

## PART B: PERFORMANCE INFORMATION



**the detea**

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

# ANNUAL REPORT 2013/2014

VOTE 3 : DEPARTMENT OF ECONOMIC DEVELOPMENT,  
TOURISM AND ENVIRONMENTAL AFFAIRS

## 1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 109 of the Report of the Auditor General, published as Part E: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1. SERVICE DELIVERY ENVIRONMENT

The 2011 census indicated that the Free State Province has an estimated population of 2 745 590, which is the second smallest share (5.3%) of the South African population. Females represents the majority of the population with a total of 1 416 623 (51.6%) followed by males with a total of 1 328 967 (48.4%).

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

#### Population, age structure and dependency ratio - 2011

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

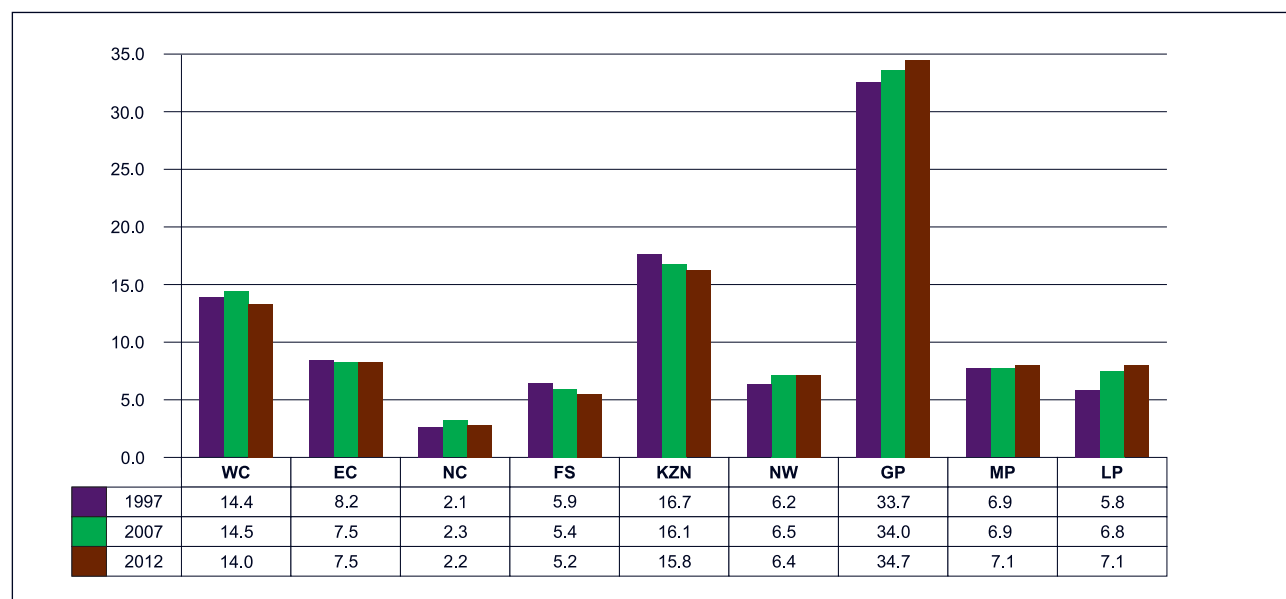
Source: Stats SA, Census 2011, Municipal Fact Sheet

The Free State has over the years been dependent on the Primary (i.e. Agriculture & Mining sectors) and Secondary (i.e. Manufacturing, Electricity, Water and Construction sectors) industries as its main economic drivers. However, in the recent past, there has been a shift with regard to the main drivers of the provincial economy, seeing the Tertiary industries (i.e. Trade, Transport, Finance, Personal and Government) services making up the bulk of the provincial output.

The relative ranking of the contribution of the nine provinces to the South African economy did not change between 1997 and 2012, as shown in the figure below. Gauteng remains the largest (34,7 per cent), followed by KwaZulu-Natal (15,8 per cent) and Western Cape (14,0 per cent). These three dominant provinces (collectively contributing nearly two-thirds to the South African economy) have, however, shown a slight decline in their combined contribution over the period. Positive growth in terms of relative size was recorded by Mpumalanga and Limpopo, the latter increasing from 6,8 per cent (2007) to 7,1 per cent (2012).

The economy of the Free State (5.2% - 2012) is relatively small when compared to the other provinces, such as Gauteng (34.7% - 2012), the Western Cape (14.0% - 2012) and KwaZulu-Natal (15.8% - 2012).

### Provincial contribution to the South African economy: 1997, 2007 and 2012



Source: Stats SA, GDP, Q3 2013

The biggest contributor (as indicated in the table below) to the provincial economy is the Finance sector with a contribution of 14.5% in 2012 followed by Government Services (14.1%) and the Trade (13.2%) sector. Mining recorded a contribution of 13.0% to the provincial economy, whilst the manufacturing sector contributed (7.9%). Most of the activities in this sector are linked to the chemicals sub-sector in Sasolburg.

### Gross Domestic Product (GDP) contribution by sector 2010 - 2012 (Percentage contributions)

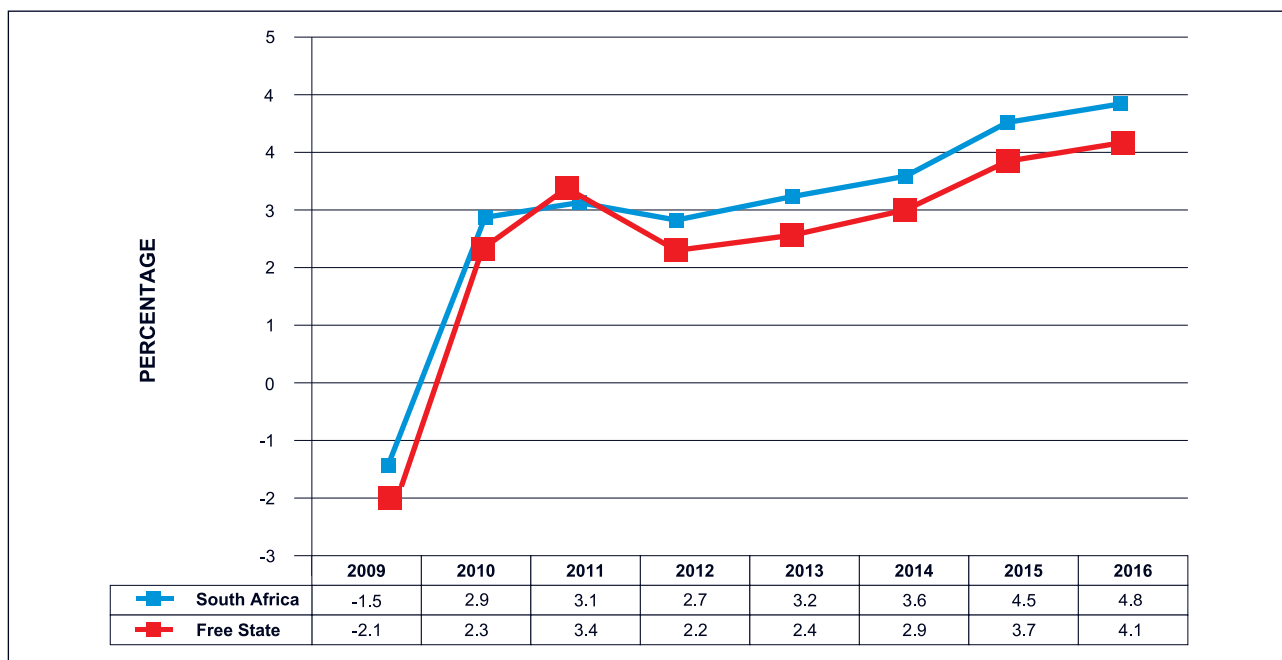
Sector	2010	2011	2012
<b>Primary Industries</b>	<b>18.0</b>	<b>18.4</b>	<b>17.6</b>
Agriculture	4.4	4.3	4.6
Mining	13.6	14.1	13.0
<b>Secondary Industries</b>	<b>14.5</b>	<b>13.3</b>	<b>13.0</b>
Manufacturing	9.7	8.4	7.9
Electricity	2.9	3.0	3.1
Construction	2.0	2.0	1.9
<b>Tertiary Industries</b>	<b>58.0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

