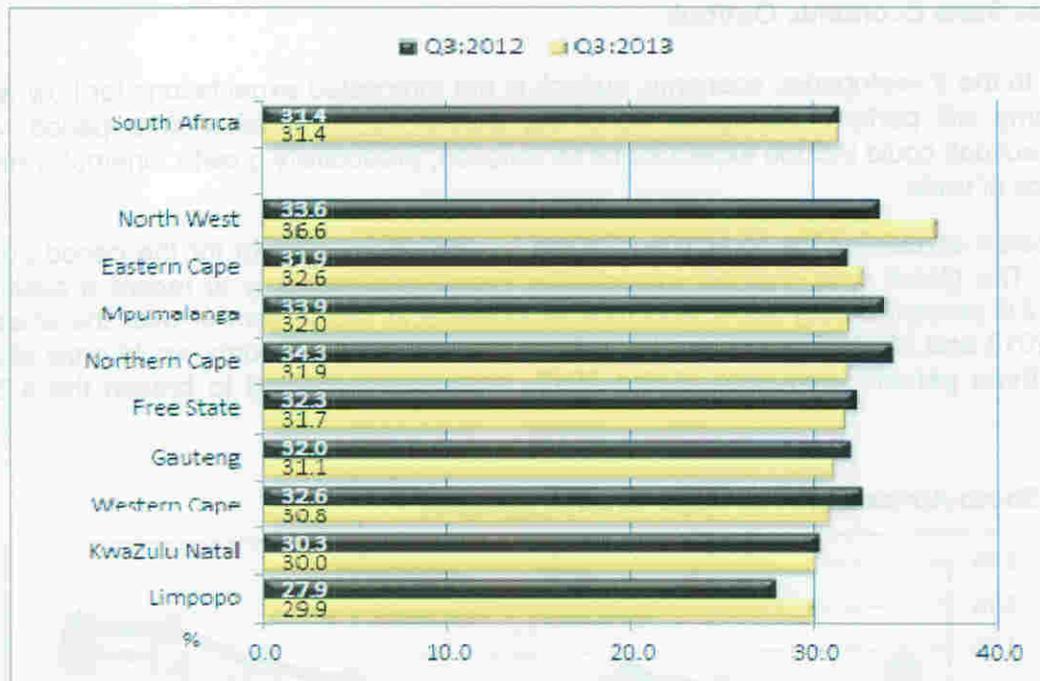
Source: Stats SA, QLFS, Q2 2014

The unemployment rates observed in Q2: 2014 for Limpopo (15,9%), Western Cape (23,5%), KwaZulu-Natal (23,7%), and Gauteng (24,6%) were lower than the national unemployment rate, while in the other five provinces unemployment rates were higher than the national average.

In comparison to the same period last year, Northern Cape, Free State and KwaZulu-Natal recorded the largest increases in the official unemployment rate. The largest annual decrease was recorded in Limpopo (1,9 percentage points).

There is widespread recognition of the difficulties faced by youth in labour markets across the globe. Approximately 3.3 million of the 10.4 million youth aged 15–24 years were not in employment, education or training in Q3: 2013, which highlights the vulnerability of this group. The youth who are categorised as NEET (not in employment, education or training) are considered to be disengaged from both work and education.

In Q3: 2013, the NEET rate of Free State youth aged 15–24 years was 31.7% as depicted in figure 7 below. The highest rate was observed among those in North West at 36.6% and the lowest in Limpopo at 29.9%. Over the period Q3: 2012 to Q3: 2013, the rate declined in every province except North West, Eastern Cape and Limpopo. Free State recorded a decline of 0.6%

**Figure 7: NEET rate<sup>1</sup> of youth aged 15–24 years by province**

<sup>1</sup>Note: NEET rate = (Number of unemployed youth + number of youth not in the labour force) – (number of unemployed youth and youth not in the labour force who are in education or training)/ Total number of youth x 100.

### 5.1.6. Employment

Employment (as per Table 4), year-on-year basis was created in the following sectors: Mining (8 000), Trade (9 000) and Finance (9 000) sectors. Jobs however were lost in the Agriculture (2 000), Manufacturing (2 000), Construction (2 000), Transport (2 000), Community and social services (14 000), and Private households (14 000).

**Table 4: Employment by industry - Free State**

Industry	Apr-Jun 2013	Jan-Mar 2014	Apr-Jun 2014	Qtr-to-Qtr change	Year-on-year change
	Thousand	Thousand	Thousand	Thousand	Thousand
Agriculture	65	57	62	5	-2
Mining	21	27	29	2	8
Manufacturing	64	56	62	6	-2
Utilities	6	3	4	1	-2
Construction	50	52	48	-4	-2
Trade	141	148	151	3	9
Transport	34	36	32	-4	-2
Finance	58	58	67	10	9
Comm & Soc Ser	220	206	206	1	-14
Private Households	97	80	83	2	-14

Due to rounding, numbers do not necessarily add up to totals

Source: Stats SA, QLFS, Q2 2014

### 5.1.7. Free State Economic Outlook

According to the Investopedia, economic outlook is the forecasted expectations for how well the economy will perform during an upcoming quarter, year or other time period. An economic outlook could include expectations for inflation, productivity growth, unemployment and balance of trade.

Figure 8 below articulates the forecasted figures by IHS Global Insight for the period 2013 and 2017. The global data provider expects the Free State economy to record a positive growth of 2.6 percent during 2014, and thus to increase in momentum of over the ahead. Between 2013 and 2017, Global Insight anticipate the provincial economy would grow at an averaged three percent, and peak during 2017, when it is expected to breach the 4.2% mark.

**Figure 8: South Africa and Free State Growth forecast**



Source: IHS Global Insight, *Regional eXplorer*, 2013

Table 5 below, depicts the Gross Value Added (GVA) by industry in the Free State economy for the period 1996 to 2012 and projections up to the year 2017. During the period 1996 to 2012, the fastest growing industry was finance with an average growth rate of 4.1%, followed by transport (3.4%) and manufacturing (2.7%). The slowest growing industries on the other hand were mining (-2.0%), agriculture (0.2%) and electricity (0.9%). For the period 2013 to 2016, the tertiary industries are projected to be the drivers of the Free State economy.

**Table 5: Free State Gross Value Added (GVA) by industry**

	Agriculture	Mining	Manufacturing	Electricity	Construction	Trade	Transport	Finance	Services	Community
<b>2008</b>	6.1%	16.2%	12.1%	2.8%	2.0%	11.3 %	8.1%	16.4%	24.9%	
<b>2009</b>	5.9%	14.5%	11.5%	3.5%	2.3%	12.1 %	7.6%	16.0%	26.6%	
<b>2010</b>	4.8%	14.8%	10.8%	3.2%	2.2%	13.6 %	7.6%	16.0%	27.1%	
<b>2011</b>	4.8%	14.8%	9.5%	3.4%	2.3%	13.8 %	8.0%	15.8%	27.7%	
<b>2012</b>	4.8%	13.8%	9.1%	3.4%	2.3%	14.5 %	7.9%	16.0%	28.1%	
<b>2013</b>	4.7%	12.6%	9.2%	3.4%	2.4%	14.6 %	8.0%	16.3%	28.8%	
<b>2014</b>	4.3%	10.7%	9.4%	3.4%	2.4%	14.9 %	8.3%	16.9%	29.6%	
<b>2015</b>	4.3%	9.7%	9.6%	3.4%	2.4%	15.0 %	8.4%	17.2%	30.0%	
<b>2016</b>	4.2%	8.8%	9.7%	3.5%	2.5%	15.1 %	8.5%	17.5%	30.3%	
<b>2017</b>	4.1%	8.1%	9.7%	3.5%	2.5%	15.1 %	8.6%	17.7%	30.8%	

Source: IHS Global Insight, Regional eXplorer, 2013

The forecasted figures of the Free State share of the South African economy by the IHS Global Insight forecasters, as depicted above, do not look rosy for the province. The overall contribution by the Free State to the country would decline by around 7.69 percentage points between 2012 and 2017, according to PERO 2013.

