



destea

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

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

**Annual Performance Plan
2017/18**

Free State Province

FOREWORD

This Annual Performance Plan seeks to outline all the planned activities and programmes that the department envisages to achieve in the 2017/18 financial year. Individually and collectively as representatives of the people and public servants, we are committed in serving the people of the Free State in order to better their lives.

To this end, we have reviewed the department's mission, vision and values in order to help us respond to the people's expectations. In the process, we have restructured the organization, introduced processes to improve our performance as an organization by setting ourselves seven goals. These are:

- Provision of leadership for effective socio-economic development
- Creation of efficient and effective financial management system for sustainability
- Build a responsive Human Resource attributed that is responsive to service demands
- Implications of integrated economic development for radical transformation
- Inculcate accountable environmental management for sustainable development & inclusive economic growth
- Foster Tourism sector transformation and development for improved market share
- Business process optimisation for better programme performance and co-operation

Everything we will do through this performance plan will focus on radical economic transformation to ensure ownership and control of wealth by those who hitherto were mere spectators.

The programmes contained herein and the budget allocated to them will be our financial plan, operational guide and communication tool for this financial year. These plans calls on our people, particularly young, black and female entrepreneurs to take advantage of all the programmes and incentives to help turn our province into a bustling hub of industrialisation and manufacturing.

Our emphasis towards the realization of these plans will be through the chosen objectives which among others are, optimize investment, increase market share and improve prosperity.

We have also introduced changes in the issuing of permits for nature conservation purposes as well as to ensure responsible development whilst taking care of environment. We will during this year also pay particular attention on law enforcement in our environmental programmes.

We will also capacitate all our public entities and provide them with a new direction and sense of accountability by ensuring that they all enter into a shareholder compact with the shareholders. This compact is intended to improve administrative discipline and corporate governance in these institutions.

We have got no doubt that working together with business, labour and civil society, these plans will unlock the economic value that we are all looking for.



DR. B MALAKOANE

MEC: ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

OFFICIAL SIGN-OFF

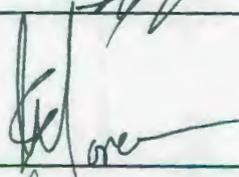
It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEA) under the guidance of the honourable MEC B Malakoane.
- Was prepared in line with the current Strategic Plan of the DESTEA.
- Accurately reflects the performance targets which the DESTEA will endeavour to achieve given the resources made available in the budget for 2017/18.

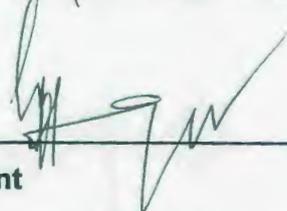
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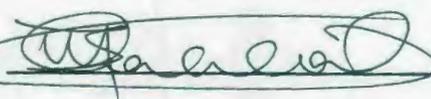
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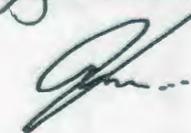
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Acting Chief Financial Officer

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Ms G. Brown
Acting Accounting Officer

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Executive Authority
Date: 06 March 2017

Signature: 

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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
DPME	Department of Planning, Monitoring and Evaluation
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
IDP	Integrated Development Plan
IR	Intergovernmental Relations

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

PART A: Strategic Overview

Below is a description of performance, policy organisational environments within which the Department operates.

1.1. Performance Delivery Environment

1.1.1. NDP, MTSF and FSGDS alignment summary

National Development Plan

This annual performance plan is aligned to the following chapters, objectives and actions, as part of our Vision 2030:

CHAPTER 3: ECONOMY AND EMPLOYMENT

Objectives	Actions
<ul style="list-style-type: none"> • The unemployment rate should fall from 24.9 percent in June 2012 to 14 percent by 2020 and to 6 percent by 2030. This requires an additional 11 million jobs. Total employment should rise from 13 million to 24 million. • The proportion of adults working should increase from 41 percent to 61 percent. • The proportion of adults in rural areas working should rise from 29 percent to 40 percent. • The labour force participation rate should rise from 54 percent to 65 percent. • Gross Domestic Product (GDP) should increase by 2.7 times in real terms, requiring average annual GDP growth of 5.4 percent over the period. GDP per capita should increase from about from about R50 000 per person in 2010 to R110 000 per person in 2030 in constant prices. • The proportion of national income earned by the bottom 40 percent should rise from about 6 percent today to 10 percent in 2030. • Broaden ownership of assets to historically disadvantaged groups. <ul style="list-style-type: none"> ○ Exports (as measured in volume terms) should grow by 6 percent a year to 2030 with non-traditional exports growing by 10 percent a year. ○ Increase national savings from 16 percent of GDP to 25 percent. ○ The level of gross fixed capital formation should rise from 17 percent to 30 percent, with public 	<ul style="list-style-type: none"> • Reduce the cost of living for poor households and costs of doing business through microeconomic reforms. • Develop proposals for an acceptable minimum standard of living and proposals on how to achieve this over time. • Remove the most pressing constraints on growth, investment and job creation, including energy generation and distribution, urban planning etc. • Position South Africa to attract offshore business services, and build on the advantage provided by its telecommunications, banking and retail firms operating in other countries. • Increase the benefit to the country of our mineral resources by: <ul style="list-style-type: none"> ○ Giving clear certainty over property rights (the right to mine) ○ Increasing rail, water and energy infrastructure ○ Structure a taxation regime that is fair, equitable and predictable and that recognises the non-renewable nature of mineral resources. <ul style="list-style-type: none"> • Broaden the expanded public works programme to cover 2 million fulltime equivalent jobs by 2020. • Offer a tax incentive to employers to reduce the initial cost of hiring young labour market entrants. Facilitate agreement between employers and unions on entry-level wages. • Give a subsidy to the placement sector to identify, prepare and place matric graduates into jobs. • Business and labour to develop their own proposals to reduce youth unemployment. • Adopt a more open immigration approach to expand supply of high-level skills. • Adopt an approach to handling probationary periods that reflects the intention of probation. • Simplifies dismissal procedures for non-performance or misconduct, especially for smaller firms.

CHAPTER 3: ECONOMY AND EMPLOYMENT	
Objectives	Actions
<ul style="list-style-type: none"> sector fixed investment rising to 10 percent of GDP by 2030. o Public employment programmes should reach 1 million by 2015 and 2 million people by 2030. 	<ul style="list-style-type: none"> • Strengthen dispute resolutions mechanisms in the labour market with a view to reducing tension and violence

CHAPTER 5: ENVIRONMENTAL SUSTAINABILITY	
Objectives	Actions
<ul style="list-style-type: none"> • A set of indicators for natural resources, accompanied by publication of annual reports on the health of identified resources to inform policy. • A target for the amount of land and oceans under protection (presently about 7.9 million hectares of land, 848kms of coastline and 4 172 square kilometres of ocean are protected). • Achieve the peak, plateau and decline trajectory for greenhouse gas emissions, with the peak being reached around 2025. • By 2030, an economy-wide carbon price should be entrenched. • Zero emission building standards by 2030 • Absolute reductions in the total volume of waste disposed to landfill each year. • At least 20 000MW of renewable energy should be contracted by 2030. • Improved disaster preparedness for extreme climate events. • Increased investment in new agricultural technologies, research and the development of adaptation strategies for the protection of rural livelihoods and expansion of commercial agriculture. 	<ul style="list-style-type: none"> • An independent Climate Change Centre, in partnership with academic and other appropriate institutions, is established by government to support the actions of government, business and civil society. • Put in place a regulatory framework for land use, to ensure the conservation and restoration of protected areas • Carbon price, building standards, vehicle emission standards and municipal regulations to achieve scale in stimulating renewable energy, waste recycling and in retrofitting buildings • Carbon-pricing mechanisms, supported by a wider suite of mitigation policy instruments to drive energy efficiency. • Channel public investment into research, new agricultural technologies for commercial farming, as well as for the development of adaptation strategies and support services for small-scale and rural farmers.

CHAPTER 6: INCLUSIVE RURAL ECONOMY	
Objectives	Actions
<ul style="list-style-type: none"> • An additional 643 000 direct jobs and 326 000 indirect jobs in the agriculture, agro-processing and related sectors by 2030. 	<ul style="list-style-type: none"> • A review of mining industry commitments to social investment, and tourism investments

CHAPTER 7: SOUTH AFRICA IN THE REGION AND THE WORLD	
Objectives	Actions

<ul style="list-style-type: none"> Intra-regional trade in Southern Africa should increase from 7 percent of trade to 25 percent of trade by 2030. South Africa's trade with regional neighbours should increase from 15 percent of our trade to 30 percent. 	<ul style="list-style-type: none"> Focus trade penetration and diplomatic presence in fast-growing markets (Asia, Brazil and Africa). Implement a focused regional integration strategy with emphasis on: <ul style="list-style-type: none"> Using financial institutions to partner with businesses wanting to expand on the continent. Identifying and promoting practical opportunities for cooperation based on complementary national endowments.
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CHAPTER 8: TRANSFORMING HUMAN SETTLEMENTS (FDC/FLISP)

Objectives	Actions
<ul style="list-style-type: none"> More people living closer to their places of work. More jobs in or close to dense, urban townships. 	<ul style="list-style-type: none"> Conduct a comprehensive review of the grant and subsidy regime for housing with a view to ensure diversity in product and finance options that would allow for more household choice and greater spatial mix and flexibility. This should include a focused strategy on the housing gap market, involving banks, subsidies and employer housing schemes.

CHAPTER 11: SOCIAL PROTECTION

Objectives	Actions
<ul style="list-style-type: none"> Provide income support to the unemployed through various active labour market initiatives such as public works programmes, training and skills development, and other labour market related incentives. 	<ul style="list-style-type: none"> Pilot mechanisms and incentives to assist the unemployed to access the labour market. Expand existing public employment initiatives to create opportunities for the unemployed.

CHAPTER 13: BUILDING A CAPABLE AND DEVELOPMENTAL STATE

Objectives	Actions
<ul style="list-style-type: none"> A state that is capable of playing a developmental and transformative role. A public service immersed in the development agenda but insulated from undue political interference. Staff at all levels has the authority, experience, competence and support they need to do their jobs. Clear governance structures and stable leadership enable state-owned enterprises (SOEs) to achieve their developmental potential. 	<p>Make the public service and local government careers of choice</p> <ul style="list-style-type: none"> Use assessment mechanisms such as exams, group exercises and competency tests to build confidence in recruitment systems. Use placements and secondments to enable staff to develop experience of working in other spheres of government. <p>Achieve the developmental potential of state-owned enterprises</p> <ul style="list-style-type: none"> Develop public interest mandates for SOEs. Improve coordination between policy and shareholder ministries by making them jointly responsible for appointing the board. Ensure appointment processes are credible and that there is greater stability in appointments.

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CHAPTER 14: FIGHTING CORRUPTION	
Objectives	Actions
<ul style="list-style-type: none"> A corruption-free society, a high adherence to ethics throughout society and a government that is accountable to its people. 	<ul style="list-style-type: none"> The capacity of corruption fighting agencies should be enhanced and public education should be part of the mandate of the anti-corruption agencies. An accountability framework should be developed linking the liability of individual public servants to their responsibilities in proportion to their seniority. Clear rules restricting business interests of public servants should be developed. Restraint-of-trade agreements for senior civil servants and politicians at all levels of government. All corrupt officials should be made individually liable for all losses incurred as a result of their corrupt actions.

Medium Term Strategic Framework

Flowing from the NDP, the department will align to the following medium term building blocks:

Outcome 4: Decent Employment through Inclusive Growth

MTSF PRIORITIES	MTSF ACTIONS
Productive investment is effectively crowded in through the infrastructure build programme.	<ul style="list-style-type: none"> Support for local suppliers for infrastructure programme. Complementary measures undertaken to support crowding in of productive investment. Best practice system developed and applied for assessing macro and micro economic costs and benefits of infrastructure projects, in conjunction with PICC.

MTSF PRIORITIES	MTSF ACTIONS
The productive sectors account for a growing share of production and employment, exports are diversified, African regional development is accelerated, carbon emissions are reduced, knowledge and technology contribute to more inclusive and dynamic growth, and the organs of the state improve their alignment in support of employment-creating growth.	<ul style="list-style-type: none"> • IPAP implemented and reviewed regularly in terms of impact on growth, employment, investment, output, exports and African regional development. • Agricultural Policy Action Plan (APAP) developed, implemented and reviewed regularly in terms of impact on growth, employment, rural incomes, investment, output, exports and African regional development. • Shale gas exploration plan including appropriate legislation developed to investigate the economic recoverable reserves. • National Tourism Strategy implemented and reviewed regularly in terms of impact on growth, employment, investment, output, exports and African regional development. • Emerging industries strategies aligned with IPAP and regularly monitored in terms of long-run growth and competitiveness, job creation and export potential. • Job Drivers on supporting the investment in new economies, investing in social capital and public services as well as spatial development to be implemented and reviewed regularly in terms of impact on growth, employment, investment, output, exports and African regional development.
Elimination of unnecessary regulatory burdens and lower price increases for key inputs fosters investment and economic growth.	<ul style="list-style-type: none"> • Work with Cabinet Office and other departments to implement Social Economic Impact Assessment System (SEIAS) and develop expertise on impact assessments. • Work with the relevant departments and metros to measure and as far as possible reduce delays and unnecessary red tape around authorisations needed for investments. • Establish system to monitor critical prices on infrastructure and other inputs and on wage goods, and propose responses if they increase above inflation. • Price of steel for domestic use reduced to less than 10% over production costs.
Workers' education and skills increasingly meet economic needs.	<ul style="list-style-type: none"> • Development and implementation of demand-side planning system for skills in collaboration with DHET.
Expanded employment in agriculture.	<ul style="list-style-type: none"> • Development of smallholder production in context of improved district planning and link to land reform, extension, marketing and other systems.
Macroeconomic conditions support employment-creating growth.	<ul style="list-style-type: none"> • Counter-cyclical fiscal and monetary policies pursued.
Reduced workplace conflict and improved collaboration between government, organised business and organised labour.	<ul style="list-style-type: none"> • Development of programmes to address workplace conflict through (a) improved communication, career mobility, skills development and fairness in workplaces, and (b) stronger labour-relations systems. • Support the existing labour regulation environment that can improve the protection of vulnerable workers and create a decent work environment as well as address labour market inefficiencies.

IMPACT INDICATORS AND TARGETS

Impact indicator	Baseline (2009)	2019 Targets (South Africa)
1. GDP growth (annualised and quarterly)	GDP shrank by 1.5% in 2009	5% growth in 2019
2. Investment rate (% of GDP)	22% in 2009	25% of GDP
3. Public sector investment (% of GDP)	8.3% in 2009	10% of GDP

4. Share in household income of the poorest 60% of households	6.1% in 2009	10%
5. Employment creation	1 million jobs lost in downturn from 2008 to mid-2010	Annual employment growth to increase by 350 000 a year in 2014-15 and thereafter the rate of employment growth to increase, with targets set annually.
6. Official unemployment rate	24% in 2009	14% in 2020
7. Percentage of adults working in rural areas	20% of the labour force	30%
8. Investment in Research and Development as % of GDP	0.87% in 2009/10	1.5% by 2019

Outcome 10: Protect and Enhance Our Environmental Assets and Natural Resources

MTSF PRIORITIES	MTSF ACTIONS
Ecosystems are sustained and natural resources are used efficiently.	<ul style="list-style-type: none"> • Implement strategies for water conservation and demand management. • Expand and promote biodiversity stewardship to build partnerships with private land owners. • Improve the management effectiveness of the conservation estate. • Increase percentage of land under conservation. • Increase percentage of coastline under partial or full protection. • Increase percentage of total area of Exclusive Economic Zone (EEZ) under protection. • Integration of ecological infrastructure considerations into land-use planning and decision-making about new developments. • Restoration and rehabilitation of degraded ecological infrastructure. • Implement environmental regulations to mitigate exploitation of strategic mineral resources • Integrated environmental assessments for major infrastructure and provision of incentives for green economic activities. • Combat land degradation.
An effective climate change mitigation and adaptation response.	<ul style="list-style-type: none"> • Incentives and regulatory frameworks to promote a low carbon economy. • Include climate change risks in the national disaster management plan and communication strategies. • Implement adaptation strategies. • Research in Climate services. • Improvement in air quality.
An environmentally sustainable, low-carbon economy resulting from a well-managed just transition.	<ul style="list-style-type: none"> • Promote a just transition to an environmentally sustainable low carbon economy. • Enhanced environmental awareness and consciousness.
Sustainable built environment.	<ul style="list-style-type: none"> • Implementation of building standards in energy efficiency and renewable energy standards. • Implement a waste management system that reduces waste going to landfills. • Expand use of renewable energy and off-grid electrification.

IMPACT INDICATORS AND TARGETS

Impact indicator	Baseline (2009)	2019 Targets (South Africa)
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Percentage of area of state managed protected areas assessed with a METT score above 67%	85% of area of state managed protected areas assessed with a METT score above 67%	90% of area of state managed protected areas assessed with a METT score above 67%
Percentage level of compliance of mines in accordance with the National Water Act	35%	60%
Reduced total emissions of CO2	Draft mitigation opportunities produced for sectors. Desired Emission Reduction Outcomes (DEROs) to be developed. M & E system being developed.	34% reduction from "Business As Usual" by 2020 and 42% by 2025
Reduced vulnerability and risks associated with climate change impacts	National Climate Change Response Policy White Paper approved by Cabinet	Climate Change Response for 5 key sectors implemented

Outcome 12: An Efficient, Effective and Developmental Oriented Public Service

MTSF PRIORITIES	MTSF ACTIONS
A public service that is a career of choice.	<ul style="list-style-type: none"> Use assessment mechanisms such as exams, group exercises and competency tests to build confidence in recruitment systems. Develop mechanisms to help departments strengthen their internal HR capacity, focusing particularly on the enabling role of HR professionals.
Sufficient technical and specialist professional skills.	<ul style="list-style-type: none"> The public sector provides a conducive working environment for developing and reproducing technical skills.
Efficient and effective management and operations systems.	<ul style="list-style-type: none"> Put in place support programmes for departments to ensure supervisors and managers implement processes which enable front line staff to provide efficient and courteous services to citizens. Service departments Implement operational improvements. Provide reasonable office accommodation that facilitates the attainment of departments' service delivery objectives. Review, improve and support implementation of the service delivery improvement planning system provided for in the public service regulations, directives and guidelines. Promote greater and more consistent delegations in departments supported by systems of support and oversight.
Procurement systems that deliver value for money.	<ul style="list-style-type: none"> Capacity building and professionalising supply chain management.

MTSF PRIORITIES	MTSF ACTIONS
Strengthened accountability to citizens.	<ul style="list-style-type: none"> Increased routine accountability of service delivery departments to citizens and other service users. Revitalize and monitor adherence to Batho Pele programme (wearing name tags improving attitudes, being courteous, responsiveness, etc.)
Reduced corruption in the public service.	<ul style="list-style-type: none"> Strengthen implementation of Financial Disclosure Framework. Prohibit public servants from doing business with the state. Strengthen protection of whistle-blowers. Allow for restraint-of-trade agreements for civil servants where there is a clear risk of a serious conflict of interest.

IMPACT INDICATORS AND TARGETS

Impact indicator	Baseline (2009)	2019 Targets (South Africa)
% of national and provincial departments that achieve at least level 3 within 50% of the Management Performance Assessment Tool (MPAT) standards for each cycle	38% in 2013	70%
Funded vacancy rate (average % of posts on PERSAL which are vacant over a quarter, for all national and provincial departments)	9% in 4 th Quarter 2012/13 (March 2013)	Less than 10%
Average number of days taken to resolve disciplinary cases (all national and provincial departments)	143 days in December 2013	90 days
Number of qualified, adverse and disclaimer annual audit reports on national and provincial government departments	32 in 2012/13 (6 national departments and 26 provincial departments)	15 or below
% of legitimate invoices from suppliers reported as not paid within 30 days in monthly reports from departments to Treasury	76 547 in September 2012	Not yet calculated as a percentage
% of cases from the National Anti-Corruption Hotline closed by departments	40% in 2013/14	75%
% of respondents who log queries at the Presidential Hotline rate the satisfaction of response to good or far	Average repose of respondents sampled is 70% in 2013/14	Response rate of all departments sampled is at least 70%
Retention of HoDs measured by the average number of years spent in a post	As at 30 September 2011, an HoD spent an average of 2.6 years in a post	At least 4 years

Outcome 14: Transforming Society and Uniting the Country

MTSF PRIORITIES	MTSF ACTIONS
Equal opportunities, inclusion and redress.	<ul style="list-style-type: none"> • Improve enforcement of the Employment Equity Act. • Increase progress towards gender equality.

IMPACT INDICATORS AND TARGETS

Impact indicator	Baseline (2009)	2019 Targets (South Africa)
Non-sexism: % of women in legislative bodies	38.4%	50%
Disability Inequality index	New index	5% improvement
Gender Inequality Index	.462	25% improvement
Non racialism: % of those who were of the opinion that race relations are improving expressed as a proportion of the total population	40%	65%
Decrease in the % of racism related complaints to equality court	New indicator	5% improvement
Inequality Adjusted Human Development index	.629	10% improvement
Trust Index	20%	25%
Social Cohesion Index	80.4%	90%
Pride in our national sporting teams	New indicator	66% of South Africans proud of our national sporting teams
% of over 18 year olds that belong to a charitable organization	5.0%	10%
Active Citizenship Index	79%	85%
Pride in being South African	66% of South Africans reflecting pride to be South African	75% of South African reflecting pride to be South African
Identity based on self-description	52% which describes themselves as South African first	60% of population describing themselves South African first
The 5-point Likert-type Index: national symbols flag/constitution/national anthem as very important	Blacks: 4.0 and higher Whites: 2.4	Blacks: 4.0 or higher Whites: 4.0 or higher

Free State Growth and Development Strategy

This annual performance plans ensures alignment to the following development drivers as contained in the FSGDS:

DRIVER 1: DIVERSIFY AND EXPAND AGRICULTURAL DEVELOPMENT AND FOOD SECURITY	
FSGDS Long-term Programmes	Strategies
Expand and diversify sustainable agriculture production and food security.	<ul style="list-style-type: none"> Expand the establishment of agricultural-related Local Economic Development projects.
Establish and fast track value adding agro-processing.	<ul style="list-style-type: none"> Unlock agro-processing potential by implementing incentives to draw-in investments.

DRIVER 2: MINIMISE THE IMPACT OF THE DECLINING MINING SECTOR AND ENSURE THAT EXISTING MINING POTENTIAL IS HARNESSSED	
FSGDS Long-term Programmes	Strategies
Support the life of existing mines and create new mining opportunities.	<ul style="list-style-type: none"> Invest in key infrastructure programmes that are secondary to mining.
Develop a post-mining economy for mining areas.	<ul style="list-style-type: none"> Implement mine tourism initiatives.
Ensure rehabilitation of mining areas.	<ul style="list-style-type: none"> Coordinate mining rehabilitation concerns (road construction) (waste recycling). Empower local entrepreneurs to benefit from mining aggregates.

DRIVER 3: EXPAND AND DIVERSIFY MANUFACTURING OPPORTUNITIES	
FSGDS Long-term Programmes	Strategies
Invest in the growing petro-chemical industry and other knowledge-intensive manufacturing industries.	<ul style="list-style-type: none"> Identify and research potential of downstream activities. Partner with higher education institutions in commercialising research.
Invest in key manufacturing subsectors.	<ul style="list-style-type: none"> Identify and research potential niche markets. Revitalise existing but less successful subsectors such as textile, food and beverages through access to markets, skills and finance. Build capacity for local manufacturers, e.g. improve access to technology, maintenance services and skills. Provide access to information on provincial and national government funding and other support programmes.

<p>Ensure an enabling environment for manufacturing</p>	<ul style="list-style-type: none"> • Assist manufacturing enterprises with market intelligence and access. • Develop a one-stop institutional approach to assist new investments, business retention and business expansion. • Facilitate black economic empowerment in the manufacturing sector. • Programme to ensure that local manufacturers are aware of national programmes and incentives.
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DRIVER 4: CAPITALISE ON TRANSPORT AND DISTRIBUTION OPPORTUNITIES (DESTEA AND FDC)

FSGDS Long-term Programmes	Strategies
<p>Capitalise on the centrality of the province with regard to freight and distribution.</p>	<ul style="list-style-type: none"> • Undertake engagements with state owned enterprises with respect to planned infrastructure expenditure in the province. • Develop the Harrismith Logistics Hub (Strategic Infrastructure Project) and the N8 corridor (including rail). • Optimise the potential of existing regional airfields.