Source: Stats SA, GDP, Q3 2013

The World Economic Outlook continues to be sombre, and that of South Africa and it also does not look differently provincially. According to the IMF (2012), South Africa is set to record growth of 3.3%. IHS Global

Insight forecast the Free State economy to grow by roughly 3.1% average, between 2012 and 2016, bridging the 4 percentage point mark towards the end of the forecast period or in 2016, when it is anticipated to register a 4.1% growth.

#### Free State and the South African GDP growth rate and growth forecast: 2009- 2016



Source: IHS Global Insight, Rex, 2012

The figure above indicates and thus confirm that the Free State growth performance has lacked behind the South Africa's average. Between 2009 and 2011, the Free State growth rate average 1.2%, whilst the National average for the same period was 1.5%, about 0.30 percentage points than that of the Free State.

The province registered a growth rate of 2.3 % in 2010, after the global crisis, and as such recorded an increase of 4.4 percentage points. By looking at these trends it indicates a sombre outlook for the provincial growth average. It is therefor expected that the provincial growth rate will be around 3.1% from 2012 to 2016.

## 2.2. SERVICE DELIVERY IMPROVEMENT PLAN

The department has identified 2 services to be improved in 2013/14, which is outline in Service Delivery Improvement Plan (SDIP). The tables below highlight the service delivery plan and the achievements made in the implementation plan.

#### Main Services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Facilitate the establishment and support of cooperatives	Cooperatives	No service standard	5 Cooperative	24 Cooperatives were supported
Provide financial and non financial support to micro enterprise and cooperatives	Cooperatives	No service standard	100% of all qualifying applications will be funded subject to availability of funds	49% of approved applications

*Batho Pele arrangements with beneficiaries (Consultation access etc.)*

Current/actual arrangements	Desired arrangements	Actual achievements
No service standard	Database of registered Free State cooperatives is available  Baseline study to be conducted	Training session on my coop was conducted in the various towns within the province
Awareness session will be conducted to inform the community of the services	Awareness sessions held in the province to market the service.	18 Information and awareness sessions were held in the province
Cooperatives are welcomed at all times at Head Office and the district offices to access our services. However, there are operational challenges at the district offices	Ensure that the district offices are fully functional and accessible in all district municipalities	Services centres were opened for the cooperative to access services of the department.  Parys service centre is operational  Two service centres to be launched in the next financial year (2014/15).  Offices have been identified in Phuthaditjhaba and Thaba Nchu

*Service delivery information tool*

Current/actual information tools	Desired information tools	Actual achievements
No service standard	No service standard	Training session on my coop was conducted in the various towns within the province.  Cooperatives were trained on module 1
Information will be provided during the awareness campaigns and information sessions	Information, brochures and pamphlets will be available at the service centres	Information on MESP and cooperative were conducted in the awareness campaigns.  MESP was launched in Warden during September 2013  MESP roll out done in Qwaqwa, Parys and Warden to hand over the equipment to the beneficiaries

*Complaints mechanism*

Current/actual information tools	Desired complaints mechanism	Actual achievements
Redress process highlighted in the service charter	Complain and redress procedure to be displayed in a published charter and on the departmental website	Charter was developed

## 2.3. ORGANISATIONAL ENVIRONMENT

### Programme structure

There were no changes in the programme structure of the Department, which is illustrated in the table below:

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

### Personnel

In order to define the posts necessary to perform the relevant functions while remaining within the relevant budget and medium-term expenditure framework of the department, the department abolished all the unfunded posts on PERSAL. As a result, many posts which may not be filled over the MTEF were taken off the PERSAL System. After this process, the Department was operating at a vacancy rate of 18.94%.

79 posts were advertised in July 2013 as part of the process of filling vacant and funded posts in the Department. Of the 79 posts advertised, 12 were on SMS level. Seven (7) SMS posts have been filled and the process of filling the other posts is continuing. The Department has also initiated a process of identifying officials that are not gainfully employed in components where they are currently appointed and after the necessary consultations, the affected officials will be transferred to the appropriate sections where they will be effectively utilised.

### Budget

The Department will 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.

## 2.4. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The Department continued with implementation of the following:

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

The table below explains the various areas contained in the NDP, MTSF and FSGDS to which the Department contributed during the past year:

NDP	MTSF	FSGDS
Chapter 3: Economy and employment	Outcome 4: Decent employment through inclusive growth	Driver 3: Expand and diversify manufacturing opportunities
Chapter 5: Environmental sustainability	Outcome 6: An efficient, competitive and responsive infrastructure network (SIP's and SEZ's)	Driver 5: Harness and increase tourism potential and opportunities
Chapter 13: Building a capable and developmental state	Outcome 10: Protect and enhance our environmental assets and national resources	Driver 11: Ensure social development and social security
Chapter 14: Fighting Corruption	Outcome 12: An efficient, effective and developmental orientated public service	Driver 12: Integrate environmental concerns into growth and development planning
-	-	Driver 15: Foster good governance to create a conducive climate for growth and development

*\*No legislative changes were effected during the 2013/14 financial year.*

### 3. STRATEGIC OUTCOME ORIENTATED GOALS

The following are the DETEA goals set out in the 2010/15 Strategic Plan:

Strategic Goal		Goal Statement
1.	To Stimulate Integrated Sustainable Economic Development within the Province.	Creation of a suitable business environment in the Province to enhance economic growth.
2.	To Ensure Sustainable Environmental Conservation within the Province.	Contributing to sustainable environmental practices and conservation in the Province.
3.	Efficient and Effective Business Processes.	To ensure functioning business processes for the Department.

*\*Progress made towards the achievement of these goals is explained elsewhere in Part B of this report.*

The Department contributed significantly to the following Outcomes, as highlighted in the table below:

NDP	MTSF	Highlights
Chapter 3: Economy and employment	Outcome 4: Decent employment through inclusive growth	<ul style="list-style-type: none"> <li>Rollout of the Micro Enterprise Support Programme</li> <li>Continues support to new and existing SMME's</li> <li>Continues support to existing and new cooperatives</li> <li>R20,5m invested in enterprises</li> <li>Trade and investment promotion via Free State Development Corporation</li> <li>Education and support to client on Consumer Rights</li> <li>Continues tourism promotion and marketing</li> </ul>
Chapter 5: Environmental sustainability	Outcome 10: Protect and enhance our environmental assets and national resources	<ul style="list-style-type: none"> <li>Expansion of land under conservation</li> <li>Wetland conservation</li> <li>Opening of the Naval Hill Digital Observatory</li> <li>Continues enforcement of environmental legislation</li> <li>Wildlife Auction Conducted</li> <li>Promotion of waste recycling</li> </ul>

\*Details of achievements are explained elsewhere in Part B of this report.