#### 5.1.8. Physical Environment

Game and Nature Reserves in the Free State Province include:

1. Caledon Nature Reserve
2. Erfenis Dam Nature Reserve
3. Gariep Dam Nature Reserve
4. Kalkfontein Dam Nature Reserve
5. Mount Everest Game Reserve

6. Sandveld Nature Reserve
7. Seekoeivlei Nature Reserve
8. Soetdoring Dam Reserve
9. Sterkfontein Dam Reserve
10. Tussen die Riviere Reserve
11. Willem Pretorius Game Reserve

Various factors have influenced the development of land use patterns in the Free State Province, the most important of which are rainfall distribution, mineral deposits, transport routes and political background. Of the total FS surface area, agriculture accounts for 90% of land use, 7% is used for settlements, 1.6% is set aside for formal conservation, while mining activity occupies approximately 0.4% of the Province. Biodiversity is defined in the Biodiversity Act (Act No. 10 of 2004) as "the variability among living organisms from all sources, including terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part and also includes diversity within species, between species and of ecosystems". Only about 3.4% of the land surface of the FS was formally conserved. The Vredefort Dome and Maluti-Drakensberg Transfrontier Conservation Area are World Heritage sites. A wide range of wetland types occur in the Free State, which contribute towards the overall biological diversity of the Province. Climate change is expected to bring considerable warming and drying to much of this already semi-arid region, with greater frequency and intensity of extreme weather events such as heat waves, flooding and drought. Three biomes occur within the Free State, namely the Grassland (72% of the Province), Nama Karoo (22%), and Savannah (6%). The three key, inter-related threats to biodiversity and ecosystem health are habitat removal, invasive alien species and climate change. About 34% of the grassland biome in the Free State has been irreversibly transformed through development, such as urban settlements, mining, agriculture and industrial facilities.

The average rainfall in South Africa is about 450 mm per annum, which is well below the world average of 860 mm per annum. In terms of the United Nations definition, South Africa is a water stressed country, bordering on water scarce. As a result, sound management of this valuable resource is essential to ensure optimum social and economic benefit in order to further the aims and aspirations of all the people.

The Free State Province is bordered in the north and northwest by the Vaal River, in the south by the Orange/Gariep River and in the east by the Caledon/Mohokare River. Numerous major tributaries, the Wilge, Liebenbergsvlei, Renoster, Vals, Sand, Vet, Modder and Riet Rivers divide the Province into eight secondary drainage regions. Two primary catchment areas (an area of land from which any rainfall will drain into the water course) are located in the Free State, namely the Vaal River catchment and the Orange River catchment. Surface water resources are well developed through the construction of several large dams. The water supply is augmented by various transfer schemes that import water from other water management areas (WMA), as well as from the Kingdom of Lesotho. Future water requirements will depend on increased water transfers. Groundwater is currently used for rural domestic supplies, stock watering and water supply to several towns, where surface water supply is inadequate or bulk water supply is not financially feasible. Groundwater is well utilised for water supply in the Middle Vaal, Lower Vaal and Upper Orange WMAs and is the only water resource available in many areas. Deteriorating water quality is impacting on the quantity of water appropriate for the different uses. Key issues of concern include the poor quality effluent discharged from municipal sewage treatment works due to overloading and/or poor operations and maintenance, polluted storm water run-off, high salinity pollution due to mining activities, as well as elevated salinity and nutrient pollution from poor farming practices. As a consequence of increased pollution levels, river health has deteriorated, resulting in loss of river functions and services, as well as the sustainability of the river ecosystem. Many wetlands of the Free



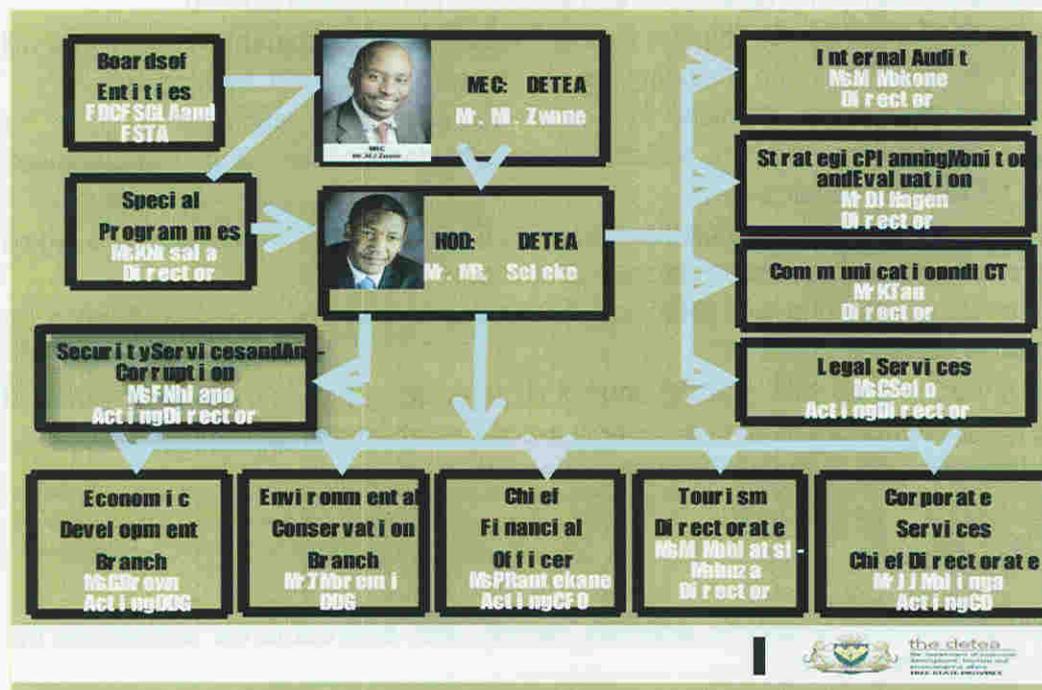
State have also been directly and/or indirectly impacted upon by a variety of different land uses and from chemical and biological pollutants.

Ambient air quality is impacted by human activities. Coal and wood is still often used as a fuel for cooking and heating in lower income dense communities, which generates emissions that are harmful to health and quality of life. Parameters are monitored continuously and reported to the national DEAT and DESTEA on a monthly basis. Methane, a greenhouse gas, is emitted from mining ventilation shafts. Waste incinerators have been identified as the principle source of dioxins and furans (Persistent Organic Pollutants (POPs)). Other sources of POPs include obsolete pesticides, which have not been quantified in the Free State.

### 5.2. Organisational Environment

In order for the department to comply with the relevant prescripts in the Public Service and to ensure that its objectives are achieved while remaining within the current budget and medium-term expenditure framework, all the vacant and unfunded posts on PERSAL were abolished. As a result, many posts which may not be filled over the MTEF period were taken off the PERSAL System. After this process, the Department is operating at a vacancy rate of 27.89%.

Thirty-two [32] posts were advertised from 2014 as part of the process of filling vacant and funded posts in the Department. Of the 32 posts advertised, 5 were on SMS level. Four (4) SMS posts have been filled - and nine [9] posts on levels 2 to 12 were filled. The process of filling the other posts is continuing. The Department also initiated a process of identifying officials that were not gainfully employed in components where they were appointed and after the necessary consultations, the affected officials were transferred to the appropriate sections where they will be effectively utilised.