DRIVER 5: HARNESS AND INCREASE TOURISM POTENTIAL AND OPPORTUNITIES (DESTEA AND FSTA)

FSGDS Long-term Programmes	Strategies
<p>Implement a government support programme for tourism development and growth.</p>	<ul style="list-style-type: none"> • Develop and implement a tourism-network strategy within the province and across provincial borders • Enhance local government capacity for tourism development. • Ensure adequate budgeting for local tourism support. • Strengthen local and provincial tourism business forums. • Ensure after-hours information and tourism access at tourism office.
<p>Improve tourism marketing.</p>	<ul style="list-style-type: none"> • Compile a comprehensive database of tourism products. • Establish an integrated tourism website. • Market tourism events (e.g. festivals, sports, education, medical, conferences) throughout the province.
<p>Expand tourism products and product range.</p>	<ul style="list-style-type: none"> • Develop tourism routes. • Support differentiated tourism product development in conferencing, adventure tourism, education, medical, exhibitions, sport, mining, agriculture and small town attractions.
<p>Increase and build human capacity for tourism development and service excellence.</p>	<ul style="list-style-type: none"> • Introduce basic training and skills development programme for tourism. • Align the school curriculum for Tourism with provincial tourism needs. • Capitalise on FET colleges and training institutions to provide appropriate tourism skills.

DRIVER 7: CURB CRIME AND STREAMLINE CRIMINAL JUSTICE PERFORMANCE

FSGDS Long-term Programmes	Strategies
<p>Improve prosecutorial efficiency and the overall criminal justice processes.</p>	<ul style="list-style-type: none"> • Improve whistle-blowing and witness protection programmes.

DRIVER 8: EXPAND AND MAINTAIN BASIC AND ROAD INFRASTRUCTURE

FSGDS Long-term Programmes	Strategies
Provide and upgrade Bulk Services.	<ul style="list-style-type: none"> • Ensure compliance of waste water treatment (new and upgraded) with the Green Drop standards in all towns and new developments. • Ensure compliance of water treatment works and water storage, including bulk in towns with blue drop standards for new development areas.

DRIVER 12: INTEGRATE ENVIRONMENTAL CONCERNS INTO GROWTH AND DEVELOPMENT PLANNING

FSGDS Long-term Programmes	Strategies
Improve water quantity and quality management.	<ul style="list-style-type: none"> • Intensify the monitoring and evaluation of river health and water quality (both surface and ground water). • Improve the standards of drinking water treatment (Blue Drop). • Improve waste water management (Green Drop – enforcement). • Monitor and mitigate the impact of acid mine drainage to minimise the effects thereof on both surface and groundwater quality. • Implement economic incentives for environmental protection
Mitigate the causes and effects of climate change.	<ul style="list-style-type: none"> • Reduce Green House Gas emissions in industries through alternative methodologies and processes. • Adopt the sustainable development approach of a 'Green Economy' by increasing the use of green energy, waste recycling schemes, facilitation of ecotourism opportunities and the advocacy of labour-intensive economic development. • Develop climate change mitigation strategies pertaining to the core functions of provincial departments.
Conserve and consolidate functional natural areas.	<ul style="list-style-type: none"> • Improve protection to the riparian zones of the Free State rivers. • Increase protection status afforded to wetlands (vlei's, marshes and pans) and grasslands in the Province. • Merge natural areas through Public Private Partnerships, as conservancies or private nature reserves.
Broaden environmental capacity and skills in the environment sector and in the cross-sectoral situation.	<ul style="list-style-type: none"> • Expand responsible extensive wildlife ranching with local species in marginal agricultural areas as a business unusual alternative. • Improve the capacity of the DETEA to enforce its cross-sectoral mandate. • Increase the numbers of suitably qualified environmental officials in government and civil society. • Increase the awareness and formal knowledge of law enforcers and the judiciary regarding environmental issues. • Encourage and support the increase of formal environmental skills training through tertiary educational institutions.

DRIVER 15: FOSTER GOOD GOVERNANCE TO CREATE A CONDUCTIVE CLIMATE FOR GROWTH AND DEVELOPMENT	
FSGDS Long-term Programmes	Strategies
Establish a strong and capable political and administrative management cadre.	<ul style="list-style-type: none"> • Institutionalise practices to ensure recruitment and appointment of competent people in managerial posts. • Develop leaders and managers in collaboration with Public Administration Leadership and Management Academy (PALAMA) and institutions of higher learning. • Expand the international and national leadership and management exchange programme. • Implement mentorship, succession planning and learnership programmes in leadership and management. • Ensure that exit interviews are conducted at senior management level. • Develop mechanisms to extend the 'lifespan' of competent heads of department, municipal managers, and chief financial officers. • Develop leaders by delegating and decentralising functions to appropriate levels. • Put measures in place to prevent the manipulation of organograms.
Strengthen an integrated development orientation and planning approach in governance.	<ul style="list-style-type: none"> • Develop and strengthen integrated sector strategies pertaining to the economic drivers: agriculture, mining, tourism, transport and distribution and manufacturing. • Define the role and contribution of public entities in planning and implementation.
Improve the link between citizens and the state to ensure accountability and responsive governance.	<ul style="list-style-type: none"> • Implement complaint management systems, including rapid response on municipal level
Improve the overall financial management in governance structures in the province to ensure clean audits and appropriate financing towards the growth and development of the province.	<ul style="list-style-type: none"> • Improve and enforce the implementation of all supply chain management requirements. • Introduce early warning systems in all municipalities and provincial departments. • Establish and ensure that financial oversight committees (internal and external) and subcommittees are functional such as: <ul style="list-style-type: none"> ○ Internal audit (departments and municipalities) ○ Risk management ○ Tender committees ○ Anti-corruption committees ○ Finance committee and legislature • Create units to investigate and finalise cases of financial mismanagement. • Ensure compliance with Treasury guidelines in respect of budget transfers, roll-overs and deviations in supply chain management system.
Assess and enhance the efficiency, effectiveness and accountability of institutions and social partners to deliver against outcomes and other mandates.	<ul style="list-style-type: none"> • Build the necessary systems and tools to pro-actively provide validated data and information that will inform performance monitoring and evaluation efforts. • Build the necessary monitoring and evaluation capacity in provincial departments and municipalities.

Sustainable Development Goals

The Sustainable Development Goals 2030 were adopted as Global Goals by world leaders in 2015. This annual performance plan aligns to the following identified goals and targets:

Sustainable Development Goal	2030 Targets
<p>1. End poverty in all its forms everywhere</p>	<ul style="list-style-type: none"> • By 2030 eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day • By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions • By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance
<p>2. Promote inclusive and sustainable economic growth, employment and decent work for all.</p>	<ul style="list-style-type: none"> • Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors • Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services • By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value • By 2020, substantially reduce the proportion of youth not in employment, education or training • By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products • Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.
<p>3. Build resilient infrastructure, promote sustainable industrialization and foster innovation</p>	<ul style="list-style-type: none"> • Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries

	<ul style="list-style-type: none"> • Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets • Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending • Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020
<p>4. Reduce inequality within and among countries</p>	<ul style="list-style-type: none"> • By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average • By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status • Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard
<p>5. Ensure sustainable consumption and production patterns</p>	<ul style="list-style-type: none"> • By 2030, achieve the sustainable management and efficient use of natural resources • By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment • By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse • Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products
<p>6. Take urgent action to combat climate change and its impacts</p>	<ul style="list-style-type: none"> • Integrate climate change measures into national policies, strategies and planning

	<ul style="list-style-type: none"> • Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning
<p>7. Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss</p>	<ul style="list-style-type: none"> • By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements • By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development • Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species • Take urgent action to end poaching and trafficking of protected species of flora and fauna and address both demand and supply of illegal wildlife products • By 2020 introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species • Enhance global support for efforts to combat poaching and trafficking of protected species, including by increasing the capacity of local communities to pursue sustainable livelihood opportunities

Strategic Goals

The following strategic goals of the department will guide the organization in contributing effectively to the above mentioned national and international priorities:

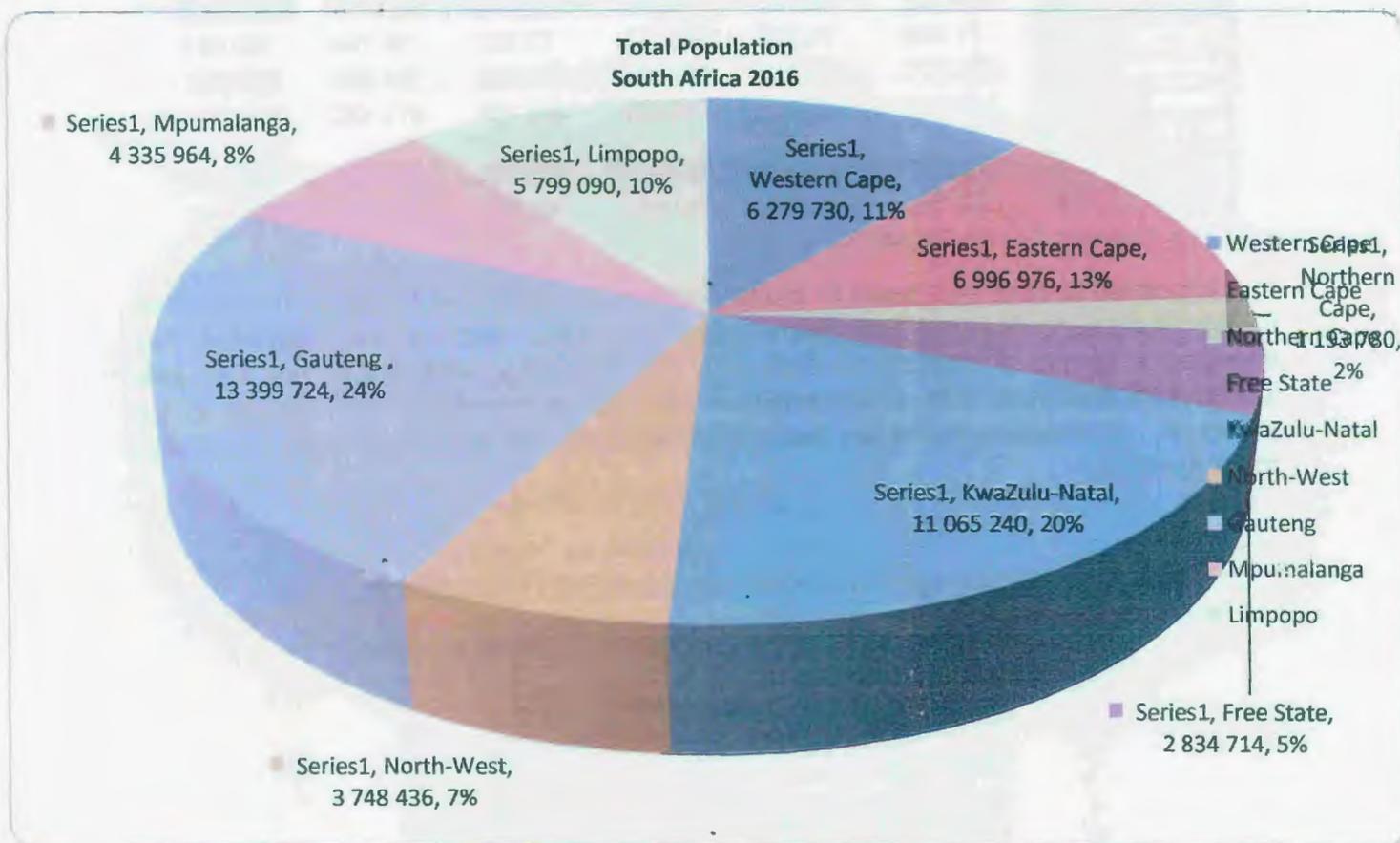
- Provision of leadership for effective socio-economic development
- Creation of efficient and effective financial management system for sustainability
- Build a responsive Human Resource attributed that is responsive to service demands
- Implications of integrated economic development for radical transformation
- Inculcate accountable environmental management for sustainable development & inclusive economic growth
- Foster Tourism sector transformation and development for improved market share
- Business process optimization for better programme performance & co-operation (Locally/Regionally/International)

1.1.2. Demographics

Population statistics is an important tool in the development and implementation of policy, as well as analysing the economy, as any changes in the population density impacts directly and indirectly on employment and other economic variables such as economic growth and per capita income.

Statistics SA, according to the Community Survey (CS), 2016 indicates that the Free State Province has the second smallest share (5%) of the South African population. Provinces with the highest population density, as figure 1 indicates, are Gauteng (24%), KwaZulu-Natal (20%) and Eastern Cape (13%).

Figure 1: Total Population – SA Provinces, 2016 (percentage)



Source: Statistics SA, Community Survey 2016, Provinces at a glance.

The population in Free State province according to *table 1*, has increased over the five year period from 2 745 590 in 2011 to 2 834 714 in 2016. Females represent the

majority of the population in 2016 with a total of 1 454 749 (51.3%) followed by males with a total of 1 379 965 (48.7%).

Most of the Free State's population, in 2016, resides, as per *table 1*, in Thabo Mofutsanyane (779 600) followed by Mangaung Metro (759 693), Lejweleputswa (649 964) and Fezile Dabi (494 777). Xhariep recorded the lowest population of 150 681.

Table 1: Population per District and Local Municipality 2011 and 2016

Province, District, Local Municipality	Census 2011			Community Survey 2016		
	Total population			Total population		
	Male	Female	Total	Male	Female	Total
Free State	1 328 967	1 416 623	2 745 590	1 379 965	1 454 749	2 834 714
Xhariep	71 658	74 600	146 259	73 927	76 754	150 681
Lejweleputswa	309 611	318 016	627 626	324 998	324 966	649 964
Thabo Mofutsanyane	343 170	393 068	736 238	366 168	413 432	779 600
Fezile Dabi	242 342	245 694	488 036	245 985	248 792	494 777
Mangaung	362 186	385 245	747 431	368 887	390 806	759 693

Source: Statistics SA, Community Survey 2016

It is important to note that most of the population, according to Census 2011 resided in the Mangaung Metropolitan Municipality (747 431). This situation however has changed in terms of ranking according to the CS 2016, which now indicates that Thabo Mofutsanyane DM accommodates the highest population of 779 600 in the province. Population increases from 2011 to 2016 are recorded in all the district municipalities.

Table 1 (a): % Change in population between 2011 and 2016

Province, District, Local Municipality	2016
Free State	3.2
Xhariep	3
Lejweleputswa	3.6
Thabo Mofutsanyane	5.9
Fezile Dabi	1.4
Mangaung	1.6

The population in Free State, as per the above table, increased with 89 124 between 2011 and 2016 which represent an increase of 3.2 %. Thabo Mofutsanyane recorded

the highest increase of 5.9% followed by Lejweleputswa with 3.6%. The lowest increase of 1.4% in the population was recorded in Fezile Dabi.

Table 1 (b): % change in terms gender between 2011 and 2016

Province, District, Local Municipality	Census 2011		Community Survey 2016			
	Population by gender		% change in population by gender			
	M	F	M	% change	F	% change
FS	1 328 967	1 416 623	1 379 965	3.8	1 454 749	2.7
Xhariep	71 658	74 600	73 927	3.2	76 754	2.9
Lejweleputswa	309 611	318 016	324 998	5	324 966	2.2
Thabo	343 170	393 068	366 168	6.7	413 432	5.2
Mofutsanyane						
Fezile Dabi	242 342	245 694	245 985	1.5	248 792	1.3
Mangoseng	362 186	385 245	368 887	1.9	390 806	1.4

In terms of gender, as per the table above, Thabo Mofutsanyane recorded the highest growth in both male and female of 6.7% and 5.2% respectively. Lejweleputswa in terms of males recorded the second highest growth of 5%, whilst Xhariep recorded the second highest increase of 2.9% in females. The lowest growth in gender, both male and female, was recorded in Fezile Dabi with 1.5% and 1.3% respectively.

1.1.2.1 Population Projections

Based on the present age-gender structure and the present fertility, mortality and migration rates, Free State's population is projected to grow at an average annual rate of 0.4% from 2.8 million in 2014 to 2.85 million in 2019.

Table: Population projections - Free State and National Total, 2014-2019

	Free State	National Total	Free State as % of national
2014	2,800,000	53,800,000	5.2%
2015	2,820,000	54,500,000	5.2%
2016	2,830,000	55,300,000	5.1%
2017	2,840,000	56,000,000	5.1%
2018	2,850,000	56,700,000	5.0%
2019	2,850,000	57,400,000	5.0%
Average Annual growth			
2014-2019	0.35%	1.31%	

Source: IHS Global Insight Regional eXplorer version 832

The average annual growth rate in the population over the forecast period for South Africa is 1.3%. South Africa as a whole is estimated to have an average annual growth rate of 1.3% which is higher than that of Free State's growth rate.

1.1.3. Economic Analysis

1.1.3.1. Prevailing Global and Domestic Economic Environment.

In terms of the South African Reserve Bank's projections, the South African economy is expected to grow by only 0.9% in 2016.¹ While the World Bank's 2% growth projection in 2016 is better, it is still a very low projection. The downward revision of economic growth forecast is mainly informed by economic slowdown in China, lower commodity prices and electricity supply shortages. Most of South Africa's mineral exports go to China while the value added products largely go to European market. Accordingly, a slow-down in China or Europe would reduce demand for South Africa's exports.² Despite this gloomy economic growth outlook, the sub-Saharan region is forecast to grow at 4% in 2016.

The growth of the South African economy is expected to remain subdued due to global factors such as slower growth and demand from key trading partners like China, Eurozone and other emerging economies. In terms of IMF's 2015 World Economic Outlook report, the global economy will remain subdued due to "the gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing toward consumption and services, lower prices for energy and other commodities, and a gradual tightening in monetary policy in the United States".

The advanced economies are expected to grow at an average of 2.3% in 2016 and 2017. According to the World Bank, this modest growth would be driven by the United States (US), whose growth is expected to rise to 2.8% in 2016, and a recovery in the Euro Area and Japan.³

Ordinarily, lower oil prices would provide a relief to household budgets and headline inflation and thus contribute to economic growth. Unfortunately there is a number of

¹ See Statement of the Monetary Policy Committee, 28 January 2016. Pg. 5

² World Bank: South Africa Economic Update: Jobs and South Africa's Changing Demographics. Pgs. 27

³ World Bank: South Africa Economic Update: Jobs and South Africa's Changing Demographics. Pgs. 11-12

demand-side constraints that would make this relief temporary and constrain growth prospects by limiting the space for increased households' consumption; viz:⁴

- a. the possibility of higher electricity tariffs;
- b. the potentially higher domestic prices due to the knock-on-effect of a more depreciated rand;
- c. high unemployment; and
- d. high indebtedness which could fuel tighter credit standards.

These demand-side pressures would be exacerbated by subdued government consumption because of "consolidation efforts".⁵

On the supply-side, the following constraints would dampen investor confidence and thus economic growth:⁶

- a. concerns over electricity supply;
- b. rising input and wage costs;
- c. lower commodity prices; and
- d. policy and regulatory uncertainty

The weak economic growth, in turn, would sustain the already volatile labour relations environment which is not helping in improving investor confidence. Related to this, is the incident of rising social tension in the country and has been covered by the international media.⁷

Nonetheless, the recovery in advanced countries and relatively higher economic growth in Sub-Saharan Africa present an opportunity for demand for South Africa's non-mineral exports. Unfortunately this would not reduce the current account deficit which is forecast to be around 5.0-5.2% of the GDP over the medium term. This is because of lower demand for minerals as well as lower commodity prices.⁸

The ongoing drought is also going to impact negatively on the economy. The drought had not only forced farmers to plant 30% of total hectares in 2015, but had damaged the crops planted. Livestock farmers are forced to use their cash to buy feed for their

⁴ World Bank: South Africa Economic Update: Jobs and South Africa's Changing Demographics. Pgs. 27

⁵ Ibid

⁶ World Bank: South Africa Economic Update: Jobs and South Africa's Changing Demographics. Pgs. 27

⁷ World Bank: South Africa Economic Update: Jobs and South Africa's Changing Demographics. Pgs. 27

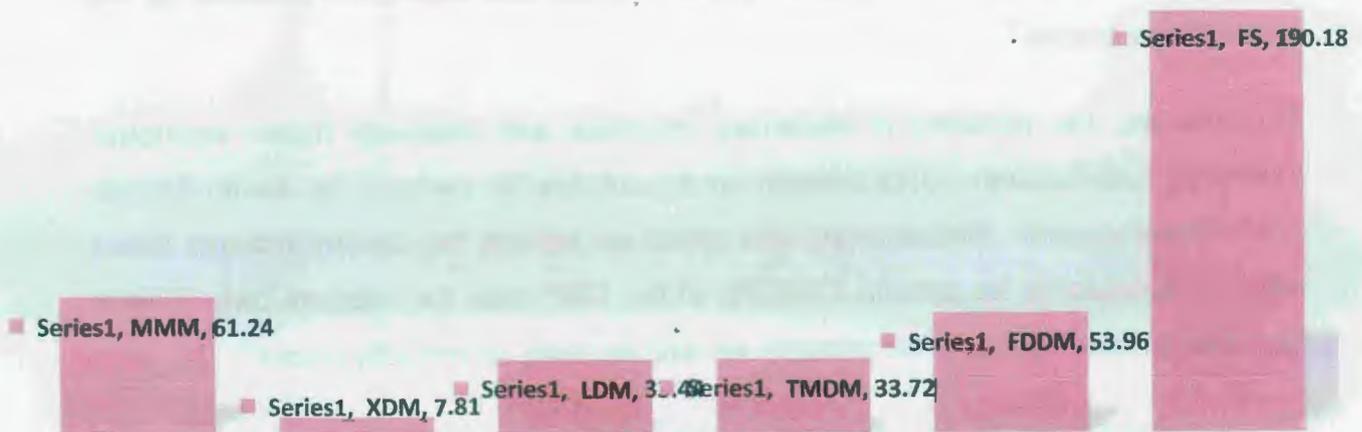
⁸ Ibid

animals while at the same time the feed prices are increasing.⁹ The impact has begun to show with the agricultural sector declining by 12.6% in the third quarter of 2015.¹⁰ The drought-exacerbated conditions in the agricultural sector are going to lead to high food prices which would in turn lead to deteriorating health conditions, particularly of the poor households.¹¹

1.1.3.2. Gross Domestic Product (GDP) by Region

In 2014 the Free State Province had a total GDP of R190 billion in current prices. Figure 2 below shows the contribution of each district municipality to total Free State GDP. The most contribution came from the Mangaung Metropolitan Municipality (MMM), followed by the Fezile Dabi District Municipality (FDDM) which is the industrial hub of the Free State economy. Thabo Mofutsanyane District Municipality's (TMDM) was the third largest; Lejweleputswa District Municipality's (LDM) the fourth and Xhariep District Municipality's (XDM) was the fifth in contribution.

Figure 2: Districts & FS GDP: 2014 prices in Rbn



Source: Global Insight Regional eXplorer version 920

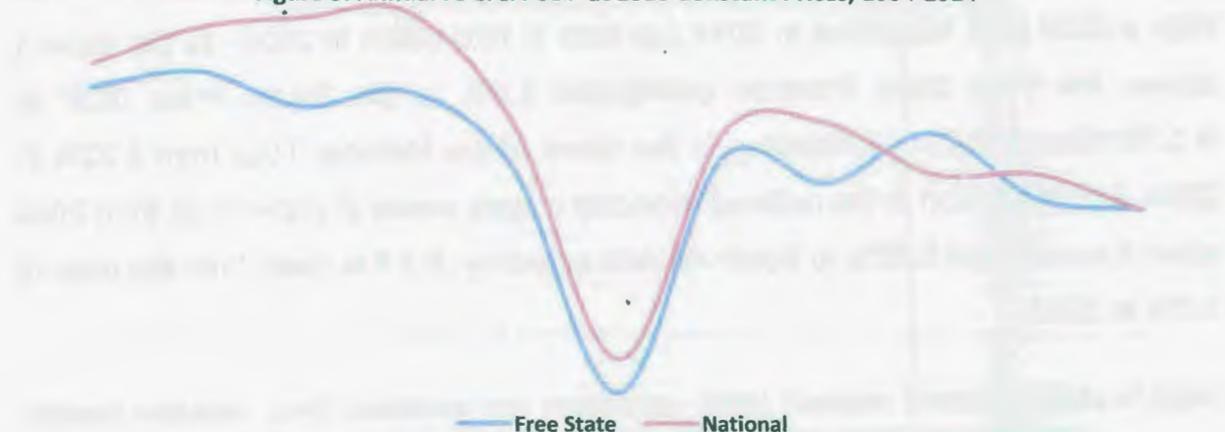
⁹ Prof J. Willemse, Dr D Strydom & M Venter: Implications of the lingering 2015 drought on the economy, agricultural markets, food processors, input suppliers and consumers

¹⁰Stats SA

¹¹ Prof Willemse et. al; SARB, 28/01/16

As figure 3 below shows, the annualised GDP growth has struggled to reach the pre-global financial crisis levels. The Free State economic growth reached its highest level of 4.22% in 2005. While the Free State GDP had been hovering below the national average between 2004 and 2014, it however surpassed the national average in 2012 when it reached 3% and mirrored it in 2014 at 1.5%. For a period of ten years (between 2004 and 2014) the Free State economy has experienced real annualised average growth rate of 2.22%.¹²

Figure 3. Annual FS & SA GDP at 2010 Constant Prices, 2004-2014



Given the growth trend and a number of unfavourable domestic and global factors, the Free State GDP is forecast to grow at an average annual rate of 1.77% from 2014 to 2019.¹³ On the other hand, the National Development Plan's ambition is to attain an annual national growth rate of 5.4% by 2030, while the FSGDS aims for a 7% provincial growth rate in the same period. This 1.77% growth rate forecast, when viewed together with the 2.2% growth rate in ten years (between 2004 and 2014), suggests that unless bold measures are implemented in the economy, the growth ambitions set by the policy may not be attainable.