## 4. PERFORMANCE INFORMATION BY PROGRAMME

### 4.1. PROGRAMME 1: ADMINISTRATION

To provide leadership and strategic management in accordance with legislation, regulations and policies as well as providing appropriate support service to other programmes.

#### Sub-Programmes:

Programme	Sub Programme
1. Administration	1. Office of the MEC 2. Management Services 3. Financial Management 4. Corporate Services

This programme contributed to the following priorities:

- **NDP:**
  - Chapter 13: Building a capable and developmental state
  - Chapter 14: Fighting Corruption
- **MTSF:**
  - Outcome 12: An efficient, effective and developmental orientated public service
- **FSGDS:**
  - Driver 15: Foster good governance to create a conducive climate for growth and development

## 4.1.1. OFFICE OF THE MEC

Strategic Objectives					
Sub-Programme Office of MEC					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1. Special Programmes	12 Campaigns	5 Campaigns	5 Campaigns organised	0	N/A
	-	2 Gender Initiatives implemented	2 Gender Initiatives implemented	0	N/A
	-	4 Special projects for targeted groups	3 Special projects undertaken	-1	Lack of funds

Performance Indicator					
Sub-Programme Office of the MEC					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.1 Number of consultative sessions to promote the interest of targeted and vulnerable groups	3	4	2	-2	Unavailability of key stakeholders
1.2 Number of campaigns organised in partnership with provincial departments and stakeholders	12	5	5	0	N/A
1.3 Number of economic empowerment initiatives for vulnerable groups undertaken	1	2	2	0	N/A
1.4 Number of special projects undertaken	-	4	3	-1	Lack of funds
1.5 Monitoring reports on the empowerment of designated groups developed	0	2	2	0	N/A

## 4.1.2. MANAGEMENT SERVICES

Strategic Objectives						
Sub-Programme Management Services						
Strategic objectives		Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Internal Audit						
1.1	An effective and efficient Internal Audit Function	17 Reports	16 Audit reports	14 Audit reports	-2	Unavailability of Audit Software
		15 Reports	14 Internal quality assurance reports	12 Internal quality assurance reports	-2	Unavailability of Audit Software
	An effective and efficient Risk Management Unit	-	Reviewed risk policies	Risk policy reviewed	0	N/A
		-	4 Risk management committee meetings	4 Risk management committee meetings held	0	N/A
Strategic planning Monitoring & Evaluation						
1.2	Monitoring and Evaluation	Not Achieved	2 Reports	2 Reports	0	N/A
		4 Reports	4 Monitoring Reports	4 Monitoring Reports	0	N/A
Security Services and Anti-Corruption						
1.3	Security and Anti-Corruption	7 Reports developed	4 Reports developed	1 Incident report compiled*	-3	Demand Driven
		3 Awareness sessions	All requests coordinated	5 Awareness sessions conducted	0	N/A
Communication						
1.4	Corporate Image	4 Communication Programmes coordinated	4 Programmes	4 Programmes	0	N/A
		1 Strategy developed	Approved Annual Communication strategy	Communication strategy approved	0	N/A
Information Technology and Knowledge Management						
1.5	Reports on availability and delivery of IT services	4 Reports	4 Reports	4 Reports	0	N/A

\* Demand driven objective. The target for the period under review was based on historical trends and estimated demand.

Performance Indicator						
Sub-Programme Management Services						
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations	
1.1	Number of Internal audit reports developed	17	16	14	-2	Unavailability of Audit Software.
1.2	Number of advisory services provided	13	3	11	8	Internal Audit had to perform Risk Management functions  During this financial year as well; hence the annual target was exceeded

Performance Indicator						
Sub-Programme Management Services						
Strategic objectives		Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.3	Number of follow-up reports on implementation of assurance and consultative recommendations	3	4	1	-3	During the fourth quarter only one follow up report was issued that included all the audit, meaning that instead of issuing different report only one was issued.
1.4	Number of reports on Internal/External Quality assurance review	15	14	12	-2	Unavailability of Audit Software
1.5	Number of Audit Committee reports	-	2	2	0	N/A
1.6	Annual review of Audit charters, 3 years rolling plan and audit manual reviewed	1	1	1	0	N/A
Risk Management						
1.7	Annual review of risk related policies	-	1	1	0	N/A
1.8	Annual Review of Risk register	-	1	1	0	N/A
1.9	Number of Risk Committee reports drafted	-	4	5	1	Due to urgent matters/ emerging risk, the committee had to sit twice in the first quarter
1.10	Awareness Campaign	-	4	12	8	Resort and Reserves were additionally work shopped during the operational risk register assessment
Policy Monitoring and Evaluation						
1.11	Number of monitoring reports compiled	0	2	2	0	N/A
1.12	Number of Plans submitted to Treasury	1	1	1	0	N/A
1.13	Number of performance reports submitted to Treasury	4	4	4	0	N/A
1.14	An annual report submitted for tabling	1	1	1	0	N/A
1.15	Service Delivery Charter developed/reviewed	1	0	1	1	This was requested by DPSA, even though DETEA did not plan for it
1.16	Service Delivery Improvement Plan (SDIP) reviewed	-	1	1	0	N/A
1.17	SDIP Implementation Plan developed/ reviewed	1	1	1	0	N/A
1.18	Number of agency performance reports received and analysed	11	12	12	0	N/A

Performance Indicator					
Sub-Programme Management Services					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
<b>Security Services and Anti-Corruption</b>					
1.19 Number of security incidents occurred*	-	5	1	-4	Demand driven
1.20 Number of Security-Awareness Sessions	3	5	5	0	N/A
<b>Communication</b>					
1.21 Reach and impact of used communication channels	73% of economically active population	70 % of economically active population	92% of economically active population	22%	Creativity, innovation and new channels biffed up media liaison resulting in high reach and impact
1.22 Number of speeches developed in line with policy and approved guidelines	19	20	18	-2	Speeches are written as per request from the MEC and HOD's offices
1.23 Annual Communication strategy developed in line with government priorities	1	1	1	0	N/A
1.24 Number of communication programmes submitted to Central Communication Coordinating Unit (CCCU)	4	4	4	0	N/A
1.25 Number of campaigns managed	4	4	6	2	More campaigns were undertaken due to additional projects initiated by the line functions
<b>Information Technology and Knowledge Management</b>					
1.26 Reports on availability and delivery of IT services	4	4	4	0	N/A
1.27 Number of projects rolled out as per MSP	2	1	2	1	Due to challenges with shortage of capacity for information storage, the project to expand the storage was expedited and had to be done in the same term with the network optimisation which was planned for 4th Quarter
1.28 Reports on utilization of IT resources	1	4	4	0	N/A
1.29 Number of ICT Policies Developed/Reviewed	-	2	2	0	N/A
1.30 Report on the state of ICT in the Department	4	1	1	0	N/A

\* Demand driven indicator. The target for the period under review was based on historical trends and estimated demand.