### **5.2.1. Services required to undertake this include the following:**

#### **Economic and Small Business Development**

1. Development and review of economic policies and strategies to achieve and measure sustainable economic development.
2. Development and review of effective economic policies and strategies and manage economic information and support.
3. Promotion of trade and export.
4. Development and support of sustainable SMME's and cooperatives.
5. Ensure equitable, socially responsible business environment that allows for predictability.
6. Ensure the co-ordination of relevant economic research.
7. Monitor and evaluate the impact of departmental projects and initiatives.

#### **Tourism**

1. Creation of capacity to implement all elements of the NTSS
2. Establishment of a database of all tourism assets within the province and promote the registration of tourism businesses
3. Alignment of the Provincial Tourism Master Plan to the objectives of the NTSS
4. Integration NTSS elements within PGDS
5. Facilitation of the establishment of a Provincial Tourism Stakeholder Forum for collaboration and interaction between public and private sector
6. Development and promotion of campaigns / programmes aimed at stimulating domestic tourism in partnership with industry
7. Mobilisation for establishment of the Provincial Conventions and Events Bureau, which will coordinate provincial programmes and input into the National Bureau
8. Development of a provincial Tourism Human Resource Development Strategy that will address skills level, retention of quality people, career progression, training etc
9. Development of a comprehensive framework for supporting municipalities e. g for funding/budgeting for tourism initiatives, asset identification and management, planning for tourism development
10. Prioritisation of setting up of Visitor Information Centres (VICs) in the province which are managed well and provide up to date information
11. Establishment of relations with financing institutions to improve access to finance for tourism businesses
12. Monitoring compliance with grading council requirements, promote the importance of grading establishments and the use of only graded establishments
13. Promotion of tourism industry's compliance with BEE Charter.

#### **Environmental Affairs**

To ensure that all required economic activities comply with environmental regulations the following activities are necessary:

1. Conduct Environmental Impact Management in the Free State.
2. Develop and implement a framework for pollution control and waste management.
3. Develop and implement a framework for air quality control.
4. Manage environmental law enforcement.
5. Ensure compliance to environmental legislation.

6. Build capacity in environmental management.
7. Develop and implement an Environmental Policy for the Free State.
8. Conduct environmental planning and coordinate such initiatives.
9. Ensure biodiversity conservation.
10. Manage environmental protected areas in the Free State.
11. Conduct research and planning into the biodiversity of the Province.

### 5.2.2. Programme Structure

The programme structure of the Department is illustrated in the table below:

Programme	Sub programme
1. Administration	1.1 Office of the MEC 1.2 Management Services 1.3 Financial Management 1.4 Corporate Services
2. Environmental Affairs	2.1 Environmental Quality Management 2.2 Environmental Policy Coordination and Planning 2.3 Compliance and Enforcement 2.4 Biodiversity Management 2.5 Environmental Empowerment Services
3. Economic and Small Business Development	3.1 Small Business Development 3.2 Integrated Economic Development 3.3 Economic Research and Planning
4. Tourism	4.1 Tourism Planning 4.2 Tourism Growth and Development 4.3 Transformation of Tourism Sector

### 5.2.3. Capacity in the Department

The Department plans to increase its staff compliment for the next five years, as well as improve the skills profile of its personnel towards the end of improving efficiency. It should however be noted that the Department is facing challenges relating to high staff turnover rates and declining budgets received through the Medium Term Expenditure Framework.

### 5.3. The Description of the Strategic Planning Process

The Strategic Planning Process followed in the development of the Strategic Plan is illustrated by the following diagram. It is followed by a description of each step in the process.

Strategic Planning Steps		Description
Step 1: Mini planning sessions	A. Policy review	All relevant national and provincial policy documents that need to be incorporated in the strategic and annual performance plans of the Department were circulated to managers. These include the Outcome Based planning documents, previous plans, Treasury guidelines, programme structures and indicators.

Strategic Planning Steps		Description
	<b>B. Mini planning sessions</b>	All components in the Department held mini planning sessions in preparation for the Department strategic planning session. The previous plans were reviewed to identify strengths and weaknesses and to align with the outcome based plans.
<b>Step 2: Departmental Strategic plan</b>	<b>A. SWOT analysis</b>	A SWOT analysis was to identify Strengths, Weaknesses, Opportunities and Threats that face the Department. Remedial activities were then identified and these were incorporated in the new plans for the next financial year.
	<b>B. Identification of performance measures for annual and strategic plans</b>	Commissions were established in the planning session to identify performance measures for each programme of the Department. This exercise was done in conjunction with the public entities to ensure alignment in activities and collaboration in service delivery.
	<b>C. Finalisation of the plans</b>	Each programme held mini planning sessions after the Departmental strategic planning session to finalise their inputs in the Departmental plans. Strategic Planning Unit consolidated and quality checked the document to ensure compliance with regulations and planning requirements.
<b>Step 6: Submission of the plans</b>		The drafts of the strategic and annual performance plans of the Department were submitted to the Provincial Treasury in line with the regulations.

## 6. STRATEGIC OUTCOME ORIENTED GOALS

In order for the Department to fulfil its mandate, it has set the following strategic goals:

<b>Strategic Goal 1</b>	<b>Integrated and sustainable Economic Development.</b>
<b>Goal statement</b>	To stimulate integrated, regulated, informed and sustainable economic development through trade & investment facilitation, sector development and industrialisation, by providing services to the stakeholders which we service.
<b>Strategic Goal 2</b>	<b>Environmental assets conserved, valued, sustainably used, protected and continually enhanced to benefit the present and future generations.</b>
<b>Goal Statement</b>	To manage the environment in order to lead sustainable development of the environment for a better life for all in the province.
<b>Strategic Goal 3</b>	<b>Radical efficacy in business processes.</b>
<b>Goal Statement</b>	To ensure rapid and efficient business processes within the Department: - Doing business unusual (fast and efficient). - Enabling line function to achieve their mandates.
<b>Strategic Goal 4</b>	<b>To create a conducive environment for sustainable tourism growth and development in the Province.</b>

**Goal Statement**

A tourism industry that is supported by sound policies that seeks to transform the tourism industry through robust product development to effectively promote and market the Province as a tourist destination of choice.

The Department is committed to providing a high quality service to our customers and to ensuring that our services are efficient and effective. We will continue to work with our partners to improve our services and to ensure that we are meeting the needs of our customers.

## PART B: Strategic Objectives

### 7. PROGRAMME 1: ADMINISTRATION

The role of Programme 1 is to provide leadership and strategic management in accordance with legislation, regulations and policies, as well as providing appropriate support services to other programmes.

#### 7.1. Strategic Objectives

Baselines stated below are per the DESTE A Annual Report of 2013/14.