¹² Global Insight Regional eXplorer version 920

¹³ Global Insight Regional eXplorer version 920

TABLE 3: GROSS DOMESTIC PRODUCT (GDP) - FREE STATE AND NATIONAL TOTAL, 2004-2014 [R BILLIONS, CURRENT PRICES]

	Free State	National Total	Free State as % of national
2004	78.6	1,476.6	5.3%
2005	85.5	1,639.3	5.2%
2006	101.2	1,839.4	5.5%
2007	114.0	2,109.5	5.4%
2008	129.7	2,369.1	5.5%
2009	135.9	2,507.7	5.4%
2010	147.2	2,748.0	5.4%
2011	157.8	3,025.0	5.2%
2012	164.8	3,262.5	5.1%
2013	179.8	3,534.3	5.1%
2014	190.2	3,794.8	5.0%

Source: IHS Global Insight Regional eXplorer version 920

With a GDP of R 190 billion in 2014 (up from R 78.6 billion in 2004) as per table 3 above, the Free State Province contributed 5.0% to the South Africa GDP of R 3.79 trillion in 2014, decreasing in the share of the National Total from 5.32% in 2004. Its contribution to the national economy stayed similar in importance from 2004 when it contributed 5.32% to South Africa's economy, but it is lower than the peak of 5.5% in 2006.

TABLE 4: GROSS DOMESTIC PRODUCT (GDP) - FREE STATE AND NATIONAL TOTAL, 2004-2014 [ANNUAL PERCENTAGE CHANGE, CONSTANT 2010 PRICES]

	Free State	National Total
2004	3.9%	4.4%
2005	4.2%	5.1%
2006	3.5%	5.3%
2007	3.8%	5.4%
2008	2.3%	3.2%
2009	-2.2%	-1.5%
2010	2.5%	3.0%
2011	2.0%	3.2%
2012	3.0%	2.2%
2013	1.7%	2.2%
2014	1.5%	1.5%
Average Annual growth 2004-2014+	2.22%	2.94%

Source: IHS Global Insight Regional eXplorer version 920

As table 4 shows, in 2014 the Free State Province achieved an annual growth rate of 1.48% which was similar to the growth rate of South Africa as a whole, where the 2014 GDP growth rate was 1.51%. Contrary to the annual growth rate of 2014, the longer-term average growth rate for the Free State of 2.22%, is significantly lower than that of South Africa, which is 2.94%. The economic growth rate in the Free State peaked in 2005 at 4.22%.

TABLE 5: GROSS DOMESTIC PRODUCT (GDP) - METROPOLITAN MUNICIPALITIES OF FREE STATE PROVINCE, 2004 TO 2014, SHARE AND GROWTH

	2014 (Current prices)	Share of province	2004 (Constant prices)	2014 (Constant prices)	Average Annual growth
Mangaung	61.24	32.20%	37.08	51.38	3.32%
Xhariep	7.81	4.10%	5.00	6.64	2.88%
Lejweleputswa	33.44	17.59%	33.99	28.21	-1.85%
Thabo Mofutsanyane	33.72	17.73%	21.83	28.03	2.53%
Fezile Dabi	53.96	28.37%	30.14	45.22	4.14%
Free State	190.18		128.03	159.47	

Source: IHS Global Insight Regional eXplorer version 920

Table 5 shows that Fezile Dabi had the highest average annual economic growth, averaging 4.14% between 2004 and 2014, when compared to the rest of the regions within the Free State Province. The Mangaung metropolitan municipality had the second highest average annual growth rate of 3.32%. Lejweleputswa District Municipality had the lowest average annual growth rate of -1.85% between 2004 and 2014.

2.2 Current Sectoral Economic Performance

Between 2004 and 2014, the agricultural sector grew by 10%, the mining sector declined by 5% and the manufacturing sector grew by 17%. The decline in the contribution of the mining sector, which has traditionally been the mainstay of the Free State economy, over a period of ten years, may have been the main reason for the less than satisfactory growth in the FS economy (Global Insight).

1.1.3.3 Gross Value Added by Region (GVA-R)

The Free State Province's economy is made up of various industries. The GVA-R variable provides a sector break-down, where each sector is measured in terms of its *value add* in the local economy.

Definition: Gross Value Added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors.

The summary as per *table 6* below puts the Gross Value Added (GVA) of National in relation to that of the Free State Province.

**TABLE 6: GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - FREE STATE PROVINCE, 2014
[R BILLIONS, CURRENT PRICES]**

	Free State	National Total	Free State as % of national
Agriculture	8.3	84.7	9.8%
Mining	21.5	286.6	7.5%
Manufacturing	18.3	452.3	4.1%
Electricity	6.2	125.4	4.9%
Construction	4.7	137.3	3.4%
Trade	24.6	504.9	4.9%
Transport	17.4	339.9	5.1%
Finance	25.9	699.5	3.7%
Community services	43.0	772.3	5.6%
Total Industries	169.8	3,402.9	5.0%

Source: IHS Global Insight Regional explorer version 920

In 2014, the community services sector was the largest within the Free State Province, accounting for R 43 billion or 25.3% of the total GVA in the province's economy. The sector that contributed the second most to the GVA of the Free State Province is the finance sector at 15.3%, followed by the trade sector with 14.5%. The sector that contributed the least to the economy of Free State Province is the construction sector with a contribution of R 4.66 billion or 2.75% of the total GVA.

2.5 Economic Growth Forecast

It is expected that Free State Province's GDP will grow at an average annual rate of 1.77% from 2014 to 2019 as per *table 7*.

Table 7: Economic growth projections of Free State economy

	2014	2015	2016	2017	2018	2019
GDP-R (R'1000 constant prices)	159 470 832	160 192 971	162 609 316	166 117 545	170 045 069	174 084 264
Real GDP per cent growth	1.5%	0.5%	1.5%	2.2%	2.4%	2.4%
GDP-R by sector (real change)						
Agriculture	5.4%	-5.1	1.6%	2.0%	2.0%	2.0%
Mining	1.0%	0.9%	1.7%	3.3%	2.5%	1.2%
Manufacturing	-0.8	-0.6	1.6%	2.1%	2.7%	2.7%
Electricity	-1.2%	-2.3%	-0.2%	0.1%	1.5%	1.6%
Construction	0.9%	0.0%	0.7%	0.8%	1.3%	1.6%
Trade	1.8%	-0.4%	1.6%	1.7%	2.4%	2.6%
Transport	1.7%	0.6%	1.9%	2.8%	2.9%	3.4%
Finance	1.4%	1.7%	1.9%	2.4%	2.5%	2.9%

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Community services	2.6%	1.2%	1.2%	1.8%	2.1%	2.2%
Total Industries	1.6%	0.3%	1.5%	2.1%	2.4%	2.4%

South Africa as a whole is forecasted to grow at an average annual growth rate of 2.55%, which is higher than that of the Free State Province. In 2019, the Free State's forecasted GDP will be an estimated R 174 billion (constant 2010 prices) or 5.1% of the total GDP of National Total. The ranking in terms of size of the Free State Province will remain the same between 2014 and 2019, with a contribution to the South African GDP of 5.1% in 2019 compared to the 5.3% in 2014. At a 1.77% average annual GDP growth rate between 2014 and 2019, the Free State will rank the lowest compared to the other provincial economies.

When looking at the regions within the Free State Province, as per *table 8* it is expected that from 2014 to 2019, the Xhariep District Municipality will achieve the highest average annual growth rate of 3.60%.

TABLE 8: GROSS DOMESTIC PRODUCT (GDP) - METROPOLITAN MUNICIPALITIES OF FREE STATE PROVINCE, 2014 TO 2019, SHARE AND GROWTH

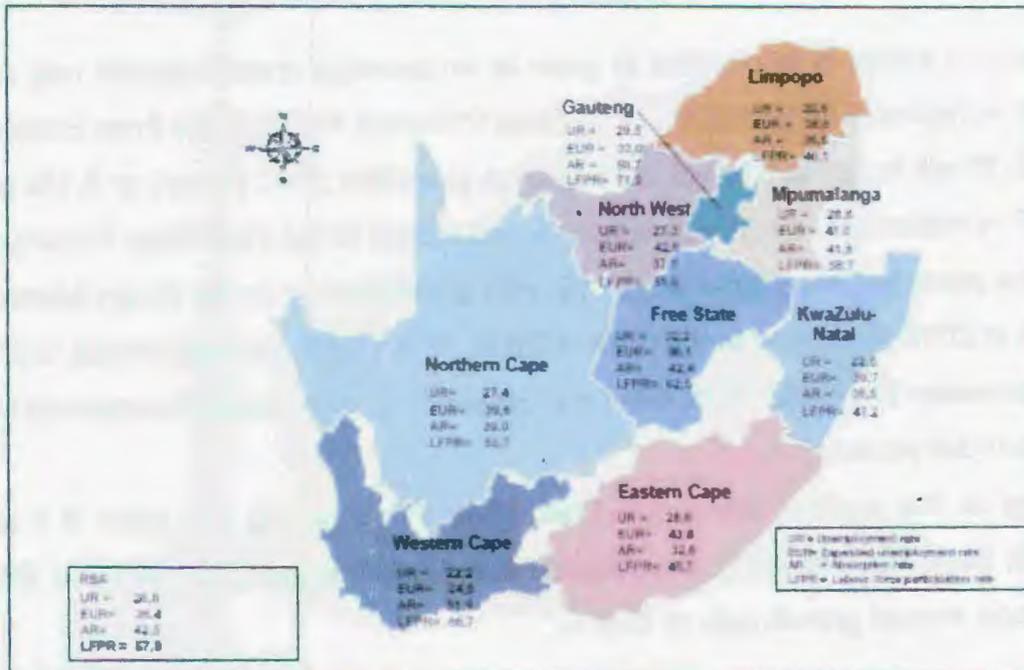
	2019 (Current prices)	Share of province	2014 (Constant prices)	2019 (Constant prices) what's difference with column 2?	Average Annual growth
Mangaung	84.51	48.55%	51.38	56.75	2.01%
Xhariep	11.25	6.46%	6.64	7.92	3.60%
Lejweleputswa	37.97	21.81%	28.21	28.24	0.02%
Thabo Mofutsanyane	45.41	26.08%	28.03	30.25	1.53%
Fezile Dabi	74.97	43.06%	45.22	50.93	2.41%
Free State	254.11		159.47	174.08	

Source: IHS Global Insight Regional eXplorer version 920

The region that is expected to achieve the second highest average annual growth rate, is that of Fezile Dabi District Municipality, averaging 2.41% between 2014 and 2019. On the other hand, the region that is expected to perform the poorest relative to the other regions within the Free State Province is the Lejweleputswa District Municipality with an average annual growth rate of 0.02%.

1.1.3.4. Free State Labour Market

3.1 SA Labour market measures at a glance, Q1: 2015



3.2 Labour force characteristics

Statistics South Africa in the recent Quarterly Labour Force Survey (QLFS) recorded 1 882 000 working age population (people in the age group 15-64) for Free State in Q2: 2016. The province registered 1 869 000 people for the same period in 2015. It is thus evident from Table 9 (below) that the population in the age group 15-64 increased with 13 000 year-on-year (Q2: 2015 to Q2: 2016). This implies that the economy of the province should grow faster in order to absorb this increasing number of new entrants into the labour market.

It should further be mentioned that the labour force increased by 11 000 from 1 165 000 in Q2:2015 to 1 176 000 in Q2:2016, which represents an increase of 1.0%. Quarter-to-quarter (Q1:2016 to Q2:2016) changes reflect a decrease of 20 000, from 1 196 000 to 1 176 000, which represents a decrease of -1.6%.

Table 9: Labour force characteristics – Free State, Quarter 2:2016

	Apr-Jun 2015	Jul-Sep 2015	Oct-Dec 2015	Jan-Mar 2016	Apr-Jun 2016	Q-to-Q change	Y-on-Y change	Q-to-Q change	Y-on-Y change
	Thousand				Percentage				
Population 15-64	1 869	1 872	1 875	1 879	1 882	3	13	0.2	0.7

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Labour force	1 165	1 161	1 176	1 196	1 176	-20	11	-1.6	1.0
Employed	798	795	825	790	797	7	-1	0.9	-0.2
Unemployed	366	366	351	405	379	-26	13	-6.5	3.4
Not economically Active	704	711	700	683	706	23	2	3.4	0.3
Discouraged work-Seekers	93	69	71	66	81	14	-13	21.6	-13.6
Other	610	642	629	617	625	9	15	1.4	2.4
Rates (%)									
Unemployment rate	31.4	31.5	29.8	33,9	33,2	-1.7	0.8		
Employed population ratio (absorption)	42.7	42.5	44.0	42,1	42,4	0.3	-0.3		
Labour force participation rate	62.3	62.0	62.7	63,6	62,5	-1.1	0.2		

Due to rounding, numbers do not necessarily add up to totals. Note: Employment refers to market production activities

Source: Stats SA, QLFS, Q2 2016

It is however important to note that discouraged work seekers decreased year-on-year (Q2:2015 to Q2:2016) with 13 000. Not economically active population increased year-on-year with 0.3%. These trends, despite the decrease, clearly demonstrate the need for the Free State to grow the economy in order to bring down the level of poverty, unemployment and inequality.

3.3 Unemployment

Table 10: Unemployment rate by province – Q2: 2016

	Official unemployment rate					Expanded unemployment rate		
	Apr-Jun 2015	Jan-Mar 2016	Apr-Jun 2016	Qtr-to-qtr Change	Year-on-year change	Apr-Jun 2015	Apr-Jun 2016	Y-on-Y Change
	Per cent			Percentage	points	Per cent		% points
South Africa	25,0	26,7	26,6	-0,1	1,6	34,9	36,4	1,5
Western Cape	21,7	20,9	22,2	1,3	0,5	24,1	24,6	0,5
Eastern Cape	29,1	28,6	28,6	0,0	-0,5	42,5	43,8	1,3
Northern Cape	32,7	27,8	27,4	-0,4	-5,3	41,1	39,8	-1,3
Free State	31,4	33,9	32,2	-1,7	0,8	38,9	38,1	-0,8
KwaZulu-Natal	20,4	23,1	22,6	-0,5	2,2	36,3	39,7	3,4
North West	25,2	28,1	27,3	-0,8	2,1	40,1	42,6	2,5
Gauteng	26,8	30,2	29,5	-0,7	2,7	31,3	33,0	1,7
Mpumalanga	27,2	29,8	28,8	-1,0	1,6	39,1	41,0	1,9
Limpopo	18,9	18,3	20,6	2,3	1,7	39,0	38,6	-0,4

Source: Stats SA, QLFS Q2, 2016

NB. According to the *strict definition* only those people who take active steps to find employment, but fail to do so, are regarded as unemployed. The *expanded definition*, on the other hand, includes everyone who desires

employment, irrespective of whether or not they actively tried to obtain a job.

The official unemployment rate in South Africa decreased by 0,1 percentage points in Q2: 2016 compared to Q1: 2016. It, however, represents an annual increase of 1.6 percentage point (Q2:2015 compared to Q2:2016).

Free State Province recorded a decrease of 1.7 percentage points in unemployment rate in Q2:2016 compared to Q1:2016. Annually, it experienced an increase of 0.8 percentage points.

Only two provinces, namely the Western Cape and Limpopo, experienced quarter-to-quarter (Q1:2016 to Q2:2016) increases in the official unemployment rate of 1.3 and 2.3 percentage points respectively. Six provinces recorded decreases in the official unemployment rate in Q2:2016 compared to Q1:2016. The unemployment rate remained unchanged in the Eastern Cape. The largest decreases were recorded in Free State 1,7 percentage points and Mpumalanga 1,0 percentage points. In comparison to the same period last year (Q2: 2015 to Q2: 2016), the annual unemployment rate increased in seven of the nine provinces. The largest annual increase was observed in Gauteng (2, 7 percentage points) and the largest decrease in the Northern Cape (5,3 percentage points)

Annual changes, Q2: 2015 and Q2: 2016, reflected a decrease of 0, 8 percentage point in the expanded unemployment rate in the Free State as per the table above. During this period, six provinces recorded increases in the expanded unemployment rate. The largest increase was recorded in KwaZulu-Natal with 3, 4 percentage points and the largest decrease in Northern Cape with 1,3 percentage points.

From these figures, it is clear that the challenge of unemployment is more pronounced in the Free State Province. In Q2:2015, the province had the second highest unemployment rate of 31,4%, after the Northern Cape's 32,7%. This ranking changed in Q1: 2016 and Q2: 2016 whereby the Free State recorded the highest rate of unemployment in the country of 33,9% and 32,2% respectively. This, once again, demonstrates the need for the Free State to grow the economy in order to bring down the level of unemployment, poverty and inequality.

1.1.3.5. Employment

Employment in the province during Q2: 2016 was the highest in Community and Social Services followed by Trade and Private Households as per *table 11* below. These industries recorded a workforce of 214 000, 155 000 and 101 000, respectively. The situation a year ago (Q2: 2015) was the same for these industries which recorded a workforce of 206 000, 169 000 and 80 000 respectively.

Table 11: Employment per industry – Q2:2015 to Q2:2016

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Q-to-Q	Y-on-Y	Q-to-Q	Y-on-Y
	2015	2015	2015	2016	2016	change	change	change	change
	Thousands					Percentage			
Agriculture	74	65	64	72	66	-6	-9	-8.3	-11.6
Mining	34	30	35	35	35	0	1	-0.2	2.2
Manufacturing	72	59	69	59	66	7	-6	11.9	-8.1
Utilities	12	11	9	10	9	-1	-3	-10.7	-25.6
Construction	53	61	53	57	56	-1	3	-1.5	6.1
Trade	169	165	187	166	155	-11	-14	-6.6	-8.2
Transport	36	33	38	34	36	3	0	7.5	0.1
Finance	62	60	65	57	59	2	-3	4.3	-4.3
Community & Social Services	206	216	213	201	214	12	8	6.2	3.8
Private households	80	94	93	100	101	1	21	1.4	26.2

For all values of 10 000 or lower the sample size is too small for reliable estimates.

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

Source: Stats SA, QLFS, Q2 2016

It is important to note that the workforce in both Community & Social Services and Private Households increased with 3.8% and 26.2% respectively (Q2:2015 to Q2:2016). Trade for the same period decreased with 8.2%.

The highest employment gains quarter-to-quarter (Q1:2016 to Q2:2016) were observed in Community & Social Services and Manufacturing contributing 12 000 and 7 000 jobs respectively. Job losses were observed in four industries with the highest job losses in Trade (11 000) and Agriculture (6 000).

Annual changes as per the above table shows the highest increases in employment over the period Q2: 2015 and Q1: 2016 in Private Households (21 000) and Community & Social Services (8 000). Construction and Mining also recorded employment gains of 3000 and 1000 jobs respectively. No changes in employment were recorded in Transport. However, five industries shed jobs over the same period

with the highest job losses in Trade (14 000), Agriculture (9 000) and Manufacturing (6 000).

From the data provided above, it is clear that the 5 priority sectors in the province did not create any additional jobs; instead jobs were lost in trade, agriculture and manufacturing. Which means a lot needs to be done to create jobs in the priority sectors.

1.1.3.10. Tourism

The province experienced a continuous increase of international tourists during the period 2002 to 2011 with the exception of 2009 due to the global recession.

An overall analysis of Figure 4 concludes that the Free State has experienced an increase of international tourists from 15.6% in 2002 to 26% in 2011, an increase of 10.4%. A decrease in international tourists occurred in 2009 (from 23.1% in 2008 to 21.6%). An increase of 1.5% however was recorded in 2010 (to 23.1%) and the number further rose to 26% in 2011.

The above trends are however different in relation to the domestic tourists. Figure 4 clearly indicates the overall decline from 84.4% in 2002 to 74% in 2011 (a decline of 10.4% over a ten year period). This trend indicates the declining significance of the Free State province as a tourism hotspot for South African tourists. Effort should be made to market the province's tourist hotspots and create an awareness of the province's tourism potential.

Today, tourism is estimated to contribute approximately 10% to the global Gross Domestic Product (GDP), considering its direct, indirect and induced impacts. According to UNWTO, in 2014, there were 1.1 billion international tourist arrivals, up from a mere 25 million in 1950. These tourists generated US\$ 1.5 trillion in exports to the visited economies or 6% of the world's total exports. It is estimated that one out of every eleven jobs worldwide is directly or indirectly linked to tourism. Source: UNWTO, 2015.

In South Africa, tourist arrivals continue to grow every year. The direct and indirect contribution of tourism to the country's GDP is currently R323 billion which is about 9.5% of total GDP. The tourism sector supports over 1.4 million jobs, representing about 10% of total employment in the country.

In the Free State Province, it is important that on the demand side the province intensifies its efforts to ensure effective marketing of the province in order to attract domestic tourists as well as international tourists. On the supply side, the province must continue to enhance tourism infrastructure, up skill the sector, inculcate the culture of service excellence and enhance the provision of world class visitor experiences.

Free State Tourism Provincial Indicators.**FREE STATE PROVINCE**

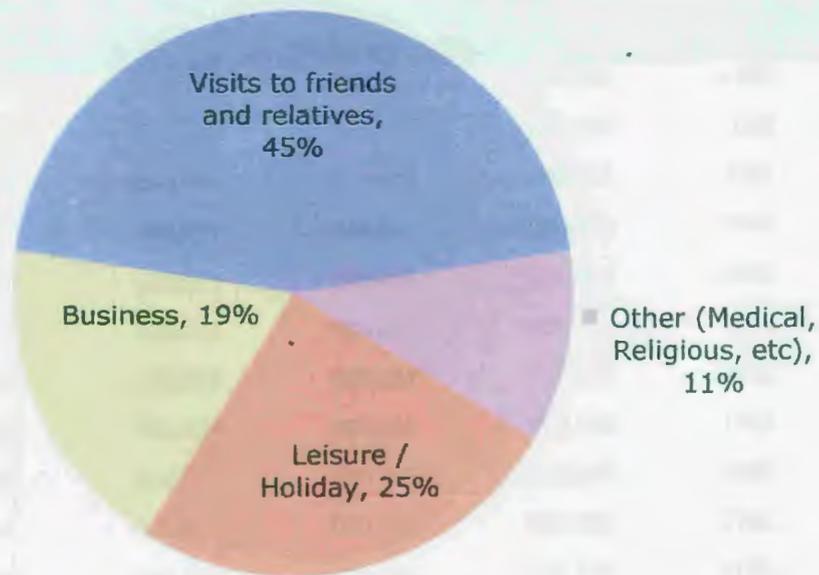
a) Number of trips by purpose of trips - free state province, 2004-2014 [number

	Leisure / Holiday	Business	Visits to friends and relatives	Other (Medical, Religious, etc)	Total
2004	153,000	135,000	727,000	116,000	1,130,000
2005	159,000	147,000	742,000	115,000	1,160,000
2006	177,000	158,000	745,000	119,000	1,200,000
2007	205,000	158,000	724,000	119,000	1,210,000
2008	224,000	159,000	694,000	121,000	1,200,000
2009	228,000	163,000	656,000	118,000	1,170,000
2010	250,000	183,000	628,000	125,000	1,180,000
2011	261,000	192,000	601,000	129,000	1,180,000
2012	286,000	209,000	597,000	137,000	1,230,000
2013	306,000	225,000	589,000	140,000	1,260,000
2014	325,000	236,000	579,000	141,000	1,280,000
				Average Annual growth	
2004-2014	7.86%	5.79%	-2.25%	1.98%	1.26%

Source: IHS Global Insight Regional eXplorer version 920

In Free State Province, the Leisure / Holiday, relative to the other tourism, recorded the highest average annual growth rate from 2004 (152 000) to 2014 (325 000) at 7.86%. Visits to friends and relatives recorded the highest number of visits in 2014 at 579 000, with an average annual growth rate of -2.25%. The tourism type that recorded the lowest growth was Visits to friends and relatives tourism with an average annual growth rate of -2.25% from 2004 (727 000) to 2014 (579 000).

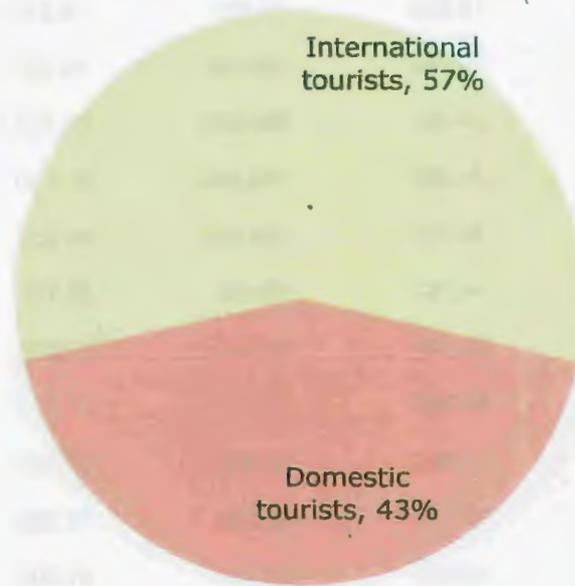
Tourism - trips by Purpose of trip Free State Province, 2014



Source: IHS Global Insight Regional eXplorer version 920

The Visits to friends and relatives at 45.18% has largest share the total tourism within Free State Province. Leisure / Holiday tourism had the second highest share at 25.37%, followed by Business tourism at 18.45% and the Other (Medical, Religious, etc.) tourism with the smallest share of 11.00% of the total tourism within Free State Province.