## 4.1.3. FINANCIAL MANAGEMENT

Strategic Objectives					
Sub-Programme Financial Management					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
<b>Management Accounting</b>					
1.1 Effective and efficient financial management	1 Budget statement compiled	1 Budget statement	1 Budget statement compiled	0	N/A
<b>Financial Management</b>					
1.2 Effective and efficient financial management	1 Financial statement for 2011/12	1 Annual Financial statement	1 Annual Financial statement compiled	0	N/A
	4 Interim Statements compiled	4 Quarterly Interim Statements	3 Quarterly Interim Statements	-1	Treasury issued communication that departments do not have to submit the Interim for the fourth quarter
<b>Supply Chain Management</b>					
1.3 Effective and efficient financial management	1 Approved DMP	Demand management plan	Demand management plan	0	N/A
<b>Fleet and Asset Management</b>					
1.4 Effective and efficient financial management	37 Reports compiled	40 Reports on asset management	40 Reports on asset management compiled	0	N/A

Performance Indicator					
Sub-Programme Financial Management					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
<b>Management Accounting</b>					
1.1 Credible Budget statement submitted to Treasury on time	1	1	1	0	N/A
1.2 Credible adjustment budget submitted to Treasury on time	-	1	1	0	N/A
1.3 Number of In-Year monitoring reports submitted to Treasury on time	12	12	12	0	N/A
1.4 Reports on monthly cash requisitions	-	12	12	0	N/A
1.5 Annual Financial statement compiled according to prescripts	1	1	1	0	N/A
1.6 Quarterly Interim Statements compiled according to prescripts	4	4	3	-1	Treasury issued communication that departments do not have to submit the Interim for the fourth quarter
1.7 Number of PERSAL/BAS Reconciliations to monitor the payroll function	12	12	12	0	N/A

Performance Indicator					
Sub-Programme Financial Management					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
<b>Management Accounting</b>					
1.8 Number of Key Control Matrix reports submitted	12	12	10	-2	November 2013 report there was an exemption from the Provincial Treasury. January 2014 late submission
1.9 Percentage of revenue collection annually	91%	90%	101%	11%	There was over-collection of revenue from game and fishing licences
1.10 Number of BAS Bank Exception reports cleared annually to enable the closing of month and financial year	12	12	11	-1	Bank Exception could not be cleared in time before the closing of the December accounting month due to receipts and deposits that were still outstanding from reserves and resorts and therefore could not be processed on BAS.
1.11 Number of Irregular, Fruitless & Wasteful and Unauthorised Expenditure reports submitted	12	12	12	0	N/A
<b>Supply Chain Management</b>					
1.12 Percentage of payments made to creditors within 30 days from receipt of an invoice	97.7%	90%	91%	0	N/A
1.13 Number of days to generate an order	-	4	4	0	N/A
1.14 Number of days to obtain a quotation - Below R30 000 - Above R30 000	-	3 7	3 7	0 0	N/A
1.15 Number of days to finalise a tender	-	90	90	0	N/A
1.16 Annual Procurement Plan (PP) developed	-	1	1	0	N/A
1.17 Annual Procurement implementation plan developed	-	1	0	-1	Lack of manpower
1.18 Number of Spent analysis report done • Catering • Stationery • Labour saving devices • Target procurement spend	-	40	40	0	N/A
<b>Fleet and Asset Management</b>					
1.19 Number of asset related status reports: BAS/ Logis reconciliation reports, • Logis asset reports balancing • AMKPI Reports and	37	40	40	0	N/A

Performance Indicator					
Sub-Programme Financial Management					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
<b>Fleet and Asset Management</b>					
• Fleet Utilisation Reports					
1.20 Number of stock taking reports	-	2	1	-1	The report was only completed in April 2014
1.21 Status reports on management of government garage accounts	12	12	12	0	N/A
1.22 Quarterly Status Reports on User Asset Management Plan	4	4	3	-1	No activities took place during the 1st quarter; hence no quarterly report was compiled

## 4.1.4. CORPORATE SERVICES

Strategic Objectives					
Sub-Programme Corporate Services					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
<b>Human Resource Management</b>					
1 Organisational efficiency	30 Posts	40 posts evaluated	43 posts evaluated	3	Due to the additional posts which had to be urgently job evaluated.
	4 Processes mapped out	4 Business processes/ systems	5 Business processes/ systems	1	Procurement process had to be urgently mapped
2 A well developed and competent workforce	6 Programmes listed in the WSP and HR Plan	8 Programmes listed in the WSP and HR Plan	8 Programmes listed in the WSP and HR Plan	0	N/A
	3 M&E reports compiled	4 M&E reports compiled	4 M&E reports compiled	0	N/A
	Employee Health and Wellness	2 HCT's and HRA's conducted	2 HCT's and HRA's conducted	0	N/A
3 Human Resource Management	67 Posts filled	10 Posts filled	19 Posts filled	9	Additional critical posts were filled
	-	To review the HR Plan	0	1	HR Plan was reviewed, but not approved
4 Labour Relations	-	An analysis on misconduct and grievance cases conducted for management decision making	Analysis completed	0	N/A
	9 Reports compiled	12 Reports on status of cases	12 Reports on status of cases	0	N/A

Performance Indicator					
Sub-Programme Corporate Services					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
<b>Human Resource Management</b>					
1.1 Number of posts evaluated	30	40	43	3	Due to the additional posts which had to be urgently job evaluated
1.2 Number of business processes/systems mapped out	4	4	5	1	Procurement process had to be urgently mapped
1.3 Training provided according to WSP and HR plan	6	8	8	0	N/A
1.4 Percentage of interns recruited as compared to staff establishment	Not achieved	2.5%	0	-2.5%	Due to budgetary constraints
1.5 Monitoring and Evaluation on PMDS conducted	3 M&E reports	4 M&E reports	4 M&E reports compiled	0	N/A
1.6 Annual excellence award function held	1	1	1	0	N/A
1.7 Number of HIV/AIDS Counselling and Testing (HCT) and Health Risk Assessment conducted	2	2	2	0	N/A
1.8 Inspect implementation of Occupational Health and Safety measures as per health risk hazard register	-	4	4	0	N/A
1.9 Number of vacant and funded posts filled	67	10	19	9	Additional critical posts were filled
1.10 HR Plan reviewed annually	-	1	0	-1	HR Plan was reviewed, but not approved
1.11 Number of information sessions held with Unions	1	4	0	-4	No agenda items were submitted by the unions

Performance Indicator						
Sub-Programme Financial Management						
Strategic objectives		Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Human Resource Management						
1.12	Annual HR Conference held	1	1	0	-1	HR Conference could not be held due to the budget constraints
1.13	Grievances resolved within prescribed time limit (30 days)	Of the 34 grievances received, 29 were resolved within 30 days, 3 outside 30 days and 2 still outstanding	All grievances resolved within 30days	52 grievances reported, 33 resolved within 30 days. 14 not resolved within 30 days and 3 cases are still within 30 days	-19	Unavailability of relevant stakeholders
1.14	Finalise misconduct cases within prescribed time limit	Of the 9 misconduct cases received, 5 were resolved outside the 60 days and 4 still outstanding	All misconduct cases finalised within 90 days	6 misconduct cases reported, 2 resolved within 90 days	-4	Delay in submission of the relevant documentary evidence from external stakeholders
1.15	Monthly status reports on misconduct and grievance cases conducted for management decision making	9	12	12	0	N/A
1.16	Number of reports on grievances submitted to Public Service Commission	2	2	2	0	N/A
1.17	Number of workshops conducted on Labour Relations matters	7	4	4	0	N/A

### Strategy to overcome areas of under performance

- Reprioritization of funds within the Programme;
- Improve procedures with regards to the finalisation of the HR Plan;
- Train managers and officials on grievance procedures and misconduct cases;
- Utilize MPAT Improvement Plan to improve management performance in the organization.