<b>Strategic Objective 1</b>	Mainstreaming of targeted and vulnerable groups.
<b>Objective statement</b>	To promote the interest of targeted and vulnerable groups through 19 campaigns in the 3 core programmes of the department.
<b>Justification</b>	<ul style="list-style-type: none"> <li>• NDP Chapter 3</li> <li>• MTSF Outcome 4</li> <li>• FSGDS Driver 11</li> </ul>
<b>Baselines</b>	<ul style="list-style-type: none"> <li>• 5 Campaigns conducted</li> <li>• 2 Gender Initiatives implemented</li> <li>• 3 Special projects undertaken</li> </ul>
<b>Strategic Objective 2</b>	Improve business processes and management controls within all programmes of the department.
<b>Objective statement</b>	Business processes and controls improved through 80 internal audit reports, 20 audit committee meetings and 20 performance reports.
<b>Justification</b>	<ul style="list-style-type: none"> <li>• NDP Chapter 14</li> <li>• MTSF Outcome 12</li> <li>• FSGDS 15</li> </ul>
<b>Baselines</b>	<ul style="list-style-type: none"> <li>• 14 Internal audit reports.</li> <li>• 2 Audit committee meetings</li> <li>• 4 Performance reports.</li> </ul>
<b>Strategic Objective 3</b>	Effective and Efficient Financial Management.
<b>Objective statement</b>	Improved financial management achieved through 60 IYM reports, 20 Interim Statements, 5 Procurement Plan and 5 stocktaking reports.
<b>Justification</b>	<ul style="list-style-type: none"> <li>• NDP Chapter 14</li> <li>• MTSF Outcome 12</li> <li>• FSGDS 15</li> </ul>
<b>Baselines</b>	<ul style="list-style-type: none"> <li>• 12 IYM reports.</li> <li>• 3 Interim statements.</li> <li>• 1 Stock taking report.</li> </ul>
<b>Strategic Objective 4</b>	Efficient organisational development, labour relations and wellness support.
<b>Objective statement</b>	Improved organizational design, discipline and wellness achieved through 100 evaluations, 50 training programmes and 5 HR Plans.
<b>Justification</b>	<ul style="list-style-type: none"> <li>• NDP Chapter 13</li> <li>• MTSF Outcome 12</li> </ul>

	<ul style="list-style-type: none"> <li>FSGDS 15</li> </ul>
<b>Baselines</b>	<ul style="list-style-type: none"> <li>43 Posts evaluated.</li> <li>8 Training programme.</li> </ul>

## 7.2. Resource Consideration

Sub-Programme	Audited	Audited	Audited	Main Appr.	Adjusted Appr.	Revised Estimate	Target	Target	Target
	2011/12	2012/13	2013/14	2014/15	2014/15	2014/15	2015/16	2016/17	2017/18
<b>1. Office of the MEC</b>	8280	9207	12887	10978	11328	11328	12529	13138	13795
<b>2. Senior Management</b>	15105	16702	33219	26380	24016	23262	28478	30562	32090
<b>3. Financial Management</b>	35057	40612	50320	54205	56019	56019	62568	64225	67436
<b>4. Corporate Service</b>	25105	30421	30579	32592	32642	33396	33818	35740	37527
<b>Total payments and estimates</b>	<b>83547</b>	<b>96942</b>	<b>127005</b>	<b>124155</b>	<b>124005</b>	<b>124005</b>	<b>137393</b>	<b>143665</b>	<b>150848</b>

### 7.2.1 Expenditure Trend

- For the financial year 2013/14 a total budget of R 128, 876 was allocated to Programme 1: Administration to implement Outcome 12 and the above listed strategic objectives of the Department. During this period R 127, 005 was spent, which is 97% of the budget.

## 7.3. Risk Management

Identified Risk	Rating	Impact *	Likelihood **
Incomplete and inaccurate reports from sections.	8	4	2
Delay in reviewing the risk register.	8	4	2
Credibility of information received.	12	4	3
Incorrect information captured on the financial statements.	10	5	2
Poorly maintained and rented properties.	25	5	5

\* SCALE OF 1-5 WHERE 1 IS LOW IMPACT AND 5 IS HIGH IMPACT

\*\* SCALE OF 1-5 WHERE 1 IS UNLIKELY AND 5 IS HIGHLY LIKELY



### 7.3.1. Risk Mitigation

<b>Identified Risk</b>	<b>Mitigation Strategies</b>
<i>Incomplete and inaccurate reports from sections.</i>	<i>No control.</i>
<i>Delay in reviewing the risk register.</i>	<i>1. Request APP in time. 2. Proper planning. (eg) draft schedule with dates and time).</i>
<i>Credibility of information received.</i>	<i>1. Awareness on Planning and reporting policy. 2. Implementation of key control measures.</i>
<i>Incorrect information captured on the financial statements.</i>	<i>1. Monthly updating of audit work file. 2. Compile accurate quarterly Interim Financial Statements.</i>
<i>Poorly maintained and rented properties.</i>	<i>No control.</i>

## 8. PROGRAMME 2: ENVIRONMENTAL AFFAIRS

The role of the programme is to regulate, manage and ensure the provision of environmental services in the province by contributing to sustainable development and inclusive economic growth.

### 8.1. Strategic Objectives

<b>Strategic Objective 1</b>	Sustainable Development ensured.
<b>Objective Statement</b>	24 Municipalities supported with environmental issues via various policies, tools and systems.
<b>Justification</b>	<ul style="list-style-type: none"> <li>• NDP Chapter 5</li> <li>• MTSF Outcome 10</li> <li>• FSGDS 12</li> </ul>
<b>Baseline</b>	<ul style="list-style-type: none"> <li>• 24 IDP's reviewed for environmental content</li> <li>• Climate Change Response Strategy</li> <li>• Free State Environmental Outlook</li> <li>• Environmental IDP Toolkit</li> <li>• Environmental Implementation Plan</li> </ul>

<b>Strategic Objective 2</b>	Environmental Empowerment and Capacity Building.
<b>Objective Statement</b>	Empower the sector through the creation of environmental awareness amongst 50000 people, training of 1000 community members and inclusion of 110 schools in environmental programmes.
<b>Justification</b>	<ul style="list-style-type: none"> <li>• NDP Chapter 5</li> <li>• MTSF Outcome 10</li> <li>• FSGDS 12</li> </ul>
<b>Baseline</b>	<ul style="list-style-type: none"> <li>• 201 Schools registered as eco-schools</li> <li>• 535 Community members trained in basic environmental management</li> <li>• 26 Environmental Awareness activities conducted.</li> <li>• 5 Conservancies established</li> </ul>

	<ul style="list-style-type: none"> <li>• 104 landscape planning's conducted</li> <li>• 31 432Plants produced(cultivated)</li> <li>• 20 009 Plants planted in landscapes.</li> <li>• Hennenman Waste Reclaim Centre Launched</li> </ul>
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<b>Strategic Objective 3</b>	Improved compliance with Environmental Legislation.
<b>Objective Statement</b>	Ensure compliance in the sector through 1250 compliance inspections, 250 criminal enforcements and 170 administrative enforcements.
<b>Justification</b>	<ul style="list-style-type: none"> <li>• NDP Chapter 5</li> <li>• MTSF Outcome 10</li> <li>• FSGDS 12</li> </ul>
<b>Baseline</b>	<ul style="list-style-type: none"> <li>• 87 criminal enforcement actions carried out.</li> <li>• 53 administrative enforcement actions carried out.</li> <li>• 586 compliance inspections carried out</li> <li>• Finalise 8 Section 24G applications.</li> <li>• Issue 5156 biodiversity permits</li> </ul>

<b>Strategic Objective 4</b>	Ensure a Healthy Environment.
<b>Objective Statement</b>	Manage the quality of the environment and climate change through ensuring that at least 80% of licensing applications are finalised with the legislated timeframes.
<b>Justification</b>	<ul style="list-style-type: none"> <li>• NDP Chapter 5</li> <li>• MTSF Outcome 10</li> <li>• FSGDS 12</li> </ul>
<b>Baseline</b>	<ul style="list-style-type: none"> <li>• Issued 16 Waste Management Licenses</li> <li>• 31Facilities trained on waste information system</li> <li>• 2 Workshops held with Environmental Assessment Practitioners</li> <li>• Held 4 Quarterly Waste Management Officers Forums for Municipalities</li> <li>• Held 4 workshops with Sector Departments</li> <li>• Held 4 Quarterly Air Quality Officers' Forum for Municipalities</li> <li>• 7 Section 24G applications finalised</li> </ul>