Tourism - tourists by origin Free State Province, 2014



Source: IHS Global Insight Regional eXplorer version 920

FEZILE DABI DISTRICT MUNICIPALITY

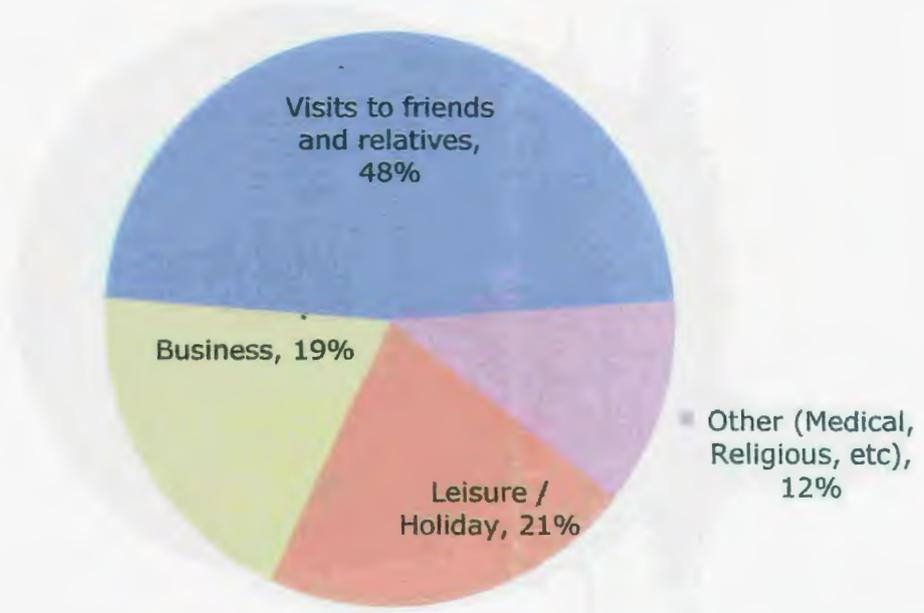
- a) Number of trips by purpose of trips --Fezile Dabi District Municipality, 2004-2014

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	Leisure Holiday	Business	Visits friends and relatives	Other (Medical, Religious, etc)	Total
2004	18,600	19,900	99,400	19,300	157,000
2005	19,600	22,200	103,000	19,300	164,000
2006	22,000	24,300	104,000	20,300	171,000
2007	25,600	24,300	103,000	20,600	174,000
2008	28,600	24,400	100,000	21,300	175,000
2009	29,900	24,700	96,500	20,700	172,000
2010	33,100	27,400	93,300	21,200	175,000
2011	33,000	28,900	91,300	21,000	174,000
2012	33,000	31,500	91,000	21,700	177,000
2013	35,200	33,300	89,900	21,300	180,000
2014	39,600	35,600	88,200	21,600	185,000
Average Annual growth					
2004-2014	7.85%	5.98%	-1.19%	1.14%	1.64%

In Fezile Dabi District Municipality, the Leisure / Holiday, relative to the other tourism, recorded the highest average annual growth rate from 2004 (18 600) to 2014 (39 600) at 7.85%. Visits to friends and relatives recorded the highest number of visits in 2014 at 88 200, with an average annual growth rate of -1.19%. The tourism type that recorded the lowest growth was Visits to friends and relatives tourism with an average annual growth rate of -1.19% from 2004 (99 400) to 2014 (88 200).

Tourism - trips by Purpose of trip Fezile Dabi District Municipality, 2014



Source: IHS Global Insight Regional eXplorer version 920

The Visits to friends and relatives at 47.66% has largest share the total tourism within Fezile Dabi District Municipality. Leisure / Holiday tourism had the second highest share at 21.42%, followed by Business tourism at 19.24% and the Other (Medical, Religious, etc.) tourism with the smallest share of 11.68% of the total tourism within Fezile Dabi District Municipality.

Tourism - tourists by origin Fezile Dabi District Municipality, 2014



Source: IHS Global Insight Regional eXplorer version 920

LEJWELEPUTSWA DISTRICT MUNICIPALITY

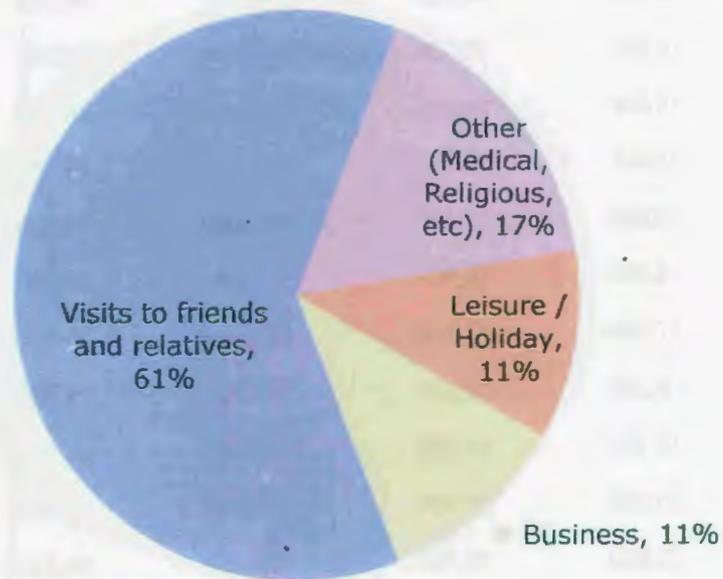
a) Number of trips by purpose of trips - Lejweleputswa District Municipality, 2004-2014

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	Leisure Holiday	Business	Visits friends relatives to and	Other (Medical, Religious, etc)	Total
2004	14,300	18,300	158,000	24,100	214,000
2005	14,100	18,900	163,000	23,700	219,000
2006	14,600	19,400	164,000	25,000	223,000
2007	15,600	18,700	162,000	25,400	221,000
2008	16,600	18,900	155,000	26,500	217,000
2009	16,700	18,600	147,000	26,500	209,000
2010	17,100	20,200	141,000	29,000	208,000
2011	18,200	20,200	134,000	30,700	204,000
2012	19,100	21,500	133,000	33,300	207,000
2013	20,600	22,100	132,000	35,200	210,000
2014	22,600	23,100	130,000	35,200	211,000
Average Annual growth					
2004-2014	4.72%	2.33%	-1.94%	3.88%	-0.18%

In Lejweleputswa District Municipality, the Leisure / Holiday, relative to the other tourism, recorded the highest average annual growth rate from 2004 (14 300) to 2014 (22 600) at 4.72%. Visits to friends and relatives recorded the highest number of visits in 2014 at 130 000, with an average annual growth rate of -1.94%. The tourism type that recorded the lowest growth was Visits to friends and relatives tourism with an average annual growth rate of -1.94% from,2004 (158 000) to 2014 (130 000).

Tourism - trips by Purpose of trip Lejweleputswa District Municipality, 2014



Source: IHS Global Insight Regional eXplorer version 920

The Visits to friends and relatives at 61.58% has largest share the total tourism within Lejweleputswa District Municipality. Other (Medical, Religious, etc.) tourism had the second highest share at 16.72%, followed by Business tourism at 10.96% and the Leisure / Holiday tourism with the smallest share of 10.75% of the total tourism within Lejweleputswa District Municipality.

Tourism - tourists by origin Lejweleputswa District Municipality, 2014



Source: IHS Global Insight Regional eXplorer version 920

MANGAUNG METROPOLITAN MUNICIPALITY

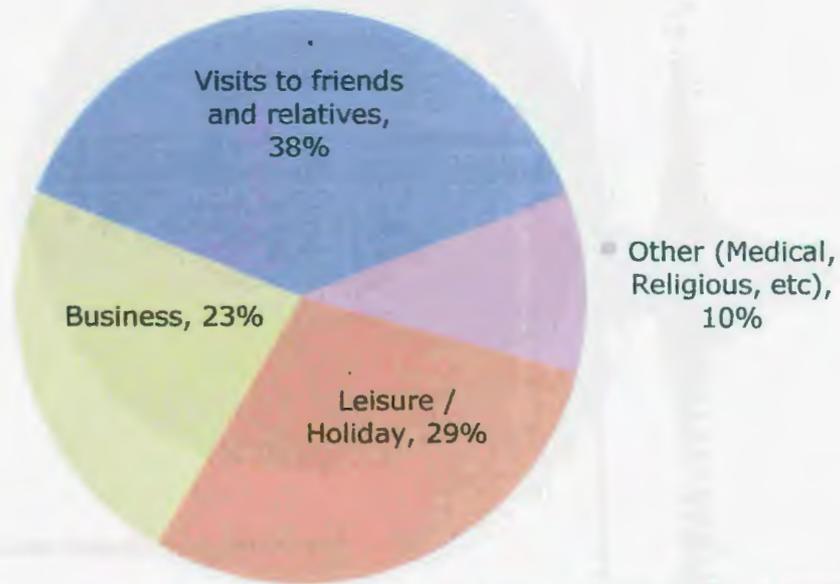
a) Number of trips by purpose of trips - Mangaung Metropolitan Municipality, 2004-2014

2017/18 Annual Performance Plan

	Leisure Holiday	Business	Visits friends relatives	to and	Other (Medical, Religious, etc)	Total
2004	70,700	61,900	206,000		41,100	379,000
2005	73,500	67,700	211,000		40,200	392,000
2006	82,700	72,100	213,000		40,800	409,000
2007	96,200	71,400	210,000		40,100	417,000
2008	106,000	71,600	204,000		39,500	420,000
2009	107,000	74,300	195,000		38,300	415,000
2010	119,000	84,000	190,000		41,000	434,000
2011	124,000	89,300	189,000		43,000	445,000
2012	138,000	97,700	191,000		46,500	473,000
2013	145,000	106,000	190,000		49,400	490,000
2014	145,000	111,000	188,000		49,700	494,000
Average Annual growth						
2004-2014	7.48%	6.02%	-0.89%		1.92%	2.68%

In Mangaung Metropolitan Municipality, the Leisure / Holiday, relative to the other tourism, recorded the highest average annual growth rate from 2004 (70 600) to 2014 (145 000) at 7.48%. Visits to friends and relatives recorded the highest number of visits in 2014 at 188 000, with an average annual growth rate of -0.89%. The tourism type that recorded the lowest growth was Visits to friends and relatives tourism with an average annual growth rate of -0.89% from 2004 (206 000) to 2014 (188 000).

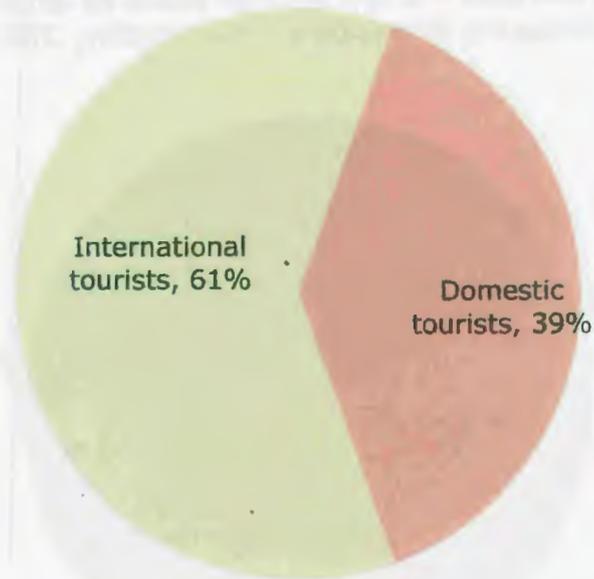
Tourism - trips by Purpose of trip Mangaung Metropolitan Municipality, 2014



Source: IHS Global Insight Regional eXplorer version 920

The Visits to friends and relatives at 38.07% has largest share the total tourism within Mangaung Metropolitan Municipality. Leisure / Holiday tourism had the second highest share at 29.40%, followed by Business tourism at 22.48% and the Other (Medical, Religious, etc.) tourism with the smallest share of 10.06% of the total tourism within Mangaung Metropolitan Municipality.

Tourism - tourists by origin Mangaung Metropolitan Municipality, 2014



Source: IHS Global Insight Regional eXplorer version 920

THABO MOFUTSANYANA DISTRICT MUNICIPALITY

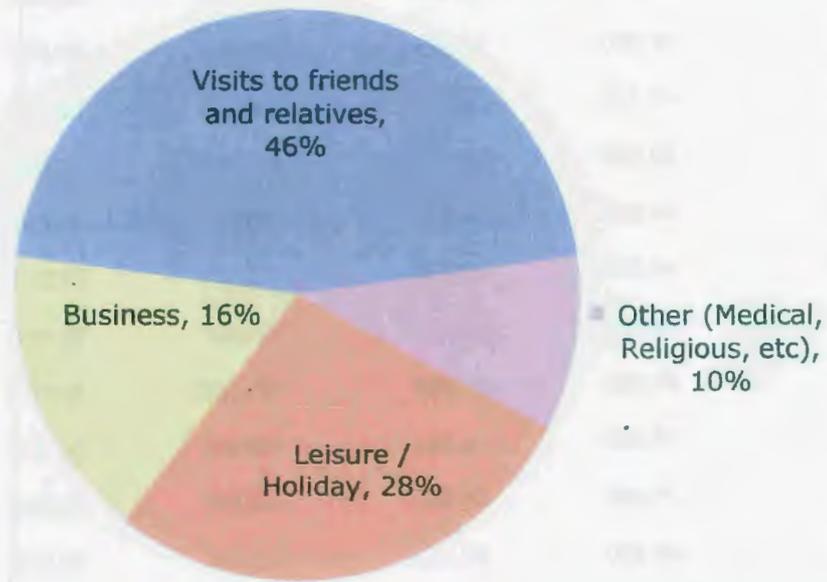
a) Number of trips by purpose of trips - Thabo Mofutsanyane District Municipality, 2004-2014

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	Leisure Holiday	Business	Visits friends and relatives	to and Other (Medical, Religious, etc)	Total
2004	37,100	27,100	234,000	28,200	327,000
2005	38,600	30,200	234,000	28,300	331,000
2006	43,500	33,500	229,000	29,800	335,000
2007	50,500	33,700	214,000	30,000	328,000
2008	54,800	34,500	199,000	30,800	320,000
2009	55,000	35,500	182,000	29,600	302,000
2010	59,800	39,700	168,000	30,400	298,000
2011	63,700	41,400	153,000	30,600	289,000
2012	71,000	45,300	149,000	32,000	297,000
2013	78,400	48,900	146,000	30,800	304,000
2014	86,600	51,500	142,000	30,800	311,000
Average Annual growth					
2004-2014	8.85%	6.62%	-4.86%	0.86%	-0.48%

In Thabo Mofutsanyane District Municipality, the Leisure / Holiday, relative to the other tourism, recorded the highest average annual growth rate from 2004 (37 100) to 2014 (86 600) at 8.85%. Visits to friends and relatives recorded the highest number of visits in 2014 at 142 000, with an average annual growth rate of -4.86%. The tourism type that recorded the lowest growth was Visits to friends and relatives tourism with an average annual growth rate of -4.86% from 2004 (234 000) to 2014 (142 000).

Tourism - trips by Purpose of trip Thabo Mofutsanyane District Municipality, 2014



Source: IHS Global Insight Regional eXplorer version 920

The Visits to friends and relatives at 45.74% has largest share the total tourism within Thabo Mofutsanyane District Municipality. Leisure / Holiday tourism had the second highest share at 27.83%, followed by Business tourism at 16.54% and the Other (Medical, Religious, etc.) tourism with the smallest share of 9.89% of the total tourism within Thabo Mofutsanyane District Municipality.

Tourism - tourists by origin Thabo Mofutsanyane District Municipality, 2014



Source: IHS Global Insight Regional eXplorer version 920

XHARIEP DISTRICT MUNICIPALITY

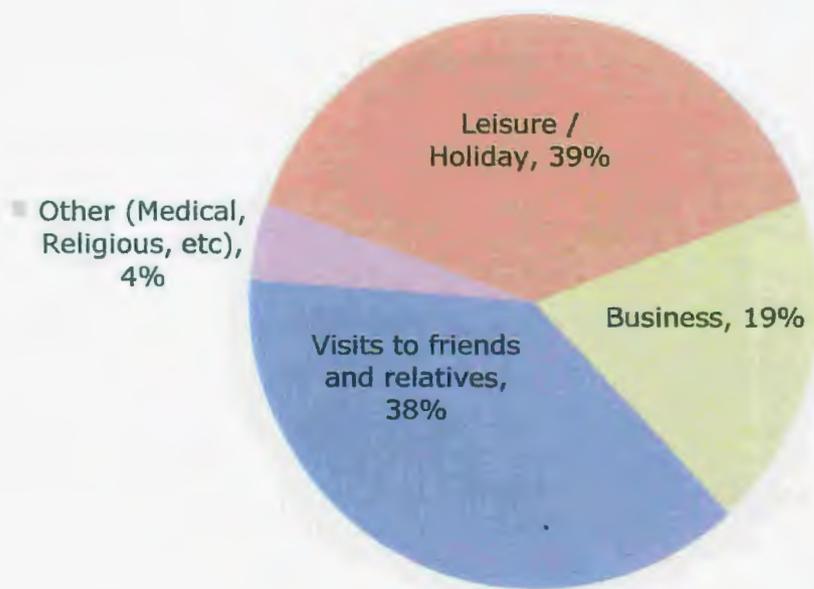
a) Number of trips by purpose of trips - Xhariep District Municipality, 2004-2014

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	Leisure Holiday	/ Business	Visits friends and relatives	to and Other (Medical, Religious, etc)	Total
2004	11,900	7,240	29,700	2,990	51,900
2005	12,700	8,220	32,300	3,130	56,400
2006	14,500	9,210	34,600	3,280	61,600
2007	16,900	9,420	35,600	3,240	65,200
2008	18,800	9,710	35,800	3,040	67,300
2009	19,700	10,200	35,600	2,940	68,400
2010	21,300	11,500	35,100	3,140	71,000
2011	22,700	12,200	33,400	3,190	71,400
2012	24,700	13,200	32,600	3,410	73,900
2013	27,300	14,300	31,400	3,310	76,200
2014	30,800	15,000	30,300	3,520	79,600
Average Annual growth					
2004-2014	10.00%	7.54%	0.18%	1.64%	4.38%

In Xhariep District Municipality, the Leisure / Holiday, relative to the other tourism, recorded the highest average annual growth rate from 2004 (11 900) to 2014 (30 800) at 10.00%. The type of tourism with the highest volume of tourists was also the Leisure / Holiday tourism with a total number of 30 800 annual tourist and had an average annual growth rate of 10.00%. The tourism type that recorded the lowest growth was Visits to friends and relatives tourism with an average annual growth rate of 0.18% from 2004 (29 700) to 2014 (30 300).

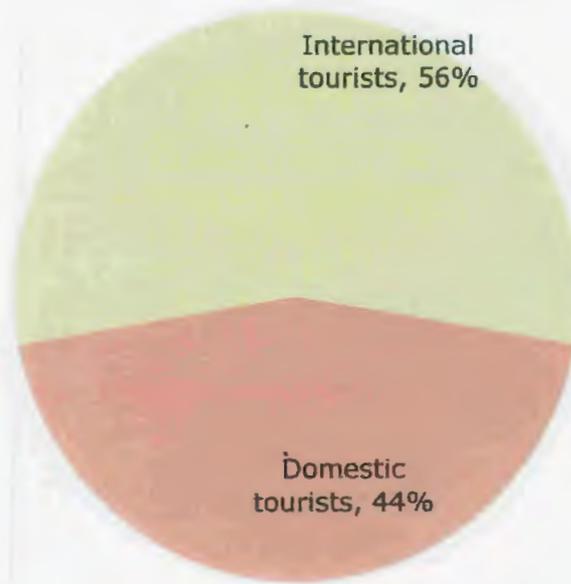
Tourism - trips by Purpose of trip Xhariep District Municipality, 2014



Source: IHS Global Insight Regional eXplorer version 920

The Leisure / Holiday at 38.73% has largest share the total tourism within Xhariep District Municipality. Visits to friends and relatives tourism had the second highest share at 38.03%, followed by Business tourism at 18.83% and the Other (Medical, Religious, etc.) tourism with the smallest share of 4.42% of the total tourism within Xhariep District Municipality.

Tourism - tourists by origin Xhariep District Municipality, 2014

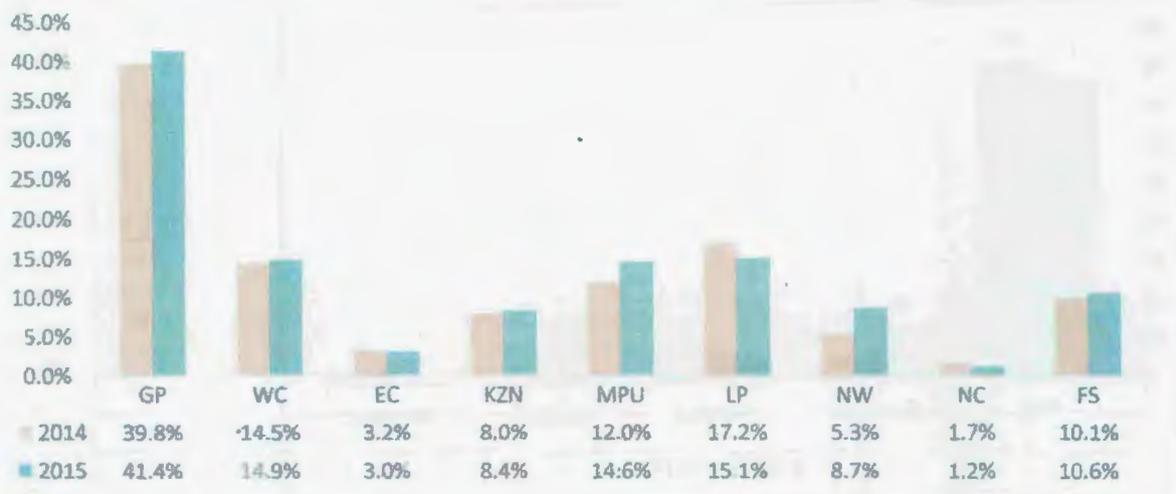


Source: IHS Global Insight Regional eXplorer version 920

International Tourism Performance in Free State up to 2015

Compared to 2014 figures, there has been a decrease in the number of international tourists visiting the Free State. There were 960 147 international tourist arrivals who visited the Free State however in 2015 there was a decline of 12 286 which resulted in 947 861 international tourist arrivals that visited the Free State. However when comparing the distribution of international tourist arrivals with the other eight provinces, the share of arrivals for Free State has increased in 2015 to 10.6% from 10.1% in 2014

Distribution of International Tourist Arrivals by Province (2014-2015)



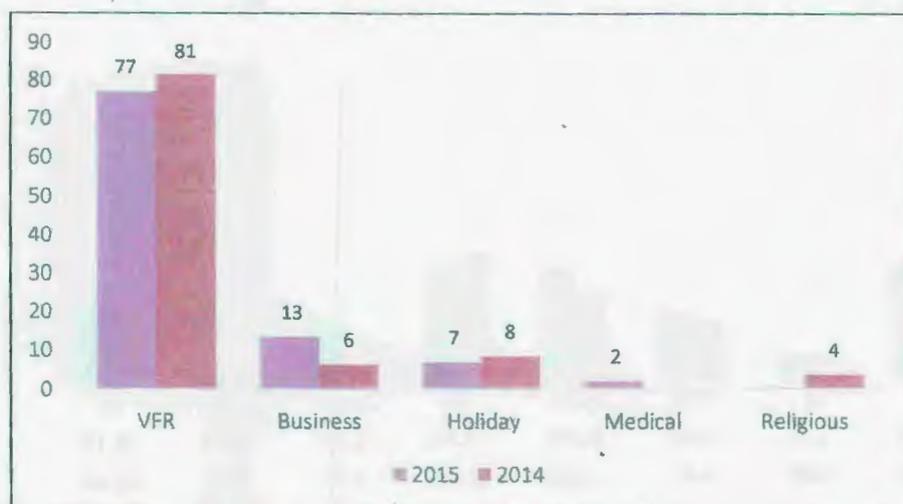
Data for 2014 and 2015 shows that the spend in Free State from international tourist arrivals has increased by 9.5% (R 114 million) in 2015 to R 1 320 million from R 1 206 million in 2014. The average length of stay for international tourists visiting Free State increased slightly from 9.6 days in 2014 to 9.7 days in 2015 (South African Tourism 2015). In 2014, paid bed nights in the Free State was 409 863 which increased by 30.5% in 2015 to 534 748.