### Changes to planned targets

n/a

## Linking performance with budgets

2012/2013				2013/2014		
Sub-Programme Name	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	10 329	9 207	1 122	12 164	12 888	-724
Management Services	21 762	20 173	1 589	35 048	35 959	-911
Financial Management	40 791	40 612	179	49 782	50 320	-538
Corporate Services	26 468	26 950	-482	32 702	27 838	4 864
<b>Total</b>	<b>99 350</b>	<b>96 942</b>	<b>2 408</b>	<b>129 696</b>	<b>127 005</b>	<b>2 691</b>

Appropriation to this programme increased by 30% from 2012/13 to 2013/14. Expenditure during the same period increased by 31%. Sub-programme performance was not negatively influenced by allocations.

## 4.2 PROGRAMME 2: ENVIRONMENTAL AFFAIRS AND CONSERVATION

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

### Sub-Programmes:

Programme	Sub Programme
<b>Environmental Affairs and Conservation</b>	1. Environmental Policy Planning and Coordination 2. Compliance and Enforcement 3. Environmental Quality Management 4. Biodiversity Management 5. Environmental Empowerment Services

This programme contributed to the following priorities:

- **NDP:**
  - o Chapter 5: Environmental Sustainability
- **MTSF:**
  - o Outcome 10: Protect and enhance our environmental assets and national resources
- **FSGDS:**
  - o Driver 12: Integrate environmental concerns into growth and development planning

### 4.2.1. ENVIRONMENTAL POLICY PLANNING AND COORDINATION

Strategic Objectives					
Environmental Policy Planning and Coordination					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1 To Ensure Sustainable Development	24 IDPs reviewed for environmental content as per requirements	24 IDPs reviewed for environmental content as per requirements (DA/3.5)	24 IDPs reviewed	0	N/A
	Report not produced	Annual report on EIP activities	1	0	N/A

Performance Indicator						
Sub-Programme Environmental Policy Planning and Coordination						
Strategic objectives		Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.1	Number of intergovernmental sector tools reviewed	-	27	24	-3	There are only 24 municipalities as Motheo District was abolished
1.2	Number of legislative tools developed	-	3	3	0	N/A
1.3	Number of environmental research projects undertaken	-	10	13	3	The Biodiversity Research Section exceeded the target of 10 research projects. This is because additional research tasks were directed towards this component which was not initially anticipated
1.4	Number of functional environmental information management systems (EIMS)	-	1	1	0	N/A
1.5	Number of climate change response tools developed	-	3	3	0	N/A

#### 4.2.2. COMPLIANCE AND ENFORCEMENT

Strategic Objectives						
Sub-Programme Compliance and Enforcement						
Strategic objectives		Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.	Compliance with Environmental Legislation *	394 Enforcement actions	150 Enforcement actions undertaken for non-compliance	87 Enforcement actions	-63	Demand Driven
2.		4421 Permits issued	3 500 Permits	5156	1656	Due to improved enforcement actions more permit applications were received
		64 Provincial EMI	71 Provincial EMI	Not achieved	-71	EMI's have been trained, but MOU's between the department and municipalities have not yet been finalised, hence the delay in registration

\* Demand driven objective. The target for the period under review was based on historical trends and estimated demand.

Performance Indicator						
Sub-Programme Compliance and Enforcement						
Strategic objectives		Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.1	Number of registered Environmental Management Inspectors (EMI) in the Province trained	64	71	6	-65	EMI's have been trained, but MOU's between the department and municipalities have not yet been finalised, hence the delay in registration
1.2	Number of criminal enforcement actions undertaken for non-compliance with environmental management legislation *	35	40	44	4	Demand driven
1.3	Number of administrative enforcement actions taken for non-compliance with environmental legislation *	43	25	53	28	Demand driven
1.4	Number of compliance inspections conducted (010) *	346	60	586	526	Demand driven
1.5	Number of received S24G applications finalized *	7	16	7	-9	Demand driven

\* Demand driven indicator. The target for the period under review was based on historical trends and estimated demand.

#### 4.2.3. ENVIRONMENTAL QUALITY MANAGEMENT

Strategic Objectives						
Sub-Programme Environmental Quality Management						
Strategic objectives		Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.	To Ensure a Healthy Environment *	80 Authorisations	60 Environmental Authorisations Issued	62 Environmental Authorisations Issued	2	Demand Driven
		7 Facilities	30 Facilities	31 Facilities	1	An extra participant representing a facility was present at the training held during the Waste Management Officers Forum

\* Demand driven objective. The target for the period under review was based on historical trends and estimated demand.

Performance Indicator						
Sub-Programme Environmental Quality Management						
Strategic objectives		Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.1	Provincial Air Quality Officers report	1	1	1	0	N/A
1.2	Number of Provincial Air Quality forum meetings held	4	4	4	0	N/A
1.3	Number of Air Quality Management and Atmospheric Emissions Licensing workshops held	5	5	1	-4	The five training modules that were initially planned were compressed into a single course and offered by NACA
1.4	Number of facilities trained on the Waste Information System	7	30	31	1	An extra participant representing a facility was present at the training held during the Waste Management Officers Forum
1.5	Number of Provincial Waste Management Officers Forum meetings held	4	4	4	0	N/A
1.6	Number of Waste Management licenses applications finalised *	6	24	16	-8	Demand driven
1.7	Number of reclaim centres established	-	1	1	0	N/A
1.8	Number of reports on Atmospheric Emissions Licenses compiled *	1	2	0	-2	There were no AEL Applications lodged with DETEA during the financial year. Demand driven.
1.9	Number of workshops held with Environmental Assessment Practitioners	2	2	2	0	N/A
1.10	Number of workshops held with Sector Departments	2	2	2	0	N/A

Performance Indicator						
Sub-Programme Environmental Quality Management						
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations	
1.11 Number of EIA applications finalized within legislated time-frames *	109	60	63	3	Demand driven	
1.12 Number of air emissions licence applications finalised within legislated time-frames *	-	2	0	-2	There were no AEL Applications lodged with DETEA during the financial year. Demand driven	
1.13 Number of designated organs of state with approved and implemented AQMP's	-	1	0	-1	The project was suspended due to delays in finalising the Air quality emissions inventory.	
1.14 Number of waste licence applications finalised within legislated time-frames *	-	4	2	-2	Demand driven	

\* Demand driven indicator. The target for the period under review was based on historical trends and estimated demand.