<b>Strategic Objective 5</b>	Management of provincial nature reserves, resorts and biodiversity.
<b>Objective Statement</b>	Increase the conservation estate of the province to 909000ha, through effective planning and management practises.
<b>Justification</b>	<ul style="list-style-type: none"> <li>• NDP Chapter 5</li> <li>• MTSF Outcome 10</li> <li>• FSGDS 12</li> </ul>
<b>Baseline</b>	<ul style="list-style-type: none"> <li>• 11Protected Areas (PA) with approved management plans</li> </ul>

## 8.2. Resource Considerations

Sub-Programme	Audited	Audited	Audited	Main Appr.	Adjusted Appr.	Revised Estimate	Target	Target	Target
	2011/12	2012/13	2013/14	2014/15	2014/15	2014/15	2015/16	2016/17	2017/18
1. Environmental Quality Management	9214	8627	7211	16701	16701	16362	18392	20519	21545
2. Environmental Policy Coordination & Planning	2978	3937	11567	4308	4308	13158	5758	6063	6366
3. Compliance and Enforcement	14756	15157	16652	15616	15736	16377	13811	14456	15179
4. Biodiversity Management	115490	111547	92642	124203	84295	86323	103204	113824	119824
5. Environmental Empowerment Services	12225	15039	8354	14004	14304	6470	13238	13937	14633
<b>Total</b>	<b>154663</b>	<b>154307</b>	<b>136426</b>	<b>174832</b>	<b>135344</b>	<b>138690</b>	<b>154403</b>	<b>168799</b>	<b>177548</b>

### 8.2.1. Expenditure Trend

- The expenditure incurred in this programme was to contribute to the achievement of goal 2 of the Department, which is to ensure sustainable environmental conservation within the Province. This also contributed to the Outcome 10 as set out in the prioritised national Outcome Based Plan. Expenditure pattern in this programme changed from 96% in 2011/12, 97% in 2012/13 and 97% in 2013/14.

## 8.3. Risk Management

Identified Risk	Rating	Impact	Likelihood
Environmental protection and quality compromised.	16	4	4
Increase in environmental criminal activities.	8	4	2
No facilities linked to the system for reporting purposes.	12	4	3
Uncoordinated and ineffective management of wetland in the free state.	12	4	3
Civil Claims against the department.	12	4	3

\* SCALE OF 1-5 WHERE 1 IS LOW IMPACT AND 5 IS HIGH IMPACT

\*\* SCALE OF 1-5 WHERE 1 IS UNLIKELY AND 5 IS HIGHLY LIKELY

### 8.3.1. Risk Mitigation

<b>Identified Risk</b>	<b>Mitigation Strategies</b>
<i>Environmental protection and quality compromised.</i>	<i>Draft Conservation Bill compiled and workshop with all the stakeholders.</i>
<i>Increase in environmental criminal activities.</i>	<i>Designation of EMI's Collaboration with SAPS.</i>
<i>No facilities linked to the system for reporting purposes.</i>	<i>Capacitate officials.</i>
<i>Uncoordinated and ineffective management of wetland in the free state.</i>	<i>Using existing personnel to develop guidelines.</i>
<i>Civil Claims against the department.</i>	<i>Draft Conservation Bill compiled and workshop with all the stakeholders.</i>

## 9. PROGRAMME 3: ECONOMIC AND SMALL BUSINESS DEVELOPMENT

The aim of this programme is to enhance the development and growth of SMME businesses in the province through training as well as providing financial and non-financial support.

### 9.1. Strategic Objectives

<b>Strategic Objective 1</b>	To promote and support radical economic development
<b>Objective statement</b>	Support 21 value chains, 14 industrial developments and 14 businesses through various developmental initiatives, partnerships and alternative funding resource facilitation.
<b>Justification</b>	<ul style="list-style-type: none"> <li>• NDP Chapter 3</li> <li>• MTSF Outcome 4</li> <li>• FSGDS 3</li> </ul>
<b>Baselines</b>	<ul style="list-style-type: none"> <li>• 82 Businesses assisted.</li> </ul>

<b>Strategic Objective 2</b>	To promote effective and efficient economic planning, research and innovation.
<b>Objective statement</b>	Coordinate and facilitate the initiation of 26 research and development projects, development of 20 economic intelligence reports and conducting of 13 seminars to support economic planning, research and innovation in the province.
<b>Justification</b>	<ul style="list-style-type: none"> <li>• NDP Chapter</li> <li>• MTSF Outcome</li> <li>• FSGDS</li> </ul>
<b>Baselines</b>	<ul style="list-style-type: none"> <li>• 6 Economic intelligence reports.</li> </ul>

<b>Strategic Objective 3</b>	To affirm and protect the consumer rights of all people in the province.
<b>Objective statement</b>	Conclude 100% of all consumer complaints received and facilitate 40 consumer court sittings in order to affirm and protect the consumer rights of all citizens in the province.
<b>Justification</b>	<ul style="list-style-type: none"> <li>• NDP Chapter</li> <li>• MTSF Outcome</li> <li>• FSGDS</li> </ul>

<b>Baselines</b>	<ul style="list-style-type: none"> <li>• 438 Complaints received.</li> <li>• 404 Complaints resolved.</li> </ul>
<b>Strategic Objective 4</b>	To support radical SMME and cooperative development through partnerships.
<b>Objective statement</b>	Coordinate, facilitate and monitor the development and support of 840 sustainable SMME's and 170 sustainable cooperatives respectively through various business development initiatives.
<b>Justification</b>	<ul style="list-style-type: none"> <li>• NDP Chapter 3</li> <li>• MTSF Outcome 4</li> <li>• FSGDS 3</li> </ul>
<b>Baselines</b>	<ul style="list-style-type: none"> <li>• 117 SMME's supported</li> <li>• 256 Cooperatives supported.</li> </ul>

## 9.2 Resource Considerations

Sub-Programme	Audited	Audited	Audited	Main Appr.	Adjusted Appr.	Revised Estimate	Target	Target	Target
	2011/12	2012/13	2013/14	2014/15	2014/15	2014/15	2015/16	2016/17	2017/18
1. <i>Integrated Economic Development</i>	49161	34569	31210	9870	17200	19818	21893	13530	14851
2. <i>Economic Research and Planning</i>	56846	58845	62282	66055	68474	70275	69048	68445	71765
3. <i>Small Business Development</i>	7868	4471	24292	20832	47880	41310	33704	26319	28887
<b>Total</b>	<b>113875</b>	<b>97885</b>	<b>117784</b>	<b>96757</b>	<b>133554</b>	<b>131403</b>	<b>124645</b>	<b>108294</b>	<b>115503</b>

### 9.2.1 Expenditure Trend

The expenditure incurred in this programme was to contribute to the achievement of goal 1 of the Department, which is to stimulate integrated sustainable economic development within the Province. This also contributed to the Outcome 4 as set out in the prioritised national Outcome Based Plan. Expenditure pattern in this programme changed from 106% in 2011/12, 97% in 2012/13 and in 2013/14 99%.

## 9.3 Risk Management

Identified Risk	Rating	Impact	Likelihood
Job creation and economic growth target will not be reached.	12	4	3
Inability of SMME's to provide the required documents including business plans for assistance.	8	4	2

Research reports are not credible (Quality Research Reports).		3	3
Providing reactive instead of proactive intervention.	12	4	3
The gravity of unhappy consumers will increase.	16	4	4

\* SCALE OF 1-5 WHERE 1 IS LOW IMPACT AND 5 IS HIGH IMPACT

\*\* SCALE OF 1-5 WHERE 1 IS UNLIKELY AND 5 IS HIGHLY LIKELY

### 9.3.1. Risk Mitigation

Identified Risk	Mitigation Strategies
Job creation and economic growth target will not be reached.	Provide training to cooperatives.
Inability of SMME's to provide the required documents including business plans for assistance.	Information sharing workshops.
Research reports are not credible (Quality Research Reports).	1. Partnering with research partners/institutions. 2. Effective usage of credible data sources.
Providing reactive instead of proactive intervention.	Keep database of businesses.
The gravity of unhappy consumers will increase.	Current officials are doing more than expected job.