All categories of purpose of visit has also increased from 2014 to 2015 with an exception of visiting friends and relatives (VFR) which decreased from 87.9% in 2014 to 66.6% in 2015. Seasonality in the Free State increased with the index moving from 4.38% in 2014 to 6.96% in 2015. (SAT Dataset 2015).

Domestic Tourism Performance in Free State (2015)

Overall domestic tourism results for 2015 show that the number of domestic tourism trips decreased by 12.5% from 28.0 million in 2014 to 24, 5 million in 2015. However trips from domestic tourists to Free State has increased from 4% in 2014 to 5% in 2015. As seen in figure 2, most of the domestic trips taken were for the purpose of visiting friends and relatives (VFR) (77%), followed by business (13%), holiday (8%) and medical (2%). Compared to 2014, there was a decline in trips for VFR, holiday and religious.

Free State Domestic Trips by purpose of Visit (2014-2015)



With regards to total direct spend, Free State remained relatively stable by receiving 4% of the total spend in 2014 (R 26.8 billion) and 2015 (R23.6 billion) respectively (see Table below-SAT Annual Report 2015). The average length of stay decreased from 3.8 days in 2015 when compared to 4.7 days in 2014.

Total spend and provincial shares

Total Direct Domestic Spend by Destination Province (R* billion)			
	2013	2014	2015
Eastern Cape	10%	11%	17%
Free State	3%	4%	4%
Gauteng	15%	16%	10%
KwaZulu Natal	27%	19%	23%
Limpopo	18%	21%	22%
Mpumalanga	11%	9%	8%
Northern Cape	2%	2%	1%
North West	5%	7%	5%
Western Cape	9%	10%	9%
TOTAL	R24.3	R26.8	R23.6

Potential Growth in Tourism in the Free State

The Free State Province is situated at the heart of the South Africa and it's central Geographical positioning and accessibility gives it a competitive advantage to become a destination renowned for hosting business tourism on behalf of South Africa.

The development of an International Convention Centre (ICC) will generally create substantial economic benefits, both for the tourism industry and the wider provincial

economy as inter alia conference delegates and/or business tourists are high-spending visitors. The development of an ICC not only boosts the provincial economy but it also creates opportunities during construction and when it is operational. The development will also support many more jobs across the tourism value chain including in the accommodation, catering, transport and retail sectors and across the economy. Despite the absence of an ICC at this stage, some of the popular major events such as MACUFE are already proving popularity of the Free State as a destination of choice. The Free State has an enormous potential to attract both local and international association conference wholesalers as a business destination of choice.

1.13.11. Environment

Protected Areas 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. Maria Moroka 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
12. Karee Nature Reserve
13. Wuras Dam Nature Reserve
14. Ficksburg Nature Reserve
15. Koppies Dam Nature Reserve
16. Rustfontein Dam Nature Reserve
17. Inclusive of 16 Municipal Owned Protected Areas in the Free State
18. 1 (One) Stewardship site is Sneeuwberg Protected Environment
19. 208 Declared privately owned Protected Areas

Various factors have influenced land use patterns in the Free State Province, the most important of which are soil type, 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 with Seekoeivlei Nature Reserve a Ramsar site of international importance.. 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 destruction, 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 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 eleven 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 supply 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 available 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 communities, which generates emissions that are harmful to health and quality of life. Parameters are monitored continuously and reported to the national DEA 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.

1.1.4. Policy Environment

The mandate of the Department emanates from national and provincial policies as well as legislative frameworks, as described in our 2015 – 2020 Strategic Plan. In addition to the policies and legislation mention in the Strategic Plan of the Department, the Presidency has developed a National Development Plan (NDP) Vision 2030. This plan, which maps out the direction South Africa should take to achieve Vision 2030, has been considered when developing the 2017/18 Annual Performance Plan. The main themes emphasised by the NDP includes:

- Economy and employment
- Economic infrastructure
- Transitioning to a low carbon economy
- Inclusive rural economy
- Positioning South Africa in the world
- Human settlement
- Promoting health and
- Social protection

The Medium Term Strategic Framework (MTSF), the Nine Point Plan of Government, the Provincial Growth and Development Strategy and the Provincial Programme of Action has also been encapsulated in the content of this plan.

1.1.5. Demand for services

The demand for environmental services is largely driven by the legislative mandate of the department to protect and sustain the natural resources of the province. The services provided by the department in this regard therefore focusses in the main on the enforcement of environmental legislation, the management of bio-diversity and climate change, as well as environmental awareness and education.

The demand for economic related services is attributable to both push and pull factors. The macro-economic policies of government has resulted in the rendering of certain services in order to achieve the various policy objectives, such as tourism and industrial development. On the other hand, the current low GDP and GVA levels in the province, coupled with significantly high levels of unemployment has necessitated the delivery of certain services, such as SMME support, mining town support and township revitalization.

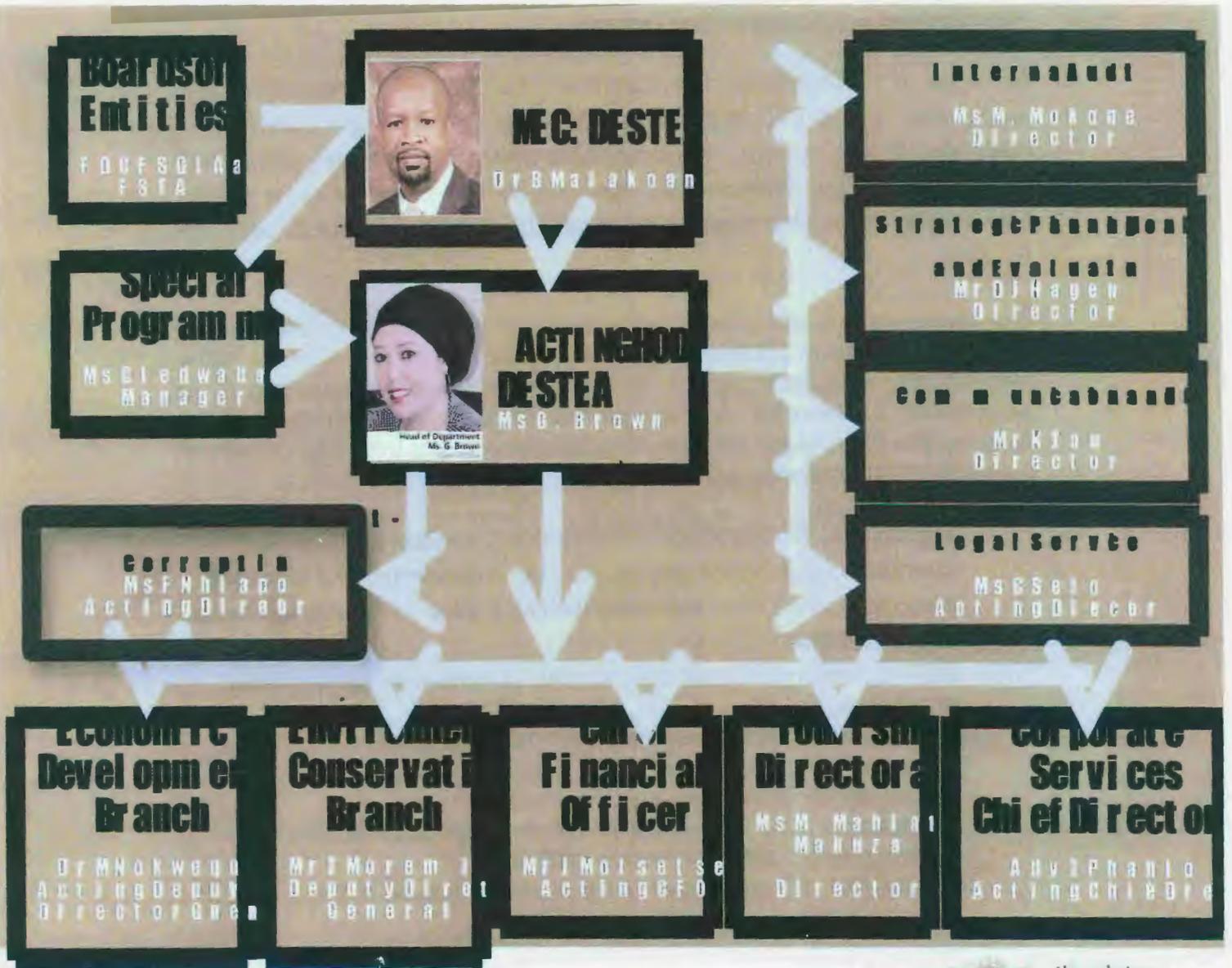
1.2. Organisational Environment

1.2.1. Programme structure

There are currently no changes in the programme structure of the Department.

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

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



the detea
the department of economic
development, tourism and
environmental affairs
FREE STATE PROVINCE

1.2.2. Personnel and capacity to deliver services

As of the 31st March 2016, the department had a staff complement of 678 employees. Of the 678 employees, 639 were appointed on a permanent basis and 39 on contract. Sixty six (66) employees left the department during the previous financial year and the staff turnover rate was 9.73%. The stability rate in the department during the previous financial year was 91.13%.

The department is still substantially understaffed in certain critical areas, such as Economic Development and Environmental Affairs. This understaffing impacts negatively on the service delivery imperatives of the department. In an effort to mitigate this situation and improve service delivery, the department will give more attention to the following core areas for the 2017/18 financial year:

- Identify and fill critical posts during this financial year. This will contribute towards the reduction of the high vacancy rate and the employees who are overworked will be relieved of some additional responsibilities.
- Roll out training programmes in order to empower departmental employees.
- Provide a comprehensive employee health and wellness programme by offering treatment, care and support to the departmental employees and their families.
- Maintain a sound labour peace in order to create a conducive environment for efficient service delivery.
- Ensure that the organisational structure is aligned to the departmental mandates.

1.2.3. Budget

The Department is continuously challenged with inadequate compensation and operational budget allocations, effecting the efficiency of services provided by the organization. The budget estimates for the MTEF is discussed in Section 3, below. We will however continue to seek and employ innovative methods of securing funding for some of the planned outputs. These include collaborating with other government departments, state enterprises and the private sector in implementing some initiatives.

1.2.4. Challenges experienced

The department is faced with an array of challenges, amongst others the following:

- Personnel and critical skills deficits in crucial areas as explained above;
- Fiscal deficits as explained above;
- Synergy between the different spheres of government;
- Local and global economic phenomena;
- Climate change.

12.5. Top ten risks

The main identified risks of the department are as follows:

- Incorrect information captured on the financial statements (annual and interim);
- Unhealthy working environment;
- Decline in Management Effective Tracking Tool (METT-SA) scores;
- Accelerated Climate Change effects;
- State of the Environment degradation due to land, air and water pollution;
- Non-compliance with EIA legal time frames;
- Outbreak of zoonotic diseases affecting game;
- Taking policy decisions based on out-dated, incomplete or without relevant information;
- Double Dipping of SMME's supported /assisted by the department and data management;
- Service centres not meeting expectations.

2. REVISION TO LEGISLATIVE AND OTHER MANDATES

The Department will continue to implement the Free State Growth and Development Strategy, MTSF and the National Development Plan, Vision 2030.

During 2014/15, Small Business Development was added as a new and additional mandate of DESTEA, residing in Programme 3: Economic and Small Business Development.

3. OVERVIEW OF 2016 BUDGET AND MTEF ESTIMATES

Below is an overview of the departmental expenditure since 2014/15 financial year to 2017/18 and the estimated budget for 2018/19 to 2019/20. A trend analysis is also provided in section 3.2.

3.1. Expenditure Estimates

Programmes	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Audited Outcomes			Voted (Main appropriation)	Adjusted Appropriation	Revised Estimate	Medium Term Estimates		
Administration	127 005	123 726	138 489	141 219	136 519	139 919	144 194	153 593	162 190
Environmental Affairs	136 426	125 390	140 834	171 745	143 442	158 785	174 338	186 846	193 807
Economic Development	159 648	171 515	176 605	165 687	181 222	177 787	221 972	248 792	254 793
Tourism	9 275	9 441	7 486	14 897	13 813	13 848	18 276	13 130	10 390
Total payments and estimates	432,354	429,772	463 414	493 548	474 996	490 339	558 780	602 361	621 180
Economic classification									
Current payments	270 215	280 256	308 357	336 020	323 603	343 991	385 342	411 535	421 070
Compensation of employees	179 251	195 033	213 471	222 653	222 654	221 896	237 891	255 619	272 372
Goods and services	90 964	85 223	94 886	113 367	100 949	122 095	147 451	155 915	148 698
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	137 352	135 361	131 646	112 432	138 311	134 000	138 965	142 866	150 116
Provinces and municipalities			-	-	1 730	240			
Departmental agencies and accounts	93 211	101 332	104 664	98 924	120 659	117 224	105 625	112 033	117 992
Universities and Technicon's	-	5 000	1 905	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	42 767	27 004	22 600	13,508	15,508	15,508	32 260	30 833	32 124
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1374	2 025	2 477		414	1 028	1 080		
Payments for capital assets	24 498	13 273	23 170	45 096	13 082	12 334	34 473	47 961	49 994

Programmes	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Audited Outcomes			Voted (Main appropriation)	Adjusted Appropriation	Revised Estimate	Medium Term Estimates		
Buildings and other fixed structures	21 242	9 831	14 207	39 148	9 125	8 125	30 895	44 000	46 464
Machinery and equipment	3 256	3 442	8 963	5 948	3 658	3 902	3 578	3 961	3 530
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	299	307	-	-	-
Payments for financial assets	289	882	241	-	-	14	-	-	-
Total economic classification	432 354	429 772	463 414	493 548	474 996	490 339	558 780	602 361	621 180

3.2. Relating expenditure trends to strategic outcome oriented goals

- The Department spent R 429 772 in 2014/15, and in 2015/16 spent R463 414.
- In 2015/16 financial year, the department had a budget of R468 788 and managed to spend R463 414 of the allocated budget, which translates to 98% expenditure.

PART B: Programmes and Sub-programme Plans

4. STRATEGIC OBJECTIVES AND TARGETS

This section will outline indicators and performance targets for each strategic objective identified in Part 2 of the revised 2017-20 Strategic Plan.

For each Programme the following are outlined:

1. The aim of the programme;
2. Strategic objective annual targets for 2017/18;
3. Performance indicators and annual targets for 2017/18;
4. Quarterly targets for 2017/18.

4.1. Programme 1: Administration

The aim of Programme 1 is to provide leadership and strategic management in accordance with Policy and Legislation and to provide appropriate support service to other programmes.

4.1.1 SUB-PROGRAMME: MANAGEMENT SERVICES

Strategic goal: Provision of leadership for effective socio-economic development

4.1.1.1 Programme performance objectives, indicators and annual targets for 2017-20

Strategic objective	Activities	Programme Performance Indicator	Audited/Actual performance	Estimated performance	Medium-term targets			Strategic Plan Target	
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Accelerate implementation & enforce accountability.	INTERNAL AUDIT								
	1.1	Develop three year and annual internal audit plan indicating number and types of audits to be performed during the year.	Number of internal audit plans developed.	1	1	1	1	1	3
	1.2	Develop internal audit charter outlining purpose, authority and responsibilities of Internal Audit Activities.	Number of internal audit charters developed.	1	1	1	1	1	3
Ensure overall corporate compliance	1.3	Develop audit committee charter outlining	Number of audit committee charters developed.	1	1	1	1	1	3

Strategic objective	Activities	Programme Performance Indicator	Audited/Actual performance	Estimated performance	Medium-term targets			Strategic Plan Target	
					2015/16	2016/17	2017/18	2018/19	2019/20
		purpose, roles, responsibilities and authorities of Audit Committee.							
	1.4	Perform internal audits by reporting findings and recommending improvements to management.	Number of internal audits performed.	Not applicable	Not applicable	12	12	12	36
RISK MANAGEMENT									
Strengthen risk & regulatory compliance	1.5	Compilation of risk registers for reviews	Number of reviews conducted on risk registers	1 Review	1 Review	1 Review	1 Review	1 Review	3 Reviews
	1.6	Conduct monitoring of action plans and review of new risks.	Number of monitoring and review of new risks	1 Review	1 Review	4	4	4	12
	1.7	Compile & distribute invitations to RMC members	Number of invitations issued	Not applicable	Not applicable	4	4	4	12
	1.8	Facilitation of RMC meetings and present a report in line with the risk management process	Number of RMC reports	Not applicable	Not applicable	4	4	4	12

Strategic objective	Activities	Programme Performance Indicator	Audited/Actual performance	Estimated performance	Medium-term targets			Strategic Plan Target	
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
	1.9	Attend AC meetings and present a report in line with issues discussed at the RMC meeting	Number of AC meetings attended	Not applicable	Not applicable	4	4	4	12
STRATEGIC PLANNING, MONITORING AND EVALUATION									
Ensure overall corporate compliance	1.10	Facilitate the development of investment optimizing strategic plans	Number of plans facilitated and submitted to Treasury.	1 Plan	1 APP	1	1	1	3
	1.11	Facilitate the development of a departmental Annual Report	Number of annual reports submitted.	1 Annual report	1 Annual report	1	1	1	3
	1.12	Revision of the OMF/Service Delivery Improvement Documents	Number of service delivery planning documents developed	4	3	5	6	5	16
	1.13	Conduct frontline service delivery monitoring at provincial resorts in order to improve the quality of	Number of FSDM reports compiled	Not applicable	Not applicable	16	15	14	45

Strategic objective	Activities	Programme Performance Indicator	Audited/Actual performance	Estimated performance	Medium-term targets			Strategic Plan Target	
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
	services rendered.								
	1.14	Conduct MPAT process coordination	Number of MPAT Self-Assessments facilitated	1	1	1	1	1	3
	1.15	Assess the quality and success rate of socio-development projects implemented by the Department.	Number of projects assessed.	Not applicable	Not applicable	12	12	12	36
	1.16	Improve financial management on a continuous basis	Number of unit asset, SCM and financial reports compiled.	Not applicable	36	36	36	36	108
SECURITY SERVICES AND ANTI-CORRUPTION									
Ensure effective corporate compliance	1.17	Conduct awareness sessions on general issues of security and address questions raised.	Number of security-awareness sessions conducted	4	4	4	4	4	12
	1.18	Attend to all reported incidents.	Number of monitoring reports on security related matters.	8 Reports	8 Reports	4	4	4	12

Strategic objective	Activities	Programme Performance Indicator	Audited/Actual performance	Estimated performance	Medium-term targets			Strategic Plan Target	
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
	1.19	Conduct awareness campaigns on eradicating Fraud and Corruption	Number of awareness campaigns on Fraud and Anti-Corruption conducted.	Not applicable	Not applicable	2	2	2	6
	1.20	Eradicate Fraud and corruption by investigating all cases reported.	Number of reports on Fraud and Corruption cases investigated	Not applicable	Not applicable	2	2	2	6
	1.21	Facilitate the process of vetting.	Number of reports on Z204 forms submitted to SSA.	Not applicable	Not applicable	2	2	2	6
	1.22	Enhance skills by providing regular training and workshops.	Number of training sessions conducted	Not applicable	Not applicable	2	2	2	6
	1.23	Implementation of SOP/s	Number of SOPs implemented	Not applicable	Not applicable	1	1	1	3
	1.24	Conduct site inspection.	Number of departmental events supported by security services.	Not applicable	Not applicable	4	4	4	12
COMMUNICATION									
	1.25	Identify relevant platforms to maximise	Number of platforms identified and used	Not applicable	Not applicable	4	4	4	12

Strategic objective	Activities	Programme Performance Indicator	Audited/Actual performance	Estimated performance	Medium-term targets			Strategic Plan Target	
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Improve corporate communication and coordination		reach and impact							
	1.26	Identify and engage strategic partners	Number of engagements with strategic partners	Not applicable	Not applicable	4	4	4	12
	1.27	Enforce development of implementation plans	Number of implementation plans developed	Not applicable	Not applicable	12	12	12	36
	1.28	Development of the communication Strategy	Number of approved Communication Strategies	Not applicable	Not applicable	1	1	1	3
	1.29	Development of media engagement plan	Number of media interviews conducted	Not applicable	Not applicable	12	12	12	36
	1.30	Issuing of media statements	Number of media statements issued	Not applicable	Not applicable	12	12	12	36
	1.31	Market services and programmes	Number of campaigns	Not applicable	Not applicable	4	4	4	12
	1.32	Profile successes of DESTEA by using internal resources such as in-house production and print.	Number of publications produced.	Not applicable	Not applicable	4	4	4	12
	1.33	Promoting job creating	Number of promotions	Not applicable	Not applicable	4	4	4	12

Strategic objective	Activities	Programme Performance Indicator	Audited/Actual performance	Estimated performance	Medium-term targets			Strategic Plan Target
					2015/16	2016/17	2017/18	
	programmes of the department							
	1.34 Promote services and programmes	Number of profiled programmes.	Not applicable	Not applicable	4	4	4	12
	1.35 Disseminate government messages	Number of media appearances	Not applicable	Not applicable	200	200	200	600
	1.36 Profile successes of DESTEA through media channels.	Number of successful projects communicated	Not applicable	Not applicable	2	2	2	6
	1.37 Maintaining an updated stakeholder directory	Number of events coordinated.	Not applicable	Not applicable	2	2	2	6
INFORMATION TECHNOLOGY AND KNOWLEDGE MANAGEMENT								
Implement appropriate technology	1.38 Transform and modernize DESTEA internal operations and service delivery through ICT	Number of e-Government initiatives implemented	Not applicable	Not applicable	2	1	1	4
Strengthen access to services/programs	1.39 Automation of business processes.	Number of department-wide business process mapping.	Not applicable	Not applicable	1	1	1	3
	1.40 Improve processes	Number of implemented ICT solutions.	Not applicable	Not applicable	2	2	3	7

Strategic objective	Activities	Programme Performance Indicator	Audited/Actual performance	Estimated performance	Medium-term targets			Strategic Plan Target	
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Foster learning & innovation Develop business capabilities		through ICT innovations							
	1.41	Identify and develop systems that support business programmes	Number of monitoring reports compiled for ICT services, usage of IT resources and ICT security risks.	4 Report	4 Report	4	4	4	12
LEGAL SERVICES									
Consistent quality service provision	1.42	Draft and Review Legislation	Number of departmental legislation drafted.	1 Legislation drafted	3				
	1.43	Draft and Vet Contracts	Number of contracts drafted and vetted.	4 Agreements	12				
	1.44	Conduct workshops on PAIA and PAJA	Number of workshops on the Implementation of PAIA and PAJA.	Not applicable	1 Workshop	1 Workshop	1 Workshop	1 Workshop	3
	1.45	Develop and Implement the SOP: Legal Services and Labour Relations	Number of SOPs on misconduct processes & grievance procedure and legal services reviewed.	Not applicable	Not applicable	3	3	3	12
	1.46	Conduct training and awareness on SOPs	Number of awareness sessions conducted on SPO's.	Not applicable	Not applicable	1	1	1	3
	1.47	Promote Sound Labour Peace	Number of awareness	Not applicable	Not applicable	1	1	1	3

Strategic objective	Activities	Programme Performance Indicator	Audited/Actual performance	Estimated performance	Medium-term targets			Strategic Plan Target	
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
		conducted to promote Sound Labour Peace.							
	1.48	Ensure compliance with requests in terms of PAIA	Number of publication of PAIA Manual on DESTEA database	Not applicable	Not applicable	1	1	1	3
	1.49	Ensure compliance with requests in terms of PAIA	Number of reports on compliance with PAIA and PAJA	Not applicable	Not Applicable	1	1	1	3
	1.50	Ensure that grievance cases are handled within <i>dies</i>	Number reports on grievances finalised	-	-	4	4	4	12
	1.51	Ensure that misconduct cases are handled within <i>dies</i>	Number of reports on misconduct cases reported and finalised	-	-	4	4	4	12
	1.52	Management of Conflict and Disputes	Number of reports on conflicts and disputes resolved	Not applicable	Not applicable	1	1	1	3

4.1.1.2 Quarterly targets for 2017-18

Performance Indicators	Reporting period	Annual target 2017/18	Quarterly targets				
			1 st	2 nd	3 rd	4 th	
INTERNAL AUDIT							
1.1	Number of internal audit plans developed.	Annually	1	1	-	-	-
1.2	Number of internal audit charters developed.	Annually	1	1	-	-	-

Performance Indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.3	Number of audit committee charters developed.	Annually	1	1	-	-	-
1.4	Number of internal audits performed.	Quarterly	12	3	3	3	3
RISK MANAGEMENT							
1.5	Number of reviews conducted on risk registers	Annually	1 Review	-	-	-	1 Review
1.6	Number of monitoring and review of new risks	Annually	4	-	-	-	1 Review
1.7	Number of invitations issued	Annually	4	-	-	-	1 Plan
1.8	Number of RMC reports	Quarterly	4	1	1	1	1
1.9	Number of AC meetings attended	Quarterly	4	1	1	1	1
STRATEGIC PLANNING, MONITORING AND EVALUATION							
1.10	Number of plans facilitated and submitted to Treasury.	Annually	1 APP	-	-	-	1 APP
1.11	Number of an annual reports submitted.	Annually	1 Annual report	-	1 Annual report	-	-
1.12	Number of service delivery planning documents developed	Annually	5	-	-	-	5
1.13	Number of FSDM reports compiled	Quarterly	16 Report	4	4	4	4
1.14	Number of MPAT Self-Assessments facilitated	Annually	1	-	1	-	-
1.15	Number of projects assessed.	Quarterly	12 Report	3	3	3	3
1.16	Number of unit asset, SCM and financial reports compiled.	Quarterly	36	9	9	9	9
SECURITY SERVICES AND ANTI-CORRUPTION							
1.17	Number of information security-awareness sessions conducted.	Quarterly	4	1	1	1	1