#### 4.2.4. BIODIVERSITY MANAGEMENT

Strategic Objectives						
Sub-Programme Biodiversity Management						
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations	
1. To Ensure Biodiversity Conservation	11 Wetlands rehabilitated	6 Wetlands Rehabilitated	6 Wetlands Rehabilitated	0	N/A	
	4 Black game farmers	3 Black game farmers	Not achieved	-3	Engagement with farmers and other stakeholders is still ongoing to ensure sustainability	

Performance Indicator						
Sub-Programme Environmental Quality Management						
Strategic objectives		Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.1	Number of municipalities with bioregional plans/ biodiversity sector plans	-	3	3	0	N/A
1.2	Number of wetlands under rehabilitation per year	11	6	6	0	N/A
1.3	Number of lists of threatened or protected ecosystems developed and published	-	1	1	0	N/A
1.4	Number of land owners engaged for stewardship programme *	65	4	29	25	Engagement Meetings were held with landowners - the number who attended exceeded expectations. This also includes additional landowners who contact DETEA directly
1.5	Number of game farmers established	4	6	0	-6	Engagement with farmers and other stakeholders is still ongoing to ensure sustainability
1.6	Number of Biodiversity Spatial Plans published	-	1	1	0	N/A
1.7	The hectares of land under conservation (both private and public) (Cumulative)	-	402909	390409	-12500	The Purchase of the farm Katfontein (Bethulie) and the Declaration of the Sneeuwberg PE (Memel) were not concluded as planned. Although progress was made towards the finalisation of such, the actions will be concluded in the 2014/15 financial year
1.8	Number of provincial Protected Areas (PA) with approved management plans	1	13	11	-2	1 Plan completed but not approved and 1 plan a waiting completion of land claim

\* Demand driven indicator. The target for the period under review was based on historical trends and estimated demand.

## 4.2.5. ENVIRONMENTAL EMPOWERMENT SERVICES

Strategic Objectives					
Sub-Programme Environmental Empowerment Services					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1. To Build Capacity in Environmental Management *	376 Schools	110 Schools	201	91	With the success of the eco-schools program, annually more schools registered to participate in the program
	1247 Teachers	200 Teachers trained in environmental education	337	137	With the success of the eco-schools program, annually more schools registered to participate in the program. With the more schools in the program more educators needed to be capacitated
	1161 Community members trained	200 Community members	535 Community members trained	335	Municipalities saw the success of the basic environmental training that is done and request that EPWP officials be trained and this caused that more people were trained than anticipated for

\* Demand driven objective. The target for the period under review was based on historical trends and estimated demand.

Performance Indicator					
Sub-Programme Environmental Empowerment Services					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.1 Number of landscaping activities undertaken	170	120	104	-16	Due to an EXCO directive to refocus efforts to the 12 identified towns for the Greening project the APP target could not be achieved as planned
1.2 Number of indigenous plants produced	34 049	30 000	31 432	1 432	The EXCO Resolution (Nov 2013) for FS Greening Plan changed the prioritised greening actions to the 12 towns identified by EXCO

Performance Indicator						
Sub-Programme Environmental Empowerment Services						
Strategic objectives		Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.3	Number of indigenous plants planted	19 171	20 000	20 009	9	9 more were planted according to the database. With the plant demand from EXCO we managed to exceed the planting actions
1.4	Number of conservancies established	8	5	5	0	N.A
1.5	Number of Local Environmental Forums established	2	1	0	-1	There is already a functional and established Forum where we participate
1.6	Number of Community members trained as Urban rangers	1161	200	535	335	Municipalities saw the success of the basic environmental training that is done and request that EPWP officials be trained and this caused that more people were trained than anticipated for
1.7	Number of registered Schools for participation in an Environmental Programme *	376	110	201	91	With the success of the eco-schools program, annually more schools registered to participate in the program
1.8	Number of CBNRM projects conducted	-	5	5	0	N.A
1.9	Number of job opportunities created through environmental programmes	64	50	24	-26	Reduced EPWP allocation
1.10	Number of environmental awareness activities conducted *	29	20	26	6	More requests were received than expected

Performance Indicator					
Sub-Programme Environmental Empowerment Services					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.11 Number of environmental capacity building activities conducted *	-	16	13	-3	Masilonyana postponed training due to public service delivery protests and government transport non-availability for officials

\* Demand driven indicator. The target for the period under review was based on historical trends and estimated demand.

### Strategy to overcome areas of under performance

- Reprioritization of funds within the programme
- Completion of the Green Economy Strategy to guide the organization
- Revitalization of resorts and reserves
- Appointment of skilled and competent staff
- Mobilize new resources
- Improve procurement processes & systems

### Changes to planned targets

n/a

### Linking performance with budgets

Sub-Programme Name	2012/2013			2013/2014		
	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Environmental Quality Management	16 584	8 627	7 957	9 413	7 211	2 202
Environmental Policy Coordination & Planning	4 490	3 900	590	11 351	11 567	-216
Compliance and Enforcement	7 496	9 247	-1 751	7 181	10 242	-3 061
Biodiversity Management	117 871	117 457	414	99 616	99 052	564
Environmental Empowerment Services	12 534	15 076	-2 542	13 206	8 354	4 852
<b>TOTAL</b>	<b>158 975</b>	<b>154 307</b>	<b>4 668</b>	<b>140 767</b>	<b>136 426</b>	<b>4 341</b>

Appropriation to this programme decreased by 11% from 2012/13 to 2013/14. Expenditure during the same period also decreased by 11%. Sub-programme performance was not negatively influenced by allocations.

## 4.3 PROGRAMME 3: ECONOMIC DEVELOPMENT

To enhance the development and growth of businesses in the province through training as well as providing financial and non-financial support.

### Sub-Programmes:

Programme	Sub Programme
<b>Economic Development</b>	1. Integrated Economic Development Services 2. Trade and Sector Development 3. Business Regulations and Governance 4. Economic Planning

This programme contributed to the following priorities:

- **NDP:**
  - Chapter 3: Economy and employment
- **MTSF:**
  - Outcome 4: Decent employment through inclusive growth
  - Outcome 6: An efficient, competitive and responsive infrastructure network
- **FSGDS:**
  - Driver 3: Expand and diversify manufacturing opportunities
  - Driver 11: Ensure social development and social security

### 4.3.1. INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Strategic Objectives						
Sub-Programme Integrated Economic Development Services						
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations	
1. Support Economic Development through Shared Partnerships	3 Projects	5 Projects supported at local and regional levels	5 Projects supported at local and regional levels.	0	N/A	
	1 LED Capacity building intervention	5 Capacity building interventions	3 Capacity building interventions	-2	Lack of internal capacity	
Facilitate Economic Empowerment	454 SMMEs	80 Existing SMMEs	117 Existing SMMEs	37	Additional SMME's supported by FDC	

Performance Indicator						
Sub-Programme Integrated Economic Development Services						
Strategic objectives		Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.1	Number of new cooperatives developed (established)	1	10	52	42	This is largely because of the roll out of MEC outreach programme "Jwale ke Nako ya Kotulo"
1.2	Number of existing cooperatives supported	31	30	256	226	This is largely because of the roll out of MEC outreach programme "Jwale ke Nako ya Kotulo"
1.3	Number of target group specific opportunities identified	1	5	0	-5	Lack of proper coordination with Special Programme Unit of DETEA
1.4	Number of target group specific interventions	9	2 Disabled 2 Youth 3 Women	0	-7	Lack of proper coordination with Special Programme Unit of DETEA
1.5	Amount of grant disbursed to micro businesses	-	R20m	R20.594m	R0.594m	Increased requests for support from SMMEs and Cooperatives
1.6	Number of new SMMEs developed	14	15	30	15	Increased requests for support from SMMEs and Cooperatives
1.7	Number of existing SMMEs supported	454	80	117	37	Additional SMME's supported by FDC
1.8	Number of economic development projects supported at local and regional levels	3	5	5	0	N/A
1.9	Number of capacity building interventions to municipalities	1	5	3	-2	Lack of internal capacity
1.10	Number of LED strategies aligned to PGDS other spatial development plans	-	5	0	-5	Focus was on the establishment of service centres as a 1st phase of alignment