## 10. PROGRAMME 4: TOURISM

The aim of this programme is to ensure adequate planning, growth, development and transformation of the Tourism industry.

### 10.1. Strategic Objectives

<b>Strategic Objective 1</b>	Development and implementation of tourism policies and strategies.
<b>Objective statement</b>	To conduct 24 IDP assessments and 46 regulatory inspections to ensure alignment to the Tourism Master Plan.
<b>Justification</b>	<ul style="list-style-type: none"> <li>• NDP Chapter 13</li> <li>• MTSF Outcome 12</li> <li>• FSGDS 15</li> <li>• NTSS</li> </ul>
<b>Baselines</b>	<ul style="list-style-type: none"> <li>• 7 IDP Assessments.</li> <li>• 8 Inspections.</li> </ul>

<b>Strategic Objective 2</b>	Radically grow the Tourism Sector's contribution to the Provincial Economy.
<b>Objective statement</b>	Increase provincial bed nights consumption to 13%, through capacity building sessions, SRI funded initiatives and support to annual tourism events.
<b>Justification</b>	<ul style="list-style-type: none"> <li>• NDP Chapter 3</li> <li>• MTSF Outcome 4</li> <li>• FSGDS 5</li> <li>• NTSS</li> </ul>

<b>Baselines</b>	<ul style="list-style-type: none"> <li>• 3 SRI initiatives.</li> <li>• 2 Tourism events supported.</li> </ul>
<b>Strategic Objective 3</b>	Radically transform the Tourism Sector.
<b>Objective statement</b>	To ensure compliance with the Tourism Transformation Plan through 10 training programmes, an annual career EXPO and 10 community beneficiation initiatives.
<b>Justification</b>	<ul style="list-style-type: none"> <li>• NDP Chapter 3</li> <li>• MTSF Outcome 4</li> <li>• FSGDS 5</li> <li>• NTSS</li> </ul>
<b>Baselines</b>	<ul style="list-style-type: none"> <li>• 40 Programme training programme</li> <li>• 1 Career EXPO.</li> <li>• 6 Community beneficiation initiatives.</li> </ul>

## 10.2 Resource Considerations

Sub-Programme	Audited	Audited	Audited	Main Appr.	Adjusted Appr.	Revised Estimate	Target	Target	Target
	2011/12	2012/13	2013/14	2014/15	2014/15	2014/15	2015/16	2016/17	2017/18
<b>1. Tourism Planning</b>	37770	58005	51139	48340	57071	57071	55738	52374	54993
<b>2. Tourism Growth and Development</b>	-	-	-	-	-	-	-	-	-
<b>3. Transformation of Tourism Sector</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>37770</b>	<b>58005</b>	<b>51139</b>	<b>48340</b>	<b>57071</b>	<b>57071</b>	<b>55738</b>	<b>52374</b>	<b>54993</b>

### 10.2.1. Expenditure Trend

- For the financial year 2013/14 a total budget of R50, 744 was allocated to Programme 4: Tourism, which implements Outcome 4 and the above listed strategic objectives of the Department. During this period R51, 139 was spent, which is 98% of the allocated budget.

## 10.3. Risk Management

Identified Risk	Rating	Impact	Likelihood
Failure to monitor implementation of Master Plan.	12	4	3
Inadequate support for products initiatives conceptualised.	5	4	2
Unsustainable tourism business.	4	2	2

\* SCALE OF 1-5 WHERE 1 IS LOW IMPACT AND 5 IS HIGH IMPACT

\*\* SCALE OF 1-5 WHERE 1 IS UNLIKELY AND 5 IS HIGHLY LIKELY

### 10.3.1. Risk Mitigation

Identified Risk	Mitigation Strategies
Failure to monitor implementation of Master Plan.	Engagement with the departmental management.
Inadequate support for products initiatives conceptualised.	Facilitating access to funding.
Unsustainable tourism business.	Regular consultation with NDT for programme implementation.