Performance Indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.18	Number of monitoring reports on security related matters.	Quarterly	4	1	1	1	1
1.19	Number of awareness campaigns.	Bi-annually	2	1	-	-	1
1.20	Number of cases investigated.	Bi-annually	2	1	-	-	1
1.21	Number of Z204 forms submitted to SSA.	Bi-annually	2	1	-	-	1
1.22	Number of training sessions conducted	Bi-annually	2	1	-	-	1
1.23	Number of SOPs implemented	Annually	1	-	1	-	-
1.24	Number of departmental events supported by security services.	Quarterly	4	1	1	1	1
COMMUNICATION							
1.25	Number of platforms identified and used	Quarterly	4	1	1	1	1
1.26	Number of engagements with strategic partners	Annually	4	-	-	-	4
1.27	Number of implementation plans developed	Quarterly	12	3	3	3	3
1.28	Number of approved Communication Strategies	Annually	1	1	-	-	-
1.29	Number of media interviews conducted	Quarterly	12	3	3	3	3
1.30	Number of media statements issued	Quarterly	4	1	1	1	1
1.31	Number of campaigns	Quarterly	4	1	1	1	1
1.32	Number of publications produced.	Quarterly	4	1	1	1	1
1.33	Number of promotions	Quarterly	4	1	1	1	1
1.34	Number of profiled programmes.	Quarterly	4	1	1	1	1
1.35	Number of media appearances	Quarterly	200	50	50	50	50

Performance Indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.36	Number of successful projects communicated	Annually	2	-	-	-	2
1.37	Number of events coordinated.	Annually	2	-	-	-	2
INFORMATION TECHNOLOGY AND KNOWLEDGE MANAGEMEN							
1.38	Number of e-Government initiatives	Bi-Annually	2	-	1	-	1
1.39	Number of department-wide business process mapping	Annually	1	-	-	-	1
1.40	Number of implemented ICT solutions	Bi-Annually	2	-	1	-	1
1.41	Number of monitoring reports compiled for ICT services, usage of IT resources and ICT security risks.	Quarterly	4	1	1	1	1
LEGAL SERVICES							
1.42	Number of departmental legislation drafted.	Annually	1 Legislation drafted	-	-	-	1
1.43	Number of contracts drafted and vetted.	Quarterly	4 Agreements	1	1	1	1
1.44	Number of workshops on the Implementation of PAIA and PAJA conducted.	Annually	1 Workshop	1	-	-	-
1.45	Number of SOPs on misconduct processes & grievance procedure and legal services reviewed.	Annually	3	3	-	-	-
1.46	Number of awareness sessions conducted on SPO's.	Annually	1	1	-	-	-
1.47	Number of awareness conducted to promote Sound Labour Peace.	Annually	1	1	-	-	-
1.48	Number of publications of PAIA Manual on DESTEA database	Annually	1	1	-	-	-
1.49	Number of reports on compliance with PAIA and PAJA	Annually	1	1	-	-	-

Performance Indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.50	Number of reports on grievances finalised	Quarterly	12	3	3	3	3
1.51	Number of reports on misconduct cases reported and finalised	Quarterly	12	3	3	3	3
1.52	Number of reports on conflicts and disputes resolved	Quarterly	4	1	1	1	1

4.1.2 SUB-PROGRAMME: FINANCIAL MANAGEMENT

Strategic Goal: Creation of efficient and effective financial management system for sustainability

4.1.2.1 Programme performance objectives, indicators and annual targets for 2017-20

Strategic objective	Activities	Programme Performance Indicator	Audited/Actual performance	Estimated performance	Medium-term targets			Strategic Plan Target	
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Effective financial management. Improve expenditure management	MANAGEMENT ACCOUNTING								
	1.1	Ensure sufficient allocation of financial resources	Number of credible budget statement submitted to treasury on time.	1 Budget statement	3				
	1.2	Ensure Compliance With Budget Processes Guidelines	Number of credible adjustment budget submitted to Treasury on time.	1 Adjustment budget report	3				
	1.3	Ensure compliance with PFMA Section 40 Reporting Requirements.	Number of in-year monitoring reports submitted to treasury on time.	12 Reports	36				

Strategic objective	Activities	Programme Performance Indicator	Audited/Actual performance	Estimated performance	Medium-term targets			Strategic Plan Target	
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
		FINANCIAL MANAGEMENT							
Improve revenue collection & manage growth.	1.4	Ensure that the quality of information disseminated to the public is credible in order to enhance the image of the province	Number of Annual Financial Statement compiled according to prescripts	1 Financial statement	1 Financial statement	1	1	1	3
	1.5	Ensure that the Interim Quarterly/Annual financial statements submitted for auditing were prepared in accordance with the prescribed financial reporting framework and supported by full and proper records	Number of Quarterly Interim Statements compiled according to prescripts.	4 Statements	3 Statements	3	3	3	9
Financial stewardship									
Improve financial sustainability									
		SUPPLY CHAIN MANAGEMENT							
	1.6	Oversee and Facilitate the	Percentage of payments made to creditors within 30	100%	100%	100%	100%	100%	100%

Strategic objective	Activities	Programme Performance Indicator	Audited/Actual performance	Estimated performance	Medium-term targets			Strategic Plan Target	
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Implement cost efficiencies		SCM processes related to the payment of service providers within 30 days	days from receipt of an invoice.						
	1.7	Conduct Transversal Contract within time frames (Source quotes)	Number of days to conclude quotes/bids <ul style="list-style-type: none"> • Transversal Contracts: • Price quotations(<30000) • Price quotation (30000-500000) • Bid/Tenders. 	7 days 90 days	2 days 4 days 10 days 60 days	2 days 4 days 10 days 60 days	2 days 4 days 10 days 60 days	2 days 4 days 10 days 60 days	
	1.8	Align procurement plan to the departmental budget	Number of procurement plan (PP) developed.	1 Approved plan	1 Approved plan	1	1	1	3
	1.9	To ensure compliance with expenditure report	Number of expenditure analysis reports done. <ul style="list-style-type: none"> • Catering. • Stationery. • Labour saving devices. • Targeted procurement spend (70%). • Cell-phones • Travelling agency 	40 Reports	128 Reports	32	32	32	96

Strategic objective	Activities		Programme Performance Indicator	Audited/Actual performance	Estimated performance	Medium-term targets			Strategic Plan Target
						2015/16	2016/17	2017/18	
			<ul style="list-style-type: none"> Transport and Shuttle service Event Management 						
	1.10	Ensuring delivery of stock in time	Number of inventory count reports	Not applicable	2	4	4	4	12
FLEET AND ASSET MANAGEMENT									
Improve record asset management.	1.11	Verification of assets	Number of stocktaking reports.	1 Report	1 Report	1	1	1	3
Increase asset utilization	1.12	Ensure redundant and obsolete assets are disposed	Number of disposal reports.	1 Report	1 Report	4	4	4	12
Implement proper inventory turnover.	1.13	Ensure that all facilities are maintained.	Number of facilities management plans (U-AMP) developed	1 Report	1 Report	1	1	1	3
	1.14	Ensuring that all removable assets are included in assets register.	Number of all movables assets verification reports developed.	Not applicable	Not applicable	4	4	4	12

4.1.2.2 Quarterly targets for 2017-18

Performance indicators	Reporting period	Annual target 2017/18	Quarterly targets				
			1 st	2 nd	3 rd	4 th	
MANAGEMENT ACCOUNTING							
1.1	Number of credible budget statement submitted to treasury on time.	Annually	1 Budget statement	-	-	-	1 Budget statement
1.2	Number of credible adjustment budget submitted to Treasury on time.	Annually	1 Adjustment budget report	-	-	1 Adjustment budget report	-
1.3	Number of in-year monitoring reports submitted to Treasury on time.	Quarterly	12 Reports	3	3	3	3
FINANCIAL MANAGEMENT							
1.4	Number of Annual Financial Statement compiled according to prescripts	Annually	1	1 Financial statement	-	-	-
1.5	Number of Quarterly Interim Statements compiled according to prescripts.	Quarterly	3 interim statements	1 statements	1 statements	1 statements	-
SUPPLY CHAIN MANAGEMENT							
1.6	Percentage of payments made to creditors within 30 days from receipt of an invoice.	Quarterly	100%	100%	100%	100%	100%
1.7	Number of days to conclude quotes/bids <ul style="list-style-type: none"> • Transversal Contracts: • Price quotations(<30000) • Price quotation (30000-500000) • Bid/Tenders. 	Quarterly	2 days 4 days 10 days 60 days				
1.8	Number of procurement plan (PP) developed.	Annually	1	-	-	-	1 Approved plan
1.9	Number of expenditure analysis reports done.	Quarterly	32	8	8	8	8

Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
	<ul style="list-style-type: none"> • Catering. • Stationery. • Labour saving devices. • Targeted procurement spend (70%). • Cell-phones • Travelling agency • Transport and Shuttle service • Event Management 						
1.10	Number of inventory count reports	Quarterly	4	1	1	1	1
FLEET AND ASSET MANAGEMENT							
1.11	Number of stocktaking reports.	Annually	1	-	-	-	1
1.12	Number of disposal reports.	Quarterly	4	1	1	1	1
1.13	Number of facilities management plans (U-AMP) developed	Annually	1	-	-	-	1
1.14	Number of all movables assets verification reports developed	Quarterly	4	1	1	1	1

4.1.3 SUB-PROGRAMME: CORPORATE SERVICES**Strategic Goal: Build a responsive Human Resource attributed that is responsive to service demands****4.1.3.1 Programme performance objectives, indicators and annual targets for 2017-20**

Strategic objective	Activities	Programme Indicator	Performance	Audited/Actual performance	Estimated performance	Medium-term targets	Medium-term targets	Medium-term targets	Strategic Plan Target
				2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Ensure effective corporate compliance	1.1	Facilitate HCT campaigns.	Number of HIV Counselling and Testing (HCT) conducted.	2	2	2	2	2	6
	1.2	Facilitate HRA campaigns.	Number of Health Risk Assessments (HRA) conducted.	2	2	2	2	2	6
	1.3	Submit Gender Equality Strategic Framework Plan	Number on gender Equality Strategic Framework Plan submitted.	Not applicable	2	1	1	1	3
	1.4	Submit Job Access Strategic Framework Plan	Number of Job Access Strategic Framework Plan submitted.	5 Reports	5	1	1	1	3
	1.5	Submit Youth Development plan	Number on Youth Development Plans submitted to the Department of the Premier.	Not applicable	1	1	1	1	3
	1.6	Submit Gender Equality Strategic Framework Report	Number of Gender Equality Strategic Framework Report submitted.	Not applicable	4	1	1	1	3
	1.7	Submit Job Access Strategic Framework Report	Number on Job Access Strategic Framework Report submitted to DPSA	Not applicable	Not applicable	1	1	1	3
Ensure effective corporate compliance	1.8	Submit Youth Development Report	Number of Youth Development Reports submitted to the Presidency.	Not applicable	Not applicable	4	2	2	8
	1.9	Oversee the review of the departmental organisational	Number of organisational structure updated	Not applicable	Not applicable	1	1	-	2

Strategic objective	Activities	Programme Indicator	Performance	Audited/Actual performance	Estimated performance	Medium-term targets	Medium-term targets	Medium-term targets	Strategic Plan Target
				2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Foster a high performance culture		structure by first quarter							
Optimize staff productivity	1.10	Conducted inspection	Number of bi-annual health and safety inspections conducted	Not applicable	Not applicable	2	2	2	6
Ensuring effective corporate compliance	1.11	Consult Managers/ Supervisors on business processes to be developed per quarter	Number of business processes to be mapped	Not applicable	Not applicable	5	5	5	15
Recruit and develop workforce	1.12	Monitor the compilation of the submission on the organisational structure	Number of approved organisational structure captured on PERSAL	Not applicable	Not applicable	1	1	-	2
Continuous improvement process	1.13	Oversee the development of Standard Operating Procedures (SOP's) per quarter	Number of SOP's developed	Not applicable	Not applicable	5	5	5	15
Enhance change management practises & training climate	1.14	Provide training programme	Number of workshops on diversity management	Not applicable	Not applicable	2	2	2	6
	1.15	Provide training programme	Number of workshops on change management	Not applicable	Not applicable	4	4	4	12
Clarify roles and responsibilities	1.16	Identification of job description	Number of job descriptions reviewed	Not applicable	Not applicable	50	50	50	150

4.1.3.2 Quarterly targets for 2017-18

Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of HIV Counselling and Testing (HCT) conducted.	Bi-annually	2	1	-	1	-
1.2	Number of Health Risk Assessments (HRA) conducted.	Bi-annually	2	1	-	1	-
1.3	Number on gender Equality Strategic Framework Plan submitted.	Annually	1	-	-	-	1
1.4	Number of Job Access Strategic Framework Plan submitted.	Annually	1	-	-	-	1
1.5	Number on Youth Development Plan submitted to the Department of the Premier.	Annually	1	-	-	-	1
1.6	Number of Gender Equality Strategic Framework Report submitted.	Annually	1	-	-	-	1
1.7	Number on Job Access Strategic Framework Report submitted to DPSA	Annually	1	1	-	-	-
1.8	Number of Youth Development Reports submitted to the Presidency.	Quarterly	4	1	1	1	1
1.9	Number of organisational structure updated	Annually	1	1	-	-	-
1.10	Number of bi-annual health and safety inspections conducted	Bi-annually	2	-	1	-	1
1.11	Number of business processes to be mapped	Quarterly	5	1	1	1	2

Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.12	Number of approved organisational structure captured on PERSAL	Annually	1	-	1	-	-
1.13	Number of SOP's developed	Quarterly	5	1	1	1	2
1.14	Number of workshop on diversity management conducted	Bi-annually	2	-	1	-	1
1.15	Number on workshop on change management conducted	Quarterly	4	1	1	1	1
1.16	Number of job description reviewed	Quarterly	50	10	15	15	10

Reconciling performance targets with the Budget and MTEF

Sub-Programme	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Audited outcome			Voted (Main Appropriation)	Adjusted Appropriation	Revised Estimated	Medium Term Estimates		
Office of the MEC	12 888	10 727	9 777	11 933	11 745	11 745	12 515	11 192	11 820
Management Services	35 959	23 975	23 151	26 505	25 800	25 595	26 741	30 775	32 497
Financial Management	50 320	59 328	65 012	66 298	59 016	59 645	67 735	71 922	75 947
Corporate Services	27 838	29 696	40 549	36 483	39 958	42 934	37 203	39 704	41 926
Total payments and estimates: Programme 1:	127 005	123 726	138 489	141 219	136 519	139 919	144 194	153 593	162 190
Economic classification									
Current payments	124 912	120 299	135 397	139 545	134 964	138 204	143 542	152 196	160 715

Compensation of employees	70 793	75 058	84 515	88 284	88 284	87 047	91 911	99 493	105 063
Goods and services	54 119	45 241	50 882	51 261	46 680	51 157	51 631	52 703	55 652
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	57	477	319	4	4	130	4	4	4
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	4	4	4	4	4	4
Universities and Technicon's	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	57	477	319	-	-	126	-	-	-
Payments for capital assets	1 969	2 272	2 737	1 670	1 551	1 571	648	1 393	1 471
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 969	2 272	2 737	1 670	1 551	1 571	648	1 393	1 471
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-

Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	67	678	36	-	-	14	-	-	-
Total economic classification: Programme 1	127 005	123 726	138 489	141 219	136 519	139 919	144 194	153 593	162 190

Expenditure Trend

For the financial year 2015/16 a total budget of R139 207 was allocated to Programme 1: Administration to implement outcome 12 and the above listed strategic objectives of the Department. During this period R138 489 was spent, which is 99.5% of the budget allocated.

Risk Management

Component	Potential Risk	Mitigating Factors
Strategic Planning, Monitoring and Evaluation.	Inefficient reporting by programmes and sub-programmes	<ol style="list-style-type: none"> 1. Compliance with the content of, and delegations contained within, the Departmental Non-Financial Information Management Policy. 2. Compilation of Non-Compliance Registers and elevation to HOD for disciplinary actions. 3. Provision of annual reporting schedules.

Security Services, Anti-Fraud and Corruption	Failure to investigate cases reported diligently	1.Capacitate the unit with investigators
Communication	Communication programs not aligned to departmental mandate and core business.	1. Departmental policies to feature prominently in all engagements with stakeholders.
Management Accounting	Inaccurate departmental budget submitted	1. Establishment of budget committee. Quarterly budget meetings
	Inaccurate adjustment budget submitted	2. Establishment of budget committee. Quarterly budget meetings
	Late submission of In Year monitoring reports.	1.Request for signing authority to be delegated from Accounting officer
Financial Accounting	Incorrect information captured on the annual financial statements	1. Develop action plan for the preparation of Financial Statements 2. Ensure correct classification of items by processing corrective journals 3. Address and resolve all prior year misstatements as per AG findings. 4. Review of Financial Statements by both departmental Accountant and CFO

Fleet and Asset Management	Unhealthy working environment.	1.Engage Public Works to find alternative building
EHWP	Exposure to health hazards	1.Avail resources 2. Implementation of the recommendations of the OHS report.

2. Programme 2: Environmental Affairs

The aim of the programme

To implement and monitor legislation and policies in the areas of Air Quality, Biodiversity, Climate Change, Compliance Monitoring, Environmental Impact, Protected Areas, Pollution Control, Protected Areas and Waste Management.

4.2.1 SUB-PROGRAMME: ENVIRONMENTAL POLICY PLANNING AND COORDINATION

Strategic Goal: Inculcate accountable environmental management for sustainable development & inclusive economic growth

4.2.1.1 Programme performance objectives, indicators and annual targets for 2017-20

Strategic objective	Activities		Programme indicator	Performance	Audited/Actual performance	Estimated performance	Medium-term targets	Medium-term targets	Medium-term targets	Strategic Plan Target
					2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Regulatory environment enforcement	1.1	Facilitate and attend Consultative meetings.	Number of intergovernmental sector tools reviewed.	2	1	2	2	2	2	6
	1.2	Assist Municipalities and DEA in coordinating	Number of legislative tools developed.	1	-	2	-	1	3	3

	workshops and meetings							
1.3	Conduct Research projects.	Number of environmental research projects completed.	5	5	5	5	5	15
1.4	Update user licences for qualitative decision-making to be utilized by municipalities, general public and EAPs	Number of functional environmental information management systems maintained (EIMS).	1	1	1	1	1	3
1.5	IDP assessment and review workshops	Number of IDPs reviewed for environmental content as per requirements (DA/3.5).	24	24	23	23	23	23
1.6	Consultation meetings with national	Submission of annual EIP reports.	1	1	1	-	-	1
1.7	Green Economy Strategy Workshops, Climate Change roadshows, Support National WG3	Number of climate change sector policy interventions held.	1	1	2	2	2	6
1.8	Develop and guide Water and Sanitation & Transport (FS) FS Sectors aligned policy on related specific climate change matters	Number of climate change alignment policies developed.	Not applicable	2 Aligned sector policies	6			
1.9	Roadshows conducted at various municipalities	Number of road shows conducted at municipal level relating to climate change.	Not applicable	5	5	5	5	15

4.2.1.2 Quarterly targets for 2017-18

Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of intergovernmental sector tools reviewed.	Quarterly	2	1	-	1	-
1.2	Number of legislative tools developed.	Quarterly	2	1	1	-	-
1.3	Number of environmental research projects completed.	Annually	5	-	-	-	5
1.4	Number of functional environmental information management systems maintained (EIMS).	Annually	1	1	-	-	-
1.5	Number of IDPs reviewed for environmental content as per requirements (DA/3.5).	Annually	23	23	-	-	-
1.6	Submission of annual EIP reports.	Annually	1	-	-	-	1
1.7	Number of climate change sector policy interventions held.	Bi-annually	2	-	1	-	1
1.8	Number of climate change alignment policies developed.	Bi-annually	2 Aligned sector policies	-	1	-	1
1.9	Number of road shows conducted at municipal level relating to climate change.	Quarterly	5	1	1	2	1

4.2.2 SUB-PROGRAMME: COMPLIANCE AND ENFORCEMENT**Strategic Goal: Inculcate accountable environmental management for sustainable development & inclusive economic growth****4.2.2.1 Programme performance objectives, indicators and annual targets for 2017-20**

Strategic objective	Activities		Programme indicator	Performance	Audited/Actual performance	Estimated performance	Medium-term targets	Medium-term targets	Medium-term targets	Strategic Plan Target
					2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Regulatory environment enforcement	1.1	Conduct site inspections, Attend to queries	Number of completed green issue criminal investigations handed to the NPA for prosecution.		50	50	45	30	30	105
	1.2	Conduct site inspections, Attend to queries	Number of completed brown issue criminal investigations handed to the NPA for prosecution.		-	-	30	25	20	75
	1.3	Conduct site inspections, Attend to queries	Number of administrative enforcement actions taken for non-compliance with environmental legislation.		30	12	10	8	6	24
	1.4	Conduct site inspections, Attend to queries	Number of compliance inspections conducted for green issues.		250	280	270	250	230	750
	1.5	Conduct site inspections within the brown space field	Number of compliance inspections conducted for brown issues.		-	-	80	70	60	210
	1.6	Biodiversity Permits issued	Number of permits issued within legislated time-frames.		4200	4500	4500	4500	4600	13600
	1.7	Guilt fines issued	Number of Admission of Guilt Fines issued Biodiversity related transgressions.		Not applicable	30	32	20	20	72

4.2.2.2 Quarterly targets for 2017-18

Performance Indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of completed green issue criminal investigations handed to the NPA for prosecution.	Quarterly	45	11	11	11	12
1.2	Number of completed brown issue criminal investigations handed to the NPA for prosecution.	Quarterly	30	6	6	10	8
1.3	Number of administrative enforcement actions taken for non-compliance with environmental legislation.	Quarterly	10	3	3	2	2
1.4	Number of compliance inspections conducted for green issues.	Quarterly	270	66	66	68	70
1.5	Number of compliance inspections conducted for brown issues.	Quarterly	80	20	20	20	20
1.6	Number of permits issued within legislated time-frames.	Quarterly	4500	1100	1300	1100	1000
1.7	Number of Admission of Guilt Fines issued for Biodiversity related transgressions.	Quarterly	32	8	8	8	8

4.2.3 SUB-PROGRAMME: ENVIRONMENTAL QUALITY MANAGEMENT

Strategic Goal: Inculcate accountable environmental management for sustainable development & inclusive economic growth

4.2.3.1 Programme performance objectives, indicators and annual targets for 2017-20

Strategic objective	Activities	Programme indicator	Performance	Audited/Actual performance	Estimated performance	Medium-term targets	Medium-term targets	Medium-term targets	Strategic Plan Target
				2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Regulatory environment enforcement.	1.1	Conduct training for waste management facilities	Number of facilities trained on the Waste Information System.	5	5	6	7	8	21
	1.2	Issued Waste Management Licenses(WMLs) for waste activities such as recycling	Percentage of waste licenses applications finalised within legislated time-frames.	80%	80%	80%	80%	80%	80%
	1.3	Hold training workshops on Social Enterprise development and proper recycling methods	Number of waste pickers supported.	-	100	150	200	250	600
	1.4	Hold meetings with Municipalities and relevant Sector Departments	Number of Waste Management Officers Forum meetings held.	-	-	4	4	4	12
	1.5	Issue Environmental Authorizations(EAs) for infrastructure development	Percentage of complete EIA applications finalized within legislated time-frames.	98%	98%	98%	98%	98%	98%
	1.6	Hold meetings with all District Municipalities.	Number of Air Quality Officers Forum meetings held.	Not applicable	Not applicable	4	4	4	12

1.7	Provide Section 24G fines payment information to Revenue Collection Section	Number of S24G applications finalized.	5	3	2	2	2	6
1.8	Conduct landfill sites audits	Number of waste landfill sites environmentally audited	Not applicable	Not applicable	2	3	4	9
1.9	Conduct cleaning campaigns in 12 towns in line with Climate Change Response Strategy.	Number of cleaning campaigns conducted.	Not applicable	12	12	12	12	36

4.2.3.2 Quarterly targets for 2017-18

Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of facilities trained on the Waste Information System.	Quarterly	6	-	3	3	-
1.2	Percentage of waste licenses applications finalised within legislated time-frames.	Quarterly	80%	80%	80%	80%	80%
1.3	Number of waste pickers supported.	Quarterly	150	-	50	50	50
1.4	Number of Waste Management Officers Forum meetings held.	Quarterly	4	1	1	1	1
1.5	Percentage of complete EIA applications finalized within legislated time-frames.	Quarterly	98%	98%	98%	98%	98%
1.6	Number of Air Quality Officers Forum meetings held.	Quarterly	4	1	1	1	1
1.7	Number of S24G applications finalized.	Quarterly	2	1	1	-	-
1.8	Number of waste landfill sites environmentally audited	Bi-annually	2	-	1	-	1

Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.9	Number of cleaning campaigns conducted.	Quarterly	12	3	3	3	3

4.2.4 SUB-PROGRAMME: BIODIVERSITY MANAGEMENT

Strategic Goal: Inculcate accountable environmental management for sustainable development & inclusive economic growth

4.2.4.1 Programme performance objectives, indicators and annual targets for 2017-20

Strategic objective	Activities		Programme indicator	Performance	Audited/Actual performance	Estimated performance	Medium-term targets	Medium-term targets	Medium-term targets	Strategic Plan Target
					2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Regulatory environment enforcement.	1.1	Establish new black game farmers	Number of new black game farmers registered in the DETSEA Game Farming Programme.		Not applicable	8	8	8	8	24
	1.2	Conduct business to business marketing for the resorts and reserves	Number of marketing sessions for resorts conducted	4	4	4	4	4	4	12
	1.3	Implement Biodiversity Stewardship / Protected Area Expansion Programme	Number of new stewardships sites assisted to increase land under conservation through the implementation of the Biodiversity Stewardship Programme (BSP).	1 new stewardship site	1 new stewardship site	1 new stewardship site	1 new stewardship site	1 new stewardship site	1 new stewardship site	3
	1.4	Implement METT-SA Assessment for	Percentage of area of state managed protected areas	38% (5)	60%	70%	75%	78%	78%	78%

		all Provincial nature Reserves	assess with a METT score above 67%.						
1.5	Increase the hectares of land in the FS conservation estate	Number of hectares in the conservation estate.	903027ha	907 000ha (+2000ha)	+5000	+5000	+5000	+15000	
1.6	Game donations to black game farmers	Number of game donations to black game farmers	Not applicable	Not applicable	4	4	4	12	
1.7	Manage biodiversity through a comprehensive plan	Provincial biodiversity plan developed and reviewed	Not applicable	Not applicable	1	1	1	1	
1.8	Establish new black game farmers	Number of new Black Game Ranchers established.	Not applicable	Not applicable	8	8	8	24	
1.9	Provide mentorship to black game farmers	Number of mentorship session for black game farmers.	Not applicable	Not applicable	48	48	48	144	
1.10	Conduct biodiversity research	Number of biodiversity economy initiatives implemented.	Not applicable	Not applicable	2	2	2	6	

4.2.4.2 Quarterly targets for 2017-18

Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of new black game farmers registered in the DETEA Game Farming Programme.	Quarterly	8	2	2	2	2
1.2	Number of marketing sessions for resorts conducted	Quarterly	4	1	1	1	1
1.3	Number of new stewardships sites assisted to increase land under conservation through the implementation of the Biodiversity Stewardship Programme (BSP).	Annually	1 new stewardship site	-	-	-	1 new stewardship site

Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.4	Percentage of area of state managed protected areas assess with a METT score above 67%.	Annually	70%	-	-	-	70%
1.5	Number of hectares in the conservation estate.	Annually	+5000	-	-	-	+5 000
1.6	Number of game donations to black game farmers	Quarterly	4	-	2	2	-
1.7	Provincial biodiversity plan developed and reviewed	Annually	1	1	-	-	-
1.8	Number of new Black Game Ranchers established.	Quarterly	8	2	2	2	2
1.9	Number of mentorship session for black game farmers.	Quarterly	48	12	12	12	12
1.10	Number of biodiversity economy initiatives implemented.	Annually	2	-	-	-	2

4.2.5 SUB-PROGRAMME: ENVIRONMENTAL EMPOWERMENT SERVICES

Strategic Goal: Inculcate accountable environmental management for sustainable development & inclusive economic growth

4.2.5.1 Programme performance objectives, indicators and annual targets for 2017-20

Strategic objective	Activities	Programme indicator	Performance	Audited/Actual performance	Estimated performance	Medium-term targets	Medium-term targets	Medium-term targets	Strategic Plan Target
				2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Regulatory environment enforcement.	1.1	Hold training workshops on the utilisation of natural resources (e.g.	Number of conservancies supported.	6	8	8	8	8	24

	community gardens)							
1.2	Provide training to communities including schools for Basic Environmental Management	Number of community members' work shopped on environmental management.	200	400	380	360	340	1080
1.3	Registration of schools to participate in environmental programmes	Number of registered schools for participation in an environmental programme.	110	110	110	115	120	345
1.4	Raise awareness about environmental issues in communities	Number of environmental awareness activities conducted (Community).	25	15	14	13	12	39
1.5	Provide training to communities including schools for Basic Environmental Management	Number of environmental capacity building activities conducted through workshops and informal training conducted.	8	30	28	26	24	78
1.6	Review and amend where necessary the environmental education resource material to be utilised in schools and communities for Basic Environmental management	Number of quality environmental education resource materials developed.	1	1	1	1	1	3
1.7	Celebrate environmental calendar days with communities including schools	Number of environmental calendar days celebrated.	4	4	4	4	4	4

	1.8	Harvesting of seeds from reserves	Number of seedlings cultivated at the Karee Nursery.	Not applicable	2500	3000	3500	4000	10500
	1.9	Plants donated to schools and communities	Number of trees planted	Not applicable	Not applicable	1000	1000	1000	3000
	1.10	Coordinate FS Greenest and Cleanest Municipality Competition for municipalities	Number of Greenest and Cleanest Municipality Competitions facilitated.	Not applicable	1	1	1	1	3
	1.11	Facilitate the signing of MOUs with Department of Agriculture, Sports, Arts, Culture & Recreation and Public Works	Number of work opportunities created through environmental programmes (EPWP)	70	159	300	350	400	1050
	1.12	Cleaning of rivers to assist in healthy environment and river health systems	Number of rivers cleaned	Not applicable	Not applicable	2	2	0	4
	1.13	Conduct cleaning campaigns in 12 towns in line with Climate Change Response Strategy	Number of towns cleaned	Not applicable	Not applicable	9	9	9	27

4.2.5.2 Quarterly targets for 2017-18

Performance Indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of conservancies supported.	Quarterly	8	2	2	2	2

Performance Indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.2	Number of community members' work shopped on environmental management.	Quarterly	380	95	95	95	95
1.3	Number of registered schools for participation in an environmental programme.	Annually	200	-	-	-	200
1.4	Number of environmental awareness activities conducted (Community).	Quarterly	14	3	4	4	3
1.5	Number of environmental capacity building activities conducted through workshops and informal training conducted.	Quarterly	28	7	7	7	7
1.6	Number of quality environmental education resource materials developed.	Annually	1	1	-	-	-
1.7	Number of environmental calendar days celebrated.	Quarterly	4	1	1	-	2
1.8	Number of seedlings cultivated at the Karee Nursery.	Annual	3000	-	-	-	3 000
1.9	Number of trees planted	Bi-Annually	1000	-	500	-	500
1.10	Number of Greenest and Cleanest Municipality Competitions facilitated	Annually	1	-	-	1	-
1.11	Number of work opportunities created through environmental programmes (EPWP)	Annually	300	-	-	-	300
1.12	Number of rivers cleaned	Annually	2	0	0	2	0
1.13	Number of towns cleaned	Quarterly	9	0	3	3	3

Budget Reconciliation

Reconciling performance targets with the Budget and MTEF

Sub-Programme	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Audited outcome			Voted (Main Appropriation)	Adjusted Appropriation	Revised Estimated	Medium Term Estimates		
Policy Coordination & Environmental Planning	11 567	15 048	13 642	4 541	4 509	7 509	5 266	6 732	7 109
Compliance and Enforcement	10 242	10 828	12 037	17 307	17 046	17 046	16 729	16 062	16 961
Environmental Quality Management	7 707	7 930	10 851	22 321	17 091	17 091	21 745	21 794	23 015
Biodiversity Management	98 556	88 136	102 173	112 102	89 734	105 077	115 165	126 776	130 373
Environmental Empowerment service	8 354	3 448	2 131	15 474	15 062	12 062	15 433	15 482	16 349
Total payments and estimates: Programme 2:	136 426	125 390	140 834	171 745	143 442	158 785	174 338	186 846	193 807
Economic classification									
Current payments	110 949	113 543	119 964	129 267	130 847	148 421	142 328	141 495	145 916
Compensation of employees	86 967	89 523	95 263	93 362	93 363	93 581	93 952	98 607	104 130
Goods and services	23 982	24 020	24 701	35 905	37 484	54 840	48 376	42 887	41 786
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	3 863	1 134	1 766	182	1 912	669	276	202	213
Provinces and municipalities	-	-	-	-	1 730	240	-	-	-

Departmental agencies and accounts	38	98	19	182	182	182	196	202	213
Universities and Technicon's	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	3 222	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	603	1036	1 747	-	-	247	80	-	-
Payments for capital assets	21 553	10 539	19 022	42 296	10 683	9 695	31 734	45 150	47 678
Buildings and other fixed structures	21 242	9 831	14 207	39 148	9 125	8 125	30 895	44 000	46 464
Machinery and equipment	311	708	4 815	3 148	1 259	1 263	839	1 150	1 214
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	299	307	-	-	-
Payments for financial assets	61	174	82						
Total economic classification:	136 426	125 390	140 834	171 745	143 442	158 785	174 338	186 846	193 807

Expenditure Trends

- 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 Outcome 10 as set out in the prioritised national Outcome Based Plan. Expenditure pattern in this programme changed from 97% in 2014/15 and 97.6% in 2015/16.

Risk Management

Component	Potential Risk	Mitigating Factors
Environmental Policy Planning and Coordination.	Non availability of programmes to mitigate and adapt to the impact of climate change.	<ol style="list-style-type: none"> 1. Implementation of the NCCRP in the Province 2. Implementation of the FSCCRD in all municipalities and sector departments. 3. Implement Let's Respond Tool Kit in 4 District Municipalities and Metro.
Compliance and Enforcement	Increase environmental criminal activities.	<ol style="list-style-type: none"> 1. A new software to be sourced.
Environmental Quality Management	Noncompliance with National Environmental Management Act (NEMA) <ul style="list-style-type: none"> - Air Quality Management - Waste Management 	<ol style="list-style-type: none"> 1. Increase number of personnel 2. Hold bi-annual workshops for stakeholders (Environmental Assessment Practitioners) 3. Hold quarterly environmental management forums with municipalities and relevant sector departments
Biodiversity Management	Decline in Management Effective Tracking Tool (METT-SA) scores	<ol style="list-style-type: none"> 1. Appoint skilled and qualified staff 2. Increase equipment budget 3. Improve administrative and operational support
	Outbreak of zoonotic diseases affecting game	<ol style="list-style-type: none"> 1. Conduct regular scientific research 2. Upgrade quarantine facilities within PA

		3. Take regular blood sample for monitoring
	Not achieving national target	Request departmental funding and personnel

4.3. Programme 3: Economic and Small Business Development

The aim of programme 3

The aim of this programme is to enhance economic development, small business development and growth in the province.

4.3.1 SUB-PROGRAMME: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Strategic Goal: Integrated economic development for radical transformation

4.3.1.1 Programme performance objectives, indicators and annual targets for 2017-20

Strategic objective	Programme Performance Indicator		Audited/Actual performance			Estimated performance	Medium-term targets			Strategic plan target
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
Strengthen & coordinate economic development.	1.1	Number of initiatives introduced to attract investment.	Not applicable	Not applicable	Not applicable	Not applicable	1	1	1	3
	1.2	Number of enterprises assisted with access to markets.	Not applicable	Not applicable	Not applicable	30	30	35	35	100
Optimize investments.	1.3	Number of forums facilitated(cumulative)	Not applicable	Not applicable	3	4	1	1	1	1
	1.4	Number of business supported in critical sectors	277	223	200	200	3	3	3	9
	1.5	Number of projects supported that qualify	Not applicable	Not applicable	Not applicable	Not applicable	4	6	8	18

Strategic objective	Programme Performance Indicator		Audited/Actual performance			Estimated performance	Medium-term targets			Strategic plan target
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
Economic growth.		for co-funding arrangement with Developmental Funding Institutions (DFI).								
	1.6	Number of outward and inward missions attended.	Not applicable	Not applicable	Not applicable	Not applicable	4	4	6	14
Strength strategic partnership	1.7	Number of partnerships established with private sector to create relevant skills	Not applicable	Not applicable	Not applicable	Not applicable	2	4	6	12
	1.8	Number of municipalities in which Black Business Chambers were established	Not applicable	Not applicable	Not applicable	Not applicable	1	10	12	23
	1.9	Number of new job opportunities facilitated, with emphasis on the agro-processing sector	Not applicable	Not applicable	Not applicable	Not applicable	5	10	12	23

4.3.1.2 Quarterly targets for 2017-18

Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of initiatives introduced to attract investment.	Annually	1	-	-	1	-
1.2	Number of enterprises assisted with access to markets.	Quarterly	30	5	15	10	-
1.3	Number of forums facilitated (cumulative).	Annually	1	-	-	-	1
1.4	Number of business supported in critical sectors	Annually	3	-	-	-	3
1.5	Number of projects supported that qualify for co-funding arrangement with Developmental Funding Institutions (DFI).	Quarterly	4	1	1	1	1
1.6	Number of outward and inward missions attended.	Quarterly	4	1	1	1	1
1.7	Number of partnerships established with private sector to create relevant skills.	Bi-Annually	2	-	1	-	1
1.8	Number of municipalities in which Black Business Chambers were established	Annually	1	-	-	-	1
1.9	Number of new job opportunities facilitated, with emphasis on the agro-processing sector	Quarterly	5	-	2	2	1

4.3.2 SUB-PROGRAMME: ECONOMIC PLANNING**Strategic Goal: Integrated economic development for radical transformation****4.3.2.1 Programme performance objectives, indicators and annual targets for 2017-20**

Strategic objective	Activities		Programme Performance Indicator	Audited/Actual performance	Estimated performance	Medium-term targets	Medium-term targets	Medium-term targets	Strategic Plan Target
				2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Exploit opportunities in critical sectors	1.1	To determine investment opportunities for the increased participation of Blacks in priority sectors	Number of lists of Investment opportunities in 5(five) priority sectors developed	Not applicable	Not applicable	1 List	1 list	1 list	3
	1.2	Ensure ERP Staff advocate for more investment in priority sectors	Number of workshops on priority sectors for district municipalities conducted	Not applicable	Not applicable	5	5	5	15
Promote capital investment	1.3	Identify opportunities in priority sectors	Number of lists of annual capital investment targets developed	Not applicable	Not applicable	1 List	1 List	1 List	3
Improve R&D	1.4	Ensure R & D projects are initiated in priority sectors	Number of R & D projects initiated	4	4	4	4	4	12

Strategic objective	Activities		Programme Performance Indicator	Audited/Actual performance	Estimated performance	Medium-term targets	Medium-term targets	Medium-term targets	Strategic Plan Target
				2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Economic growth	1.5	Ensure creation of a package of incentives to attract entrepreneurs into priority sectors	Number of lists of economic growth targets developed	Not applicable	Not applicable	1 List	1 list	1 list	3
Customer satisfaction	1.6	Resolve consumer disputes within prescribed timeframes	100% of disputes resolved in 90 days	Not applicable	Not applicable	100%	100%	100%	100%
Promote collaborations and partnerships	1.7	Establish new partnership agreements	Number of partnerships and networks established	Not applicable	Not applicable	1	1	1	3
Consistent quality service provision	1.8	SOPs developed for complex functions/processes	Number of SOPs developed	Not applicable	Not applicable	3	3	3	9
Job creation	1.9	Compile a list of possible high impact projects	Number of lists of possible high impact projects identified	Not applicable	Not applicable	1 List	1 list	1 list	3
	1.10	Ensure LED practitioners in municipalities focus investment on labour intensive	Number of LED plans aligned to PEDS	Not applicable	Not applicable	21 LED plans	21 LED plans	21 LED plans	21

Strategic objective	Activities	Programme Performance Indicator	Audited/Actual performance	Estimated performance	Medium-term targets	Medium-term targets	Medium-term targets	Strategic Plan Target	
									2015/16
	projects in line with PEDS								
	1.11	Ensure implementation of Provincial Economic Development Strategy	Number of Provincial Job Summits convened	Not applicable	Not applicable	1	0	1	2
Improve revenue collection and manage growth	1.12	Do a comparative study on revenue collection amongst Provinces	Number of comparative studies on revenue collection conducted	Not applicable	Not applicable	1 Study conducted	-	-	1
Increase asset utilisation	1.13	Ensure increase in tourist visits to Reserves and Resorts	Number of Reserves/Resorts Viability recommendation reports submitted	Not applicable	Not applicable	1 Viability study report	-	-	1
Improve prosperity	1.14	Inform consumers of their rights	Number of consumer awareness campaigns conducted	36	36	36	48	60	144
Strengthen & co-ordinate economic development	1.15	Ensure a coordinating structure is established and functioning	Number of Provincial Economic Development Forums convened	Not applicable	Not applicable	4 meetings	4 meetings	4 meetings	4 meetings

Strategic objective	Activities		Programme Performance Indicator	Audited/Actual performance	Estimated performance	Medium-term targets	Medium-term targets	Medium-term targets	Strategic Plan Target
Accelerate implementation and enforce accountability	1.16	Ensure ERP staff are familiar with the contents of the PEDS	Number of workshop on PEDS held	Not applicable	Not applicable	1	1	1	3
Improve FS brand image	1.17	Ensure commemoration of the World Consumer	Number of World Consumer Rights Day Commemorations held	1	1	1	1	1	3

4.3.2.2 Quarterly targets for 2017-18

Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of lists of Investment opportunities in 5(five) priority sectors developed	Annually	1 List	1		-	-
1.2	Number of workshops on priority sectors for district municipalities conducted	Annually	5	5 Workshops	-	-	-
1.3	Number of lists of annual capital investment targets developed	Annually	1 List	1	-	-	-
1.4	Number of R & D projects initiated	Quarterly	4	1	1	1	1
1.5	Number of lists of economic growth targets developed	Annually	1 List	1	-	-	-

Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.6	100% of disputes resolved in 90 days	Quarterly	100%	100%	100%	100%	100%
1.7	Number of partnerships and networks established	Annually	1	-	1	-	-
1.8	Number of SOPs developed	Annually	3	3	-	-	-
1.9	Number of lists of possible high impact projects identified	Annually	1 List	1	-	-	-
1.10	Number of LED plans aligned to PEDS	Annually	21 LED plans aligned with PEDS	21 LED plans aligned with PEDS	-	-	-
1.11	Number of Provincial Job Summits convened	Annually	1	-	1	-	-
1.12	Number of comparative studies on revenue collection conducted	Annually	1 Study conducted	-	1 Study	-	-
1.13	Number of Reserves/Resorts Viability recommendation reports submitted	Annually	1 Viability study report	Study submitted			
1.14	Number of consumer awareness campaigns conducted	Quarterly	36	9	9	9	9
1.15	Number of Provincial Economic Development Forums convened	Quarterly	PEDF established	PEDF established	1 meeting	1 meeting	1 meeting
1.16	Number of workshop on PEDS held	Annually	1 Workshop on PEDS held	1 workshops	-	-	-
1.17	Number of World Consumer Rights Day Commemorations held	Annually	1	-	-	-	1

4.3.3 SUB-PROGRAMME: SMALL BUSINESS DEVELOPMENT

Strategic Goal: Integrated economic development for radical transformation

4.3.3.1 Programme performance objectives, indicators and annual targets for 2017-20

Strategic objective	Activities		Programme Performance Indicator	Audited/Actual performance	Estimated performance 2016/17	Medium-term targets	Medium-term targets	Medium-term targets	Strategic Plan Target
				2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Promote entrepreneurial culture.	1.1	Conduct economic development roadshows	Number of economic development roadshows conducted	Not applicable	Not applicable	4	6	8	18
Strengthen & coordinate economic development	1.2	Develop strategies for linking businesses to local and international Markets	Number of economic development strategies developed	Not applicable	Not applicable	1	1	1	3
Strengthen strategic partnership	1.3	Sign MoUs and SLAs with relevant stakeholders	Number of strategic MoUs/SLAs signed	Not applicable	Not applicable	5	6	8	19
Increase market share.	1.4	Develop internal client satisfaction rate survey	Number of surveys conducted	Not applicable	Not applicable	4	4	4	12
	1.5	Link enterprises to local and big business	Number of SMMEs linked to big business	Not applicable	Not applicable	40	50	60	150

Strategic objective	Activities	Programme Indicator	Performance	Audited/Actual performance	Estimated performance	Medium-term targets	Medium-term targets	Medium-term targets	Strategic Plan Target
				2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Job creation.		international markets							
	1.6	Initiate incubation programmes	Number of provincial incubators initiated	Not applicable	Not applicable	2	3	3	8
Foster mergers & acquisition	1.7	Develop and participate in sector forums	Number of sector forums held	Not applicable	Not applicable	8	10	12	30
Be industry thought leader.	1.8	Support and development of informal businesses	Number of enterprises developed and supported	Not applicable	Not applicable	12	16	20	48
	1.9	Conduct BBEE and PPPFA workshops across the Province	Number of BBEE workshops held	Not applicable	Not applicable	4	4	4	12
Promote entrepreneurial culture	1.10	Establish SMME container business hubs in 2 districts	Number of Business Hubs established	Not applicable	Not applicable	2	1	1	4
	1.11	Conduct training sessions.	Number of motor mechanics and panel beaters trained	Not applicable	Not applicable	25	25	25	75
	1.12	participate in environmental sector forums	Number of SMME Forums established at provincial and district levels	Not applicable	Not applicable	6	0	0	6

4.3.3.2 Quarterly targets for 2017-18

Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
Small Business Development							
1.1	Number of economic development roadshows conducted.	Quarterly	4	1	1	1	1
1.2	Number of economic development strategies developed	Annually	1	1	-	-	-
1.3	Number of strategic MoUs/SLAs signed	Quarterly	5	1	1	2	1
1.4	Number of surveys conducted	Quarterly	4	1	1	1	1
1.5	Number of SMMEs linked to big business		40	10	10	10	10
1.6	Number of provincial incubators initiated	Quarterly	2	-	1	1	-
1.7	Number of sector forums held.	Quarterly	8	2	2	2	2
1.8	Number of enterprises developed and supported	Quarterly	12	3	3	3	3
1.9	Number of BBBEE workshops held	Quarterly	4	-	1	2	1
1.10	Number of Business Hubs established	Bi-Annually	2	1	-	1	-
1.11	Number of motor mechanics and panel beaters trained	Annually	25	0	0	0	25
1.12	Number of SMME Forums established at provincial and district levels	Quarterly	6	0	2	3	1

Budget Reconciliation**Reconciling performance targets with the Budget and MTEF**

Sub-Programme	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Audited outcome			Voted (Main Appropriation)	Adjusted Appropriation	Revised Estimated	Medium Term Estimates		
Integrated Economic Development Services	34 853	13 850	17 213	14 852	14 548	22 629	46 182	54 637	55 786
Economic Planning	101 503	120 502	120 725	116 053	137 546	134 111	125 284	132 554	138 351
Small Business Development	23 292	36 863	38 667	34 782	29 128	21 047	50 506	61 601	60 656
Total payments and estimates: Programme 3:	159 648	171 215	176 605	165 687	181 222	177 787	221 972	248 792	254 793
Economic classification									
Current payments	25 668	37 364	45 775	52 560	44 310	43 884	81 287	105 022	104 374
Compensation of employees	15 758	24 522	27 754	32 659	32 659	32 920	44 050	48 116	54 990
Goods and services	9 910	12 842	18 021	19 901	11 651	10 964	37 237	56 906	49 384
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	133 125	133 560	129 469	112 246	136 330	133 101	138 685	142 660	149 899
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	93 173	101 234	104 645	98 738	120 473	117 038	105 425	111 827	117 775

Universities and Technicon's	-	5 000	1 905	-			-		
Foreign governments and international organisations	-		-	-			-		
Public corporations and private enterprises	39 545	27 004	22 600	13 508	15 508	15 508	32 260	30 833	32 124
Non-profit institutions	-		-	-			-		
Households	407	322	319	-	349	555	1 000		
Payments for capital assets	809	261	1 243	881	582	802	2 000	1 110	520
Buildings and other fixed structures	-		-	-			-		
Machinery and equipment	809	261	1 243	881	582	802	2 000	1 110	520
Heritage Assets	-		-	-			-		
Specialised military assets	-		-	-			-		
Biological assets	-		-	-			-		
Land and sub-soil assets	-		-	-			-		
Software and other intangible assets	-		-	-			-		
Payments for financial assets	46	30	118	-			-		
Total economic classification: Programme 3	159 648	171 215	176 605	165 687	181 222	177 787	221 972	248 792	254 793

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 97.6% in 2014/15 and in 2015/16 99.6%.