## 4.3.2. TRADE AND SECTOR DEVELOPMENT

Strategic Objectives					
Sub-Programme Trade and Sector Development					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1. Strategic Economic Initiatives	20	45 Business assisted	82 Business assisted	37	Staff was refocused to support the outreach programme and additional support from FDC

Performance Indicator					
Sub-Programme Trade and Sector Development					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.1 Number of people trained	935	200	277	77	FDC facilitated training on export awareness in addition to what was planned
1.2 Number of businesses assisted with proactive interventions	41	100	82	-18	MEC's outreach programme was delayed due to the late appointment of a service provider
1.3 Number of infrastructure projects supported	11	19	3	-16	The main causes for implementation delay are: Reprioritization of funds, delayed tender processes and deference of projects to later years

## 4.3.3. BUSINESS REGULATIONS AND GOVERNANCE

Strategic Objectives					
Sub-Programme Business Regulation and Governance					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1. Consumer Protection *	512 Complaints/ cases resolved	300 Consumer complaints	438 Consumer complaints	138	Demand driven

\* Demand driven objective. The target for the period under review was based on historical trends and estimated demand.

Performance Indicator						
Sub-Programme Business Regulation and Governance						
Strategic objectives		Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.1	Number of information sessions held	36	36	52	16	Attributed to the SABC's Lesedi OBS package which included live interviews as well as Naledi FM (Senekal)
1.2	World Consumer Rights Days celebrated	1 Consumer Rights Day	1 Consumer Rights Day	1 Consumer Rights Day	0	N/A
1.3	Number of consumer education programmes conducted	11	10	10	0	N/A
1.4	Number of complaints received *	527	310	438	128	Demand driven
1.5	Number of complaints resolved *	512	300	404	104	The intensity of the MEC outreach programme

\* Demand driven indicator. The target for the period under review was based on historical trends and estimated demand.

#### 4.3.4. ECONOMIC PLANNING

Strategic Objectives						
Sub-Programme Economic Planning						
Strategic objectives		Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.	Industry development, Trade and Investment Promotion	4 R&D Initiatives Supported	4 R&D Initiatives Supported	7 R&D Initiatives Supported	3	Additional requests for support from stakeholders were received
		4 Reports	4 Reports	6 Reports	2	Additional requests for information both in-house and from external stakeholders

Performance Indicator						
Sub-Programme Business Regulation and Governance						
Strategic objectives		Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.1	Number of economic strategies developed	0	2	1	-1	Lack of manpower
1.2	Number of economic strategies reviewed	0	0	0	0	N/A
1.3	Number of R&D initiatives supported	4	4	7	3	Additional requests for support from stakeholders were received
1.4	Number of research reports produced	12	2	3	1	Partnership with the SMME Observatory enabled the department to produce more reports
1.5	Number of provincial economic intelligence reports produced	4	4	6	2	Additional requests for information both in-house and from external stakeholders
1.6	Number of monitoring reports produced	0	2	0	-2	Lack of manpower
1.7	Number of evaluation reports produced	0	1	0	-1	Lack of manpower

### Strategy to overcome areas of under performance

- Appointment of skilled staff to perform specialized duties and functions;
- Strengthening of partnerships with key stakeholders;
- Lobbying of additional investment funding.

### Changes to planned targets

n/a

## Linking performance with budgets

Sub-Programme Name	2012/2013			2013/2014		
	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Integrated Economic Planning and Development	38 733	35 912	2 821	33 906	34 279	-373
Sector Development	3 048	4 067	-1 019	21 854	21 580	274
Business Regulations and Governance	57 889	57 906	-17	62 709	61 925	784
<b>Total</b>	<b>99 670</b>	<b>97 885</b>	<b>1 785</b>	<b>118 469</b>	<b>117 784</b>	<b>685</b>

Appropriation to this programme increased by 18% from 2012/13 to 2013/14. Expenditure during the same period increased by 20%. Sub-programme performance was not negatively influenced by allocations.

## 4.4 PROGRAMME 4: TOURISM

To enhance the development and growth of businesses in the province through training as well as providing financial and non-financial support.

### Sub-Programmes:

Programme	Sub Programme
Tourism	1. Tourism Planning 2. Tourism Growth and Development 3. Transformation of Tourism Sector

This programme contributed to the following priorities:

- **NDP:**
  - Chapter 3: Economy and employment
- **MTSF:**
  - Outcome 4: Decent employment through inclusive growth
- **FSGDS:**
  - Driver 5: Harness and increase tourism potential and opportunities

### 4.4.1. TOURISM PLANNING

Strategic Objectives						
Sub-Programme Tourism Planning						
Strategic objectives		Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.	Development of Tourism policy, monitoring and evaluation	3 Inspection reports	8 Inspection reports	8 Inspection reports conducted	0	N/A

Performance Indicator						
Sub-Programme Tourism Planning						
Strategic objectives		Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.1	Number of district municipality IDPs assessed for alignment with the Master Plan	0	4	7	3	3 local Municipalities were assessed during a single assessment meeting arranged
1.2	Number of inspections conducted for compliance with the Tourism Amendment Act no70/2000	3	8	8	0	N/A

Performance Indicator						
Sub-Programme Tourism Planning						
Strategic objectives		Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.3	Provincial and District Tourist Guide Association established	0	1 Provincial 1 District structures	1 Provincial 3 District structures established	0	N/A
1.4	Number of compliance reports on Tourism BBBEE Charter compiled	-	4	2	-2	A template agreed by Tourism Working Group was implemented during the third quarter reporting

## 4.4.2. TOURISM GROWTH AND DEVELOPMENT

Strategic Objectives						
Sub-Programme Tourism Growth and Development						
Strategic objectives		Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.	Tourism participations	-	ETEYA Programme	ETEYA Programme	0	N/A

Performance Indicator						
Sub-Programme Tourism Growth and Development						
Strategic objectives		Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.1	Number of tourism Installation of signage in the Province	-	4 Tourism Routes: - Maluti Route - Riemland Route - Goldfield Route - Grassland Meander route	2 Tourism routes installed	-2	Funding was not available to install signage in some routes
1.2	ETEYA Programme Implemented	-	ETEYA Programme	ETEYA Programme	0	N/A
1.3	National Tourism Career EXPO held	-	1	1	0	N/A
1.4	Provincial Tourism Award held	-	1	1	0	N/A

## 4.4.3. TRANSFORMATION OF TOURISM SECTOR

Strategic Objectives					
Sub-Programme Transformation of Tourism Sector					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1. Tourism Enterprise and skills development *	-	10 Training programmes	40 Training programmes implemented	30	The extra 30 were necessitated by critical skills improvement requested by stakeholders

\* Demand driven objective. The target for the period under review was based on historical trends and estimated demand.