Strategic Objective	Key Performance Indicator	Target	Actual	Variance	Comments
1.1	1.1.1	1.1.1.1	1.1.1.1	1.1.1.1	1.1.1.1
1.2	1.2.1	1.2.1.1	1.2.1.1	1.2.1.1	1.2.1.1
1.3	1.3.1	1.3.1.1	1.3.1.1	1.3.1.1	1.3.1.1
1.4	1.4.1	1.4.1.1	1.4.1.1	1.4.1.1	1.4.1.1
1.5	1.5.1	1.5.1.1	1.5.1.1	1.5.1.1	1.5.1.1
1.6	1.6.1	1.6.1.1	1.6.1.1	1.6.1.1	1.6.1.1
1.7	1.7.1	1.7.1.1	1.7.1.1	1.7.1.1	1.7.1.1
1.8	1.8.1	1.8.1.1	1.8.1.1	1.8.1.1	1.8.1.1
1.9	1.9.1	1.9.1.1	1.9.1.1	1.9.1.1	1.9.1.1
1.10	1.10.1	1.10.1.1	1.10.1.1	1.10.1.1	1.10.1.1
1.11	1.11.1	1.11.1.1	1.11.1.1	1.11.1.1	1.11.1.1
1.12	1.12.1	1.12.1.1	1.12.1.1	1.12.1.1	1.12.1.1
1.13	1.13.1	1.13.1.1	1.13.1.1	1.13.1.1	1.13.1.1
1.14	1.14.1	1.14.1.1	1.14.1.1	1.14.1.1	1.14.1.1
1.15	1.15.1	1.15.1.1	1.15.1.1	1.15.1.1	1.15.1.1
1.16	1.16.1	1.16.1.1	1.16.1.1	1.16.1.1	1.16.1.1
1.17	1.17.1	1.17.1.1	1.17.1.1	1.17.1.1	1.17.1.1
1.18	1.18.1	1.18.1.1	1.18.1.1	1.18.1.1	1.18.1.1
1.19	1.19.1	1.19.1.1	1.19.1.1	1.19.1.1	1.19.1.1
1.20	1.20.1	1.20.1.1	1.20.1.1	1.20.1.1	1.20.1.1
1.21	1.21.1	1.21.1.1	1.21.1.1	1.21.1.1	1.21.1.1
1.22	1.22.1	1.22.1.1	1.22.1.1	1.22.1.1	1.22.1.1
1.23	1.23.1	1.23.1.1	1.23.1.1	1.23.1.1	1.23.1.1
1.24	1.24.1	1.24.1.1	1.24.1.1	1.24.1.1	1.24.1.1
1.25	1.25.1	1.25.1.1	1.25.1.1	1.25.1.1	1.25.1.1
1.26	1.26.1	1.26.1.1	1.26.1.1	1.26.1.1	1.26.1.1
1.27	1.27.1	1.27.1.1	1.27.1.1	1.27.1.1	1.27.1.1
1.28	1.28.1	1.28.1.1	1.28.1.1	1.28.1.1	1.28.1.1
1.29	1.29.1	1.29.1.1	1.29.1.1	1.29.1.1	1.29.1.1
1.30	1.30.1	1.30.1.1	1.30.1.1	1.30.1.1	1.30.1.1
1.31	1.31.1	1.31.1.1	1.31.1.1	1.31.1.1	1.31.1.1
1.32	1.32.1	1.32.1.1	1.32.1.1	1.32.1.1	1.32.1.1
1.33	1.33.1	1.33.1.1	1.33.1.1	1.33.1.1	1.33.1.1
1.34	1.34.1	1.34.1.1	1.34.1.1	1.34.1.1	1.34.1.1
1.35	1.35.1	1.35.1.1	1.35.1.1	1.35.1.1	1.35.1.1
1.36	1.36.1	1.36.1.1	1.36.1.1	1.36.1.1	1.36.1.1
1.37	1.37.1	1.37.1.1	1.37.1.1	1.37.1.1	1.37.1.1
1.38	1.38.1	1.38.1.1	1.38.1.1	1.38.1.1	1.38.1.1
1.39	1.39.1	1.39.1.1	1.39.1.1	1.39.1.1	1.39.1.1
1.40	1.40.1	1.40.1.1	1.40.1.1	1.40.1.1	1.40.1.1
1.41	1.41.1	1.41.1.1	1.41.1.1	1.41.1.1	1.41.1.1
1.42	1.42.1	1.42.1.1	1.42.1.1	1.42.1.1	1.42.1.1
1.43	1.43.1	1.43.1.1	1.43.1.1	1.43.1.1	1.43.1.1
1.44	1.44.1	1.44.1.1	1.44.1.1	1.44.1.1	1.44.1.1
1.45	1.45.1	1.45.1.1	1.45.1.1	1.45.1.1	1.45.1.1
1.46	1.46.1	1.46.1.1	1.46.1.1	1.46.1.1	1.46.1.1
1.47	1.47.1	1.47.1.1	1.47.1.1	1.47.1.1	1.47.1.1
1.48	1.48.1	1.48.1.1	1.48.1.1	1.48.1.1	1.48.1.1
1.49	1.49.1	1.49.1.1	1.49.1.1	1.49.1.1	1.49.1.1
1.50	1.50.1	1.50.1.1	1.50.1.1	1.50.1.1	1.50.1.1
1.51	1.51.1	1.51.1.1	1.51.1.1	1.51.1.1	1.51.1.1
1.52	1.52.1	1.52.1.1	1.52.1.1	1.52.1.1	1.52.1.1
1.53	1.53.1	1.53.1.1	1.53.1.1	1.53.1.1	1.53.1.1
1.54	1.54.1	1.54.1.1	1.54.1.1	1.54.1.1	1.54.1.1
1.55	1.55.1	1.55.1.1	1.55.1.1	1.55.1.1	1.55.1.1
1.56	1.56.1	1.56.1.1	1.56.1.1	1.56.1.1	1.56.1.1
1.57	1.57.1	1.57.1.1	1.57.1.1	1.57.1.1	1.57.1.1
1.58	1.58.1	1.58.1.1	1.58.1.1	1.58.1.1	1.58.1.1
1.59	1.59.1	1.59.1.1	1.59.1.1	1.59.1.1	1.59.1.1
1.60	1.60.1	1.60.1.1	1.60.1.1	1.60.1.1	1.60.1.1
1.61	1.61.1	1.61.1.1	1.61.1.1	1.61.1.1	1.61.1.1
1.62	1.62.1	1.62.1.1	1.62.1.1	1.62.1.1	1.62.1.1
1.63	1.63.1	1.63.1.1	1.63.1.1	1.63.1.1	1.63.1.1
1.64	1.64.1	1.64.1.1	1.64.1.1	1.64.1.1	1.64.1.1
1.65	1.65.1	1.65.1.1	1.65.1.1	1.65.1.1	1.65.1.1
1.66	1.66.1	1.66.1.1	1.66.1.1	1.66.1.1	1.66.1.1
1.67	1.67.1	1.67.1.1	1.67.1.1	1.67.1.1	1.67.1.1
1.68	1.68.1	1.68.1.1	1.68.1.1	1.68.1.1	1.68.1.1
1.69	1.69.1	1.69.1.1	1.69.1.1	1.69.1.1	1.69.1.1
1.70	1.70.1	1.70.1.1	1.70.1.1	1.70.1.1	1.70.1.1
1.71	1.71.1	1.71.1.1	1.71.1.1	1.71.1.1	1.71.1.1
1.72	1.72.1	1.72.1.1	1.72.1.1	1.72.1.1	1.72.1.1
1.73	1.73.1	1.73.1.1	1.73.1.1	1.73.1.1	1.73.1.1
1.74	1.74.1	1.74.1.1	1.74.1.1	1.74.1.1	1.74.1.1
1.75	1.75.1	1.75.1.1	1.75.1.1	1.75.1.1	1.75.1.1
1.76	1.76.1	1.76.1.1	1.76.1.1	1.76.1.1	1.76.1.1
1.77	1.77.1	1.77.1.1	1.77.1.1	1.77.1.1	1.77.1.1
1.78	1.78.1	1.78.1.1	1.78.1.1	1.78.1.1	1.78.1.1
1.79	1.79.1	1.79.1.1	1.79.1.1	1.79.1.1	1.79.1.1
1.80	1.80.1	1.80.1.1	1.80.1.1	1.80.1.1	1.80.1.1
1.81	1.81.1	1.81.1.1	1.81.1.1	1.81.1.1	1.81.1.1
1.82	1.82.1	1.82.1.1	1.82.1.1	1.82.1.1	1.82.1.1
1.83	1.83.1	1.83.1.1	1.83.1.1	1.83.1.1	1.83.1.1
1.84	1.84.1	1.84.1.1	1.84.1.1	1.84.1.1	1.84.1.1
1.85	1.85.1	1.85.1.1	1.85.1.1	1.85.1.1	1.85.1.1
1.86	1.86.1	1.86.1.1	1.86.1.1	1.86.1.1	1.86.1.1
1.87	1.87.1	1.87.1.1	1.87.1.1	1.87.1.1	1.87.1.1
1.88	1.88.1	1.88.1.1	1.88.1.1	1.88.1.1	1.88.1.1
1.89	1.89.1	1.89.1.1	1.89.1.1	1.89.1.1	1.89.1.1
1.90	1.90.1	1.90.1.1	1.90.1.1	1.90.1.1	1.90.1.1
1.91	1.91.1	1.91.1.1	1.91.1.1	1.91.1.1	1.91.1.1
1.92	1.92.1	1.92.1.1	1.92.1.1	1.92.1.1	1.92.1.1
1.93	1.93.1	1.93.1.1	1.93.1.1	1.93.1.1	1.93.1.1
1.94	1.94.1	1.94.1.1	1.94.1.1	1.94.1.1	1.94.1.1
1.95	1.95.1	1.95.1.1	1.95.1.1	1.95.1.1	1.95.1.1
1.96	1.96.1	1.96.1.1	1.96.1.1	1.96.1.1	1.96.1.1
1.97	1.97.1	1.97.1.1	1.97.1.1	1.97.1.1	1.97.1.1
1.98	1.98.1	1.98.1.1	1.98.1.1	1.98.1.1	1.98.1.1
1.99	1.99.1	1.99.1.1	1.99.1.1	1.99.1.1	1.99.1.1
2.00	2.00.1	2.00.1.1	2.00.1.1	2.00.1.1	2.00.1.1





Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTE) Strategic Plan 2015 to 2020

Table B.5(a): Department Economic, Small Business Development, Tourism and Environmental Affairs