Risk Management

Component	Potential Risk	Mitigating Factors
Integrated economic development	Inability to develop industries and sectors that can radically develop the economy.	1. Adequate Budget allocation 2. Establishment of formal structures with stakeholders e.g. MoU
Economic research and planning	Taking policy decisions based on outdated, incomplete or without relevant information.	Increase the capacity to collect own data and analyse it.
	Number of unhappy consumers will increase	Appointment of enough skilled staff
Small Micro and Medium Enterprise	Unstable and undeveloped economy of the Free State	Increase funding allocation Prioritize and implement funded projects
	Double Dipping of SMME's supported/assisted by the department and data management	Linkages with incentives and support by: Municipalities DTI DFI's Banks Departments Creation on one central integrated database for the Province
Cooperatives	Unstable and undeveloped economy of the Free State	Increase funding allocation Prioritize and implement funded projects
Service Centers: Local Economic Development	Unstable and undeveloped economy of the districts metro	Increase funding allocation Prioritize and implement funded projects
	Service centers not meeting expectations	1. To review service center's management policies. 2. To ensure compliance from a corporate services perspective Contingency plan for all data and equipment

		at service center's Control management of information and confidential data 3. Management must ensure that other branches have personnel in the service centers in promoting One Stop Shop
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4.4. Programme 4: Tourism

The aim of programme 4

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

4.4.1 SUB-PROGRAMME: TOURISM PLANNING

Strategic Goal: Business process optimisation for better programme performance and co-operation (Locally/Regionally/Internationally).

4.4.1.1 Programme performance objectives, indicators and annual targets for 2017-20

Strategic objective	Activities	Programme Performance Indicator	Audited/Actual performance	Estimated performance	Medium-term targets	Medium-term targets	Medium-term targets	Strategic Plan Target
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Promote collaborations & partnership.	1.1	Support the development of online reservation system for resorts/CRM System	Not applicable	Not applicable	1	-	-	1
	1.2	Alignment meetings with municipalities LED units for	Not applicable	Not applicable	1	1	1	3

Strategic objective	Activities	Programme Indicator	Performance	Audited/Actual performance	Estimated performance 2016/17	Medium-term targets	Medium-term targets	Medium-term targets	Strategic Plan Target
				2015/16	2017/18	2018/19	2019/20	2020/21	
Strengthen strategic partnerships		integrated planning on tourism development.							
	1.3	Facilitate regional integration initiatives with neighbouring provinces and country.	Number of initiatives facilitated for regional integration.	Not applicable	Not applicable	6	7	7	20
Strengthen strategic partnerships	1.4	Policy Development initiative for the provincial tourism sector	Number of Policy Development initiative for the provincial tourism sector	Not applicable	Not applicable	1	1	1	1
Improve FS brand image	1.5	Conduct market intelligence necessary for tourism development in the Free State.	Number of tourism development research reports compiled.	Not applicable	Not applicable	2	2	2	6
Increase market share Customer satisfaction	1.6	Capacity planning sessions	Number of tourism specific training provided	5	2	3	4	5	12
Improve prosperity and Optimise investments									

4.4.1.2 Quarterly targets for 2017-18

Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Online reservation system to be implemented.	Annually	1	-	-	1	-
1.2	Alignment of tourism development plans with municipalities.	Annually	1	1	-	-	-
1.3	Number of initiatives facilitated for regional integration.	Quarterly	6	2	2	1	1
1.4	Policy Development initiative for the provincial tourism sector	Annually	1	-	-	-	1
1.5	Number of tourism development research reports compiled.	Bi-Annually	2	-	1	-	1
1.6	Tourism specific training provided	Quarterly	3	1	-	1	1

4.4.2 SUB-PROGRAMME: TOURISM GROWTH AND DEVELOPMENT

Strategic Goal 1: Include accountable environmental management for sustainable development and inclusive economic growth

Strategic Goal 2: Implications of integrated economic development for radical transformation

4.4.2.1 Programme performance objectives, indicators and annual targets for 2017-20

Strategic objective	Activities	Programme indicator	Performance	Audited/Actual performance	Estimated performance	Medium-term targets	Medium-term targets	Medium-term targets	Strategic Plan Target
				2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Increase market share Improve prosperity	1.1	Facilitate Township/Kasie tourism campaigns for township development.	Number of Township/Kasie tourism campaigns conducted for township development.	Not applicable	Not applicable	2	3	3	8

Strengthen strategic partnerships	1.2	Conduct stakeholder engagement for benchmarking on best practices.	Number of stakeholder engagements.	Not applicable	Not applicable	4	4	4	12
	1.3	Forge partnerships with the private sector for tourism development.	Number of linkages established with private sector for tourism development.	Not applicable	Not applicable	2	3	3	8
Customer satisfaction	1.4	Improve customer service through customer feedback surveys.	Number of feedback reports on tourism customer survey questionnaire.	Not applicable	Not applicable	2	3	3	8
Improve FS brand image	1.5	Facilitate Social Tourism initiatives at DESTEA Resorts and government-owned attractions.	Number of Social Tourism initiatives facilitated at DESTEA Resorts and government owned attractions.	Not applicable	Not applicable	4	5	5	14
Improve prosperity	1.6	Conduct tourism workshops for tourism awareness.	Number of workshops conducted for tourism awareness.	Not applicable	Not applicable	3	5	5	13
Optimise investments & improve prosperity	1.7	Support tourism enterprises	Number of DFI initiatives Supported	Not applicable	Not applicable	4	5	5	14

4.4.2.2 Quarterly targets for 2017-18

Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets.			
				1 st	2 nd	3 rd	4 th
1.1	Number of Township/Kasie tourism campaigns for township development facilitated.	Quarterly	2	-	1	1	-
1.2	Number of stakeholder engagements.	Quarterly	4	1	1	1	1
1.3	Number of linkages established with private sector for tourism development.	Bi-Annually	2	-	1	1	-

Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.4	Number of feedback reports on tourism customer survey questionnaire.	Bi-Annually	2	-	1	1	-
1.5	Facilitate Social Tourism initiatives at DESTEA Resorts and government-owned attractions.	Quarterly	4	1	1	1	1
1.6	Number of workshops conducted for tourism awareness.	Quarterly	3	1	1	1	-
1.7	Number of DFI initiatives Supported	Quarterly	4	1	1	1	1

4.4.3 SUB-PROGRAMME: TOURISM SECTOR TRANSFORMATION

Strategic Goal: Foster Tourism sector transformation and development for improved market share

4.4.3.1 Programme performance indicators and annual targets for 2017-20

Strategic objective	Activities	Programme Indicator	Performance	Audited/Actual performance	Estimated performance 2016/17	Medium-term targets 2017/18	Medium-term targets 2018/19	Medium-term targets 2019/20	Strategic Plan Target 2020/21
				2015/16					
Exploit opportunities in critical sectors Increase market share	1.1 Mentor, coach and support staff on intrapreneurship and entrepreneurship.	Number of "A day in the life of a tourism enterprise" programmes conducted.	Not applicable		4	4	4	5	13

Strategic objective	Activities		Programme indicator	Performance	Audited/Actual performance	Estimated performance 2016/17	Medium-term targets	Medium-term targets	Medium-term targets	Strategic Plan Target
Exploit opportunities in critical sectors	1.2	Facilitate participation in the Incubation Support Programme (ISP) by SMMEs in the tourism value chain.	Number of enterprise improvement plans developed.		Not applicable	4	4	5	5	14
Promote capital investment	1.3	Support business tourism events across all sectors for optimal socio-economic spin-offs.	Tourism Careers Expo supported as a business tourism event.	1	1	1	1	1	1	3
Improve R&D	1.4	Facilitate business tourism events across all sectors for optimal socio-economic spin-offs.	Number of Tourism Awards facilitated.	1	1	1	1	1	1	3

4.4.3.2 Quarterly targets for 2017-18

Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of "A day in the life of a tourism enterprise" programmes conducted.	Quarterly	4	1	1	1	1
1.2	Number of enterprise improvement plans developed.	Quarterly	4	1	1	1	1
1.3	Tourism Careers Expo facilitated.	Annually	1	-	1	-	-
1.4	Tourism Awards facilitated.	Annually	1	-	1	-	-

Budget Reconciliation**Reconciling performance targets with the Budget and MTEF**

Sub-Programme	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Audited outcome			Voted (Main Appropriation)	Adjusted Appropriation	Revised Estimated	Medium Term Estimates		
Tourism Planning	9 275	9 441	7 455	14 397	13 313	13 428	14 737	9 977	7 060
Tourism Growth and Development	-	-	1	250	250	170	1 255	1 645	1 737
Tourism Sector Transformation	-	-	30	250	250	250	2 284	1 508	1 593
Total payments and estimates: Programme 4:	9 275	9 441	7 486	14 897	13 813	13 848	18 276	13 130	10 390
Economic classification									
Current payments	8 686	9 050	7 221	14 648	13 482	13 482	18 185	12 822	10 065
Compensation of employees	5 733	5 930	5 939	8 348	8 348	8 348	7 978	9 403	8 189
Goods and services	2 953	3 120	1 282	6 300	5 134	5 134	10 207	3 419	1 876
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	307	190	92		65	100			
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts									
Universities and Technicon's	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	307	190	92	-	65	100	-	-	-
Payments for capital assets	167	201	168	249	266	266	91	308	325

Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	167	201	168	249	266	266	91	308	325
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	115	-	5	-	-	-	-	-	-
Total economic classification: Programme 4	9 275	9 441	7 486	14 897	13 813	13 848	18 276	13 130	10 390

Expenditure Trend

- For the financial year 2015/16 a total budget of R65 238 was allocated to Programme 4: Tourism, which implements Outcome 4 and the above listed strategic objectives of the Department. During this period R60 280 was spent, which is 98.9% of the allocated budget.

Risk Management

Component	Potential Risk	Mitigating Factors
Tourism Growth and Development	The decline of tourism sector's contribution to the provincial economy	1. Adequate budgeting for tourism development and investment
Transformation of Tourism Sector	Slow transformation of tourism industry in the province	Creation of black industrialists in the tourism industry

PART C: Links to Other Plans

5. LINKS TO THE LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS

5.1. Below is a list of infrastructure projects that will be undertaken by the Department in 2017/18:

Table B.5: Economic, Small Business Development, Tourism And Environmental Affairs - Payments of infrastructure by category

No.	Project name	Project Status	Municipality / Region	Type of infrastructure	Project duration		Source of funding	Budget programme name	Delivery Mechanism (Individual project or	Total project cost	Expenditure to date from previous years	Total available	MTEF Forward estimates	
					Date: Start	Date: Finish							2017/18	MTEF 2018/19
R thousands														
1. New infrastructure assets														
1	Caledon N/R	Design	Naledi	Rebuild Floating camp on River bank	01/03/2015	30/12/2016	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	12,000	-	-	4,000	500
2	Soeldoring N/R	Design	Mangaung	Construction of 10 chalets	01/04/2008	30/12/2017	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	30,000	7,235	-	-	-
3	Soeldoring N/R	Design	Mangaung	Rebuild Edu. Envir Hall	01/04/2013	30/03/2016	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	8,000	-	300	-	-
4	Maria Moroka	Design	Mangaung	Rebuild rest camp and 5 chalets	01/04/2008	30/03/2014	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	33,500	26,566	-	-	-
5	Willem Pretorius	Design	Matjhabeng	Construction of new Abattoir	01/04/2014	30/12/2015	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	10,000	235	-	-	-
6	Karee Nursery	Design	Mangaung	Construction of new offices	01/04/2014	30/12/2017	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	25,000	-	2,000	9,000	7,000
7	Maria Moroka	Design	Mangaung	Construction of Office Complex	01/04/2014	30/03/2016	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	25,000	15,251	-	10,000	-
8	Rustfontein N/R	Design	Mangaung	Construction of Environmental Education Centre	01/06/2010	30/12/2012	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	12,000	-	600	3,000	-
9	Erfenisdam	Design	Masilanyana	Luxury Wooden bungalows	01/04/2016	30/12/2017	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	10,000	1,000	-	-	-
10	Sterkfontein Reserve	Design	Maluti-a-Phofung	Construction of new Abattoir	01/04/2013	30/12/2014	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	12,000	-	-	3,000	6,000
11	Willem Pretorius Reserve	Design	Matjhabeng	Construction of 2 staff houses and upgrade W.Gate and pave road	01/04/2016	30/06/2018	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	30,000	-	-	500	-
12	Koppiesdam Resort	Construction	Ngwathe	Construction of Chalets, Entrance, Housing	01/04/2008	30/10/2012	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	-	12,638	-	-	5,000
13	Sandveld Resort	Construction	Tswelopele	Pave entrance road	00/01/1900	00/01/1900	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	-	126	-	-	5,000
14	Phillip Sanders	Construction	Mangaung	Construction of 10 chalets and water reticulation	00/01/1900	00/01/1900	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	-	32,377	-	-	-
15	Barthurst	Hand over	Mangaung	Fencing of the Lion Cage	00/01/1900	00/01/1900	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	-	-	-	-	-
16	Koppies Rest Camp	Construction	Ngwathe		00/01/1900	00/01/1900	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	-	839	-	-	-
17	Phillip Sanders Water Line	Construction	Mangaung		00/01/1900	00/01/1900	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	-	14	-	-	-
18	Naval Hill planetarium	Construction	Mangaung	Construction of education Hall	01/04/2014	30/03/2015	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	5,000	-	-	-	-
19	Seekoeivlei	Construction	Maluti-a-Phofung	Construction of Office Complex	01/04/2017	30/03/2019	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	30,000	-	600	6,000	-
20	Seekoeivlei	Construction	Maluti-a-Phofung	Day visitor facility	00/01/1900	00/01/1900	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	-	-	-	-	-
Total New Infrastructure assets									-	242,500	96,281	3,500	35,500	23,500

2. Upgrades and additions														
1	Tussen Die Riviere	Design	Kopanong	Upgrade Abattoir and Upgrade fencing	01/04/2010	30/12/2011	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	8,000	1,500	300	-	-
2	Soetlooring N/R	Design	Mangaung	Upgrade Train Camp	01/04/2012	30/12/2015	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	35,400	12,382	500	-	-
3	Soetlooring N/R	Design	Mangaung	Upgrade underground electricity to Train Camp	01/03/2012	30/12/2013	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	14,000	7,144	-	-	-
4	Sandveld Resort	Design	Mangaung	Upgrade day Visitors Facilities	01/04/2011	30/12/2014	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	25,000	-	9,595	3,500	-
5	Gariep Complex	Design	Kopanong	Buy Land at Gariep & Tussen Die Riviere	01/04/2006	30/04/2015	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	150,000	6,800	-	-	10,000
6	Upgrade of Fences for All Reserves and Resorts	Design	0	Upgrading of fence for all reserves and resorts	01/04/2012	30/03/2013	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	11,475	12,343	6,000	4,000	6,000
7	Seekoivlei	Construction	Maluti-a-Phofung	Upgrade Rest Camp	01/04/2014	30/10/2014	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	-	2,000	-	-	-
8	Maria Moroka-Fencing	Construction	0	0	00/01/1900	00/01/1900	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	4,500	-	-	-	-
9	Karee Nursery	0	0	Upgrade of hydroponic and irrigation system	00/01/1900	00/01/1900	Infrastructure Enhancement Allocation	0	-	-	-	3,000	-	-
Total Upgrades and additions									-	248,375	42,169	19,395	7,500	16,000
3. Refurbishment and rehabilitation														
1	Philip Sanders	Construction	Mangaung	Refurbishment of philip sanders resort	00/01/1900	00/01/1900	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	-	-	3,000	-	-
2	Staff housing all resorts and reserves	Construction	Mangaung	Refurbishment of all staff houses in resorts and reserves	00/01/1900	00/01/1900	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	-	-	5,000	-	-
Total Refurbishment and rehabilitation									-	-	-	8,000	-	-

4. Maintenance and repairs														
1	All Reserves and Resorts	Design	0	Maintenance to Infrastructure	01/04/2012	30/03/2013	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	5,898	4,363	8,500	2,498	5,998
2	Sierkfontein Reserve	Construction	Maluti-a-Phofung	Revemp of Chalets	00/01/1900	00/01/1900	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	-	512	-	-	-
3	Rustfontein N/R	Construction	Mangaung	Construction of Security Fence	00/01/1900	00/01/1900	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	-	3,115	-	-	-
4	Maluti Transfrontier Park	Construction	Maluti-a-Phofung	0	00/01/1900	00/01/1900	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	-	1,481	-	-	-
5	Gariep Resort	Construction	Kopanong	Repair of Chalets	00/01/1900	00/01/1900	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	-	236	-	-	-
6	Koppiesdam Resort	Construction	Ngwathe	Fencing to Infrastructure	00/01/1900	00/01/1900	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	-	4,420	-	-	-
7	Willem Pretorius	Construction	Majhabeng	Fencing to Infrastructure	00/01/1900	00/01/1900	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	-	2,954	-	-	-
8	Tussen Die Riviere	Construction	Kopanong	Fencing to Infrastructure	00/01/1900	00/01/1900	Infrastructure Enhancement Allocation	ENVIRONMENTAL AFFAIRS	-	-	2,800	-	-	-
9	Water resource Management	0	0	Cleaning of rivers and dams	00/01/1900	00/01/1900	Infrastructure Enhancement Allocation	0	-	-	-	5,000	-	-
10	Waste Management	0	0	Maintenance of landfill sites in the province	00/01/1900	00/01/1900	0	0	-	-	-	1,277	-	-
Total Maintenance and repairs									-	5,898	19,881	14,777	2,498	5,998
6. Infrastructure transfers - capital														
1	Tshame security fence(FDC)	Design	Maluti-a-Phofung	Security Fence	01/04/2013	20/03/2014	Infrastructure Enhancement Allocation	ECONOMIC DEVELOPMENT	-	-	10,000	-	-	-
Total Infrastructure transfers - capital									-	-	10,000	-	-	-
Total Economic, Small Business Development, Tourism And Environmental Affairs Infrastructure									-	496,773	168,331	45,672	45,498	45,498

5.2. Factors influencing the institutions ability to deliver on the infrastructure plan

The Department's ability to delivery on it infrastructure plan for 2017/18, will in the main by influenced by the following:

- Provincial Treasury's commitment to allocate an Infrastructure Enhancement Allocation to the Department;
- The ability of the Department's implementing agent, in this case the Department of Public Works, to deliver on infrastructure developments within planned budget and time allocations.

6. CONDITIONAL GRANTS

The Department receives the following conditional grant:

Conditional Grant	Budget ('000)
EPWP Integrated Grant	2 000

Name of grant	EPWP Integrated Grant
Purpose	The Extended Public Works Programme: It is utilized in the establishment of firebreaks and the eradication of alien plant species in reserves and resorts.
Performance indicator	Create 300 job opportunities through the departmental EPWP grant.
Continuation	The grant will continue if prioritized by Provincial Treasury.
Motivation	Integral role in provincial job creation.

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

No major changes to the status quo of the EPWP grant is foreseen for the 2017/18 financial year.

7. PUBLIC ENTITIES

7.1. Mandates and Outputs of Departmental Entities

The table below lists the various public entities associated with the Department. There have been no significant changes to the status of public entities related to the Department.

Public Entities, 2017

Name of Entity	Mandates	Outputs	Current Annual Budget (R '000)	Date of Next Evaluation
Free State Development Corporations	<ul style="list-style-type: none"> To finance and advance economic growth and development, Black Economic Empowerment and SMME development and growth. To promote investment and trade within the province and to identify, analyze, publicize and market investment and trade opportunities in the provincial economy 	<ul style="list-style-type: none"> Investment opportunities for the province; Stimulate economic growth; Assist small and medium enterprises with financial assistance; Promote economic activity within the province; Provide for trade promotion 	27 260	2018
Free State Gambling and Liquor Authority and Free State Tourism Authority	<ul style="list-style-type: none"> To regulate the gambling and racing activities in the province on behalf of the Provincial Department. To reduce socio-economic and other costs of alcohol abuse. Regulate the micro-manufacturing and retail sale of liquor or methylated spirits 	<ul style="list-style-type: none"> Implementation of essential national norms and standards in the liquor industry. Regulation of the micro-manufacturing and retail sale of liquor or methylated spirits. Promotion of responsible and sustainable liquor industry. Regulate, license, control and police gambling activities. Protect public who participate in any licensed gambling activity. License gambling activities in a transparent, fair and equitable manner 	105 425	2018
	To promote tourism and increase market share in the tourism industry and to coordinate marketing activities of all role players.	Ensure effective and efficient: <ul style="list-style-type: none"> Marketing of tourism; Promotion of tourism; Development of sustainable tourism within the Province; Promotion of major sport events to promote tourism. 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 		

7.2. Oversight on Departmental Entities

To improve its oversight role, the Department intends to enforce integrated planning with the Public Entities to ensure alignment of goals and objectives. In addition, entity performance will be continuously evaluated aligned to Treasury and DPME guidelines.

- The following plans and reports of the Public Entities will be used to monitor and evaluate their performance:

PLANS/REPORTS	PERIOD
Plans/Agreements	
Strategic Plan	5 year cycle
Shareholders Compact	Annually
Annual Performance Plan	Annually
Annual Budget	Annually
Reports	
Monthly Financial Reports (Expenditure)	Monthly
Quarterly Performance Reports	Quarterly
Misconduct Cases	Quarterly
Internal Audit Reports	Quarterly
Annual Financial Statements	Annually
Assurance in terms of the PFMA	Annually

- Quarterly review meetings will be held with Public Entities to review performance and to identify challenges.

8. PUBLIC-PRIVATE PARTNERSHIPS

Two projects have been registered as Public-Private Partnerships (PPP); however these are proposed projects/programmes that have not yet started functioning.

Annexure D

STRATEGIC PLAN 2015-2020 AMENDMENTS

Background

During November 2016 DESTEA, under the new leadership of MEC Dr B Malakoane, embarked on a strategic process to revise the critical path of the organization.

This process unfolded under the guidance of the Executive Management of DESTEA and entailed various consultative workshops with all officials in DESTEA, as well as key external role-players. The final outcome was a revised vision and mission statement, as well as optimized core values to which the organization will comply.

AMENDMENTS:

The Vision Statement of DESTEA therefore changed:

From:

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

To:

"By 2020, a transformed economy and a prosperous society that is living in harmony with its natural resources."

Subsequently the Mission Statement was revised:

From:

"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."

To:

"By creating a leading and developmental institution, that drives economic transformation, systems change and adaptation to the ever changing environmental dynamics for the benefit of the people of the Free State."

The Core Values to which all staff agreed are as follows:

<i>Passion</i>	We build and promote an energising and inspiring work environment. (Dedication, loyalty)
<i>People Centric</i>	We support and involve others in their endeavours to learn and expand their strengths (Learning & Innovation).
<i>Performance</i>	We involve everyone who is affected in our plans, goals and decisions (Professionalism).
<i>Proactive</i>	We adopt best available science and knowledge practices (Responsiveness).
<i>Integrity</i>	We drive the department's agenda above pursuing self-interest (Honesty, Trustworthy).
<i>Innovation</i>	We research and develop unique methods, processes and products to ensure efficient service delivery to clients. (R&D, modernization, creativity)

STRATEGIC GOALS

CURRENT STRATEGIC GOALS	REVISED STRATEGIC GOALS
Integrated and sustainable Economic Development.	Provision of leadership for effective socio-economic development
Environmental assets conserved, valued, sustainably used, protected and continually enhanced to benefit the present and future generations.	Creation of efficient and effective financial management system for sustainability
Radical efficacy in business processes.	Build a responsive Human Resource attributed that is responsive to service demands
To create a conducive environment for sustainable tourism growth and development in the Province.	Integrated economic development for radical transformation
	Inculcate accountable environmental management for sustainable development & inclusive economic growth
	Foster Tourism sector transformation and development for improved market share

	Business process optimisation for better programme performance & co-operation (Locally/Regionally/International)
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STRATEGIC OBJECTIVES

The following strategic objective were identified for 2017 onwards during a strategic planning session conducted in 2016:

• Strengthen risk & regulatory compliance.
• Effective financial management.
• Ensuring effective corporate compliance.
• Promote collaborations & partnerships.
• Regulatory environment enforcement.
• Customer satisfaction.
• Promote entrepreneurial culture.
• Improve R&D.
• Consistent quality service provision.
• Increase market share.
• Strengthen strategic partnerships.
• Improve FS brand image.
• Exploit opportunities in critical sectors.
• Be industry thought-leader.
• Strengthen & coordinate economic development.
• Continuous improvement process.
• Implement proper inventory turnover.
• Improve record & asset management information.
• Accelerate implementation & enforce accountability.
• Job creation.
• Optimize investments.
• Strengthen access to services/programs.
• Foster mergers & acquisitions.
• Promote capital investments.
• Economic growth.
• Recruit & develop workforce.
• Implement appropriate technology.
• Optimise staff productivity & capability.
• Enhance change management practices & training climate.
• Improve corporate communications & coordination.
• Foster high performance culture.
• Financial stewardship.
• Implement cost efficiencies.
• Improve expenditure management.
• Improve financial sustainability.
• Improve revenue collection & manage growth.
• Increase asset utilization.
• Improve prosperity.
• Develop new business capabilities.
• Clarify roles & responsibilities.
• Foster learning & innovation.