No.	Facility/Asset Name followed by project name (List all projects pertaining to a specific facility/asset per category)	Municipality / Region	SIP Category	Type of infrastructure		Project duration		Source of funding (Equitable Share or grant abbreviation e.g. ESY/ HFRG)	Budget programme number	Targeted number of jobs for 2015/16	Total project cost	Expenditure to date from previous years	Total available		MTEF Forward estimates
				Regional/District/Central Hospital, Clinic, Community Health Centre, Pharmaceutical Depots, Mortuary etc	Units (i.e. number of beds or facilities)	Date: Start	Date: Finish						2015/16	2016/17	
<b>R thousands</b>															
<b>1. New and replacement assets</b>															
1	Ereńsdam	Maalonyana		Luxury wooden bungalows		04/01/2016	30/12/2017	Infrastructure Enhancement Allocation			1000	0	0	0	0
2	Caledon NIR	Naledi		Rebuild Floating camp on River bank		03/01/2015	30/12/2016	Infrastructure Enhancement Allocation			12000	0	0	0	1000
3	Soedoring NIR	Mangaung		Construct 10 chalets		04/10/2008	30/12/2017	Infrastructure Enhancement Allocation			30000	6676	0	0	0
4	Soedoring NIR	Mangaung		Rebuild Edu. Envy's Hall		04/01/2013	30/03/2016	Infrastructure Enhancement Allocation			800	0	0	4000	300
5	Maria Moroka	Mangaung		Rebuild restamp. 5 Chalets		04/01/2008	30/03/2014	Infrastructure Enhancement Allocation			33500	11550	0	0	0
6	Willem Pretorius Reserve	Matlabeng		Construction of new Abator		04/01/2014	30/12/2015	Infrastructure Enhancement Allocation			1000	0	1800	4000	400
7	Sterkfontain	Makut-A-Photong		Construction of new Abator		04/01/2013	30/12/2014	Infrastructure Enhancement Allocation			6500	0	0	500	6000
8	Willem Pretorius Reserve	Matlabeng		Construction of 2 staff houses and upgrade W.Gate and pave road		04/01/2016	30/06/2018	Infrastructure Enhancement Allocation			30000	0	0	0	500
9	Karee Nursery	Mangaung		Construction of new office		04/01/2014	30/12/2017	Infrastructure Enhancement Allocation			50000	0	0	6000	7000
10	Maria Moroka	Mangaung		Construction of Office Complex		04/01/2014	30/03/2016	Infrastructure Enhancement Allocation			25000	0	0	500	15000
11	Seekoelma NIR	Tlabe Mokuanyane		Construction of Office Complex		04/01/2017	30/03/2019	Infrastructure Enhancement Allocation			30000	0	0	0	600
12	Rustfontain NIR	Mangaung		Construction of Environment Education Centre		06/01/2010	30/12/2012	Infrastructure Enhancement Allocation			12000	0	0	0	600
13	Naval Hill - planetarium	Mangaung		Construction of education hall		04/01/2014	30/03/2015	Infrastructure Enhancement Allocation			5000	0	0	0	0
<b>Total New infrastructure assets</b>											<b>2800</b>	<b>15000</b>	<b>31400</b>		
<b>2. Upgrades and additions</b>															
1	Seekoelma	Makut-A-Photong		Upgrade Rest Camp		04/01/2014	30/10/2014	Infrastructure Enhancement Allocation				0	0	0	0
2	Tussen Die Riviere	Xhariep		Upgrade Abator		04/01/2010	30/12/2011	Infrastructure Enhancement Allocation			4500	1500	1500	300	0
3	Soedoring NIR	Mangaung		Upgrade Train Camp		04/01/2012	30/12/2015	Infrastructure Enhancement Allocation			35400	0	21072	3500	400
4	Sandveld Resort	Tswelopele		Upgrade Day Visitors Facilities		04/01/2011	30/12/2014	Infrastructure Enhancement Allocation			25000	0	0	8000	10000
5	Gariep Complex	Xhariep		Buy Land at Gariep & Tussen Die		04/01/2006	30/04/2015	Infrastructure Enhancement Allocation			150000	6900	0	10001	0
6	Upgrades of Fences for All Reserves and Resort	All		Upgrading of fence for reserves		04/01/2012	30/03/2013	Infrastructure Enhancement Allocation			11475	6959	3504	3000	2200
<b>Total Upgrades and additions</b>											<b>24676</b>	<b>24801</b>	<b>12600</b>		
<b>3. Rehabilitation, renovations and refurbishments</b>															
1															
<b>Total Rehabilitation, renovations and refurbishments</b>															
<b>4. Maintenance and repairs</b>															
1	All Reserves and Resort	All		Maintenance to Infrastructure		04/01/2012	30/03/2013	Infrastructure Enhancement Allocation			5898	1000	2087	2123	2267
<b>Total Maintenance and repairs</b>											<b>2067</b>	<b>2123</b>	<b>2267</b>		
											<b>40</b>				



## 12. CONDITIONAL GRANTS

The department will receive the following Conditional Grants: the Extended Public Works Programme, Infrastructure Enhancement Allocation, and Revenue Enhancement Allocation.

Conditional Grant	Budget ('000)
EPWP Integrated Grant	2,421
Infrastructure Enhancement Allocation	31,543

<b>Name of grant</b>	EPWP Integrated Grant
<b>Purpose</b>	The Extended Public Works Programme: It is utilized in the establishment of firebreaks and the eradication of alien plant species in reserves and resorts.
<b>Performance indicator</b>	Create 400 job opportunities through the departmental EPWP grant.
<b>Continuation</b>	The grant will continue if prioritized by Provincial Treasury.
<b>Motivation</b>	Integral role in provincial job creation.

<b>Name of grant</b>	Infrastructure Enhancement Allocation
<b>Purpose</b>	Infrastructure Enhancement Allocation: This is a Provincial conditional grant to build and improve new infrastructure assets.
<b>Performance indicator</b>	Continuous upgrades and improvements to reserves and resorts within the province.
<b>Continuation</b>	The grant will continue if prioritized by Provincial Treasury.
<b>Motivation</b>	Integral role in provincial job creation.

## 13. PUBLIC ENTITIES

### Public Entities, 2015

Name of Entity	Mandates	Outputs	Current Annual Budget (R '000)	Date of Next Evaluation
<b>Free State Development Corporation</b>	<ul style="list-style-type: none"> <li>To finance and advance economic growth and development, Black Economic Empowerment and SMME development and growth.</li> <li>To promote investment and trade within the province and to identify, analyze, publicize and market investment and trade opportunities in the</li> </ul>	<ul style="list-style-type: none"> <li>Investment opportunities for the province;</li> <li>Stimulate economic growth;</li> <li>Assist small and medium enterprises with financial assistance;</li> <li>Promote economic activity within the province;</li> <li>Provide for trade promotion</li> </ul>	3 700	2016

<b>Name of Entity</b>	<b>Mandates</b>	<b>Outputs</b>	<b>Current Annual Budget (R '000)</b>	<b>Date of Next Evaluation</b>
	provincial economy			
<b>Free State Gambling and Liquor Authority</b>	<ul style="list-style-type: none"> <li>To regulate the gambling and racing activities in the province on behalf of the Provincial Department.</li> <li>To reduce socio-economic and other costs of alcohol abuse. Regulate the micro-manufacturing and retail sale of liquor or methylated spirits</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of essential national norms and standards in the liquor industry.</li> <li>Regulation of the micro-manufacturing and retail sale of liquor or methylated spirits.</li> <li>Promotion of responsible and sustainable liquor industry.</li> <li>Regulate, license, control and police gambling activities.</li> <li>Protect public who participate in any licensed gambling activity.</li> <li>License gambling activities in a transparent, fair and equitable manner</li> </ul>	50 361	2016
<b>Free State Tourism Authority</b>	To promote tourism and increase market share in the tourism industry and to coordinate marketing activities of all role players.	<p>Ensure effective and efficient:</p> <ul style="list-style-type: none"> <li>Marketing of tourism;</li> <li>Promotion of tourism;</li> <li>Development of sustainable tourism within the Province;</li> <li>Promotion of major sport events to promote tourism.</li> <li>Broaden the participation in tourism of previously disadvantaged communities and persons in order to contribute to the improvement of the quality of life of every inhabitant of the Province</li> </ul>	41 864	2016

#### 14. PUBLIC-PRIVATE PARTNERSHIPS

There are currently no Public-Private Partnerships associated with the Department.