Performance Indicator					
Sub-Programme Transformation of Tourism Sector					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.1 Number of Tourism Awareness sessions implemented	6	12	12	0	N/A
1.2 Number of Tourism Human Capital Development Programmes Implemented *	-	10	40	30	The extra 30 were necessitated by critical skills improvement skills and requested by stakeholders
1.3 Number of Community Beneficiation Programmes Implemented in Resorts and in Responsibility Initiatives (SRI) facilities	-	4	6	2	Inclusion of two Tourism SRIs increased output to six programmes
1.4 Number of cooperatives link to SRI facilities	-	3	3	0	N/A
1.5 Number of monitoring and evaluation reports on Tourism SRI implemented in the Province	9	10	15	5	Over performance was due to visitations of the parliamentary delegation to the province during the 2nd Quarter and NDT during 4th Quarter

Performance Indicator					
Sub-Programme Transformation of Tourism Sector					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
1.6 Number of Implementation reports on collaborative partnerships for tourism growth	-	4	5	1	1 extra collaboration was initiated by SEDA

\* Demand driven indicator. The target for the period under review was based on historical trends and estimated demand.

### Strategy to overcome areas of under performance

- To lobby strongly for Departmental Management buy-in and approval for implementation of final draft Provincial Master Plan. This will ensure that all institutions responsible for implementation of tourism programmes are on same wave length.
- Linked to above strategy, is ensuring that Corporate Services Chief Directorate takes a serious view and approach in respect to implementing proposed structure for Tourism in the Department, as this is inextricably linked to success in achieving set out objectives and indicators.

### Changes to planned targets

n/a

### Linking performance with budgets

2012/2013				2013/2014		
Sub-Programme Name	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Tourism Planning	60 052	58 005	2 047	51 264	51 139	125
Tourism Growth and Development	-	-	-	-	-	-
Transformation of Tourism Sector	-	-	-	-	-	-
<b>Total</b>	<b>60 052</b>	<b>58 005</b>	<b>2 047</b>	<b>51 264</b>	<b>51 139</b>	<b>125</b>

Appropriation to this programme decreased by 15% from 2012/13 to 2013/14. Expenditure during the same period also decreased by 11%. Sub-programme performance was not negatively influenced by allocations.

## 5. TRANSFER PAYMENTS

### 5.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

As part of the departmental transfer process, the three entities of the department provided assurances that they implement effective, efficient and transparent financial management and internal controls systems, as required by the PFMA and Treasury Regulations.

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
<b>Free State Development Corporation</b>	1. SMMEs and Cooperatives Development <ul style="list-style-type: none"> <li>• Provide funding to potential and existing SMMEs and Cooperatives</li> <li>• Facilitation of external funding from Development and Funding Institutions</li> </ul> 2. Business Development Support <ul style="list-style-type: none"> <li>• Facilitation of business development support for potential and existing SMMEs and Cooperatives</li> </ul>	<b>22 545</b>	<b>22 545</b>	<ul style="list-style-type: none"> <li>• A total of 40 loans were approved for 2013/2014, of which 10 were long term loans and 30 were short term loans.</li> <li>• They comprise 52% of the loans budget for SMMEs and Cooperatives against a target of 100%, this is because of the budget adjustment which was increased by more than 84%, and the fact that most loan applications did not meet FDC's lending criteria.</li> <li>• The total value of approved loans was R 11 779 152.44.</li> <li>• 58% of approved loans were disbursed against a target of 85%. This is due to the fact that most loans were approved towards the end of the 4th quarter, and disbursement will overlap to the next financial year.</li> <li>• 65% of approved loan applications were granted to women owned entities* against a target of 40%.</li> <li>• 38% of approved loan applications were granted to youth owned entities** against a target of 30%.</li> <li>• 51 enterprises were supported through business development support against a target of 45.</li> <li>• An outreach drive in collaboration with other stakeholders, and the CEO's breakfast events held in all districts increased the awareness about FDC offerings.</li> <li>• The collaborative relationship with Sasol Chemcity was established, and will lead to an MoU between Sasol Chemcity and FDC.</li> </ul>

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
	<p>3. Investment and Export Promotion</p> <ul style="list-style-type: none"> <li>Facilitate the promotion of local goods and services to export markets</li> <li>Export readiness assessments of local companies</li> <li>Targeted export market assessments</li> </ul> <p>4. Investment Facilitation</p>			<ul style="list-style-type: none"> <li>The tripartite agreement between MTN SA Foundation, FDC and Mantsopa Local Municipality has come to an end in September 2013 but FDC extended the services of the business support contractors until the end of the financial year while soliciting a new partner to replace MTN SA Foundation.</li> <li>The FDC also promoted the participation of 15 Free State enterprises at SAITEX/ Africa Big Seven exhibition and African Farmers Workshop &amp; Expo.</li> <li>A further 11 companies from the Free State were promoted at the SARCEA International Trade exhibition.</li> <li>15 FS companies received exposure at the North West BRICS Expo and Conference.</li> <li>The export division facilitated the participation of 245 Free State entrepreneurs in the Department of Trade and Industry (DTI)'s Export Awareness Workshops.</li> <li>Facilitated the participation of 89 entrepreneurs in the National Export Development Programme.</li> <li>The National Export Strategy Workshop, Free State leg, was attended by 30 stakeholders.</li> <li>FDC facilitated and sponsored the participation of Free State business persons and FDC officials at the China International Fair for Investment and Trade (CFIT) in Shanghai, Beijing and Xiamen in China in September 2013.</li> <li>The FDC also promoted the participation of 15 Free State enterprises at SAITEX/ Africa Big Seven exhibition and African Farmers Workshop &amp; Expo.</li> <li>The current investment projects that FDC is facilitating and promoting increased from</li> </ul>

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
				<p>R 5.3 Billion in 2012/13 to R6.38 Billion in 2013/14.</p> <ul style="list-style-type: none"> <li>For the year under review, two investment projects targeted were successfully facilitated namely.</li> <li>The Corporation is currently assisting investors to operationalize the Xhariep Solar Hub Project.</li> <li><u>Maluti-A-Phofung SEZ</u></li> </ul> <p>The project is currently at an advanced stage of project preparation planning.</p> <p>The Department of Trade &amp; Industry (the dti), has approved a capacity building programme to establish the MAP SEZ Project Office.</p> <p>The dti has allocated R4, 5m for funding the MAP Project Office.</p>
<b>Free State Gambling and Liquor Authority</b>	<p>1. Provide regulatory services to the <u>Liquor Industry</u>:</p> <p>1.1 Provide the registration that is necessary for applicants to take part in the retail sale of liquor.</p> <p>1.2 Ensuring that registrants comply with their registration conditions and the conditions of the Free State Gambling and Liquor Act, 6 Of 2010.</p> <p>2. Provide regulatory services to the <u>Gambling Industry</u>:</p> <p>2.1 Provide the licences that is necessary for applicants to take part in the gambling industry.</p> <p>2.2 Provide the employee licences that is necessary for applicants work in the gambling industry</p> <p>2.3 Ensuring that licence holders comply with their licence conditions and the conditions of the Free State Gambling and Liquor Act, 6 Of 2010.</p> <p>3. Protect the members of the public who participate in any licenced gambling activity</p>	<b>51 309</b>	<b>51 309</b>	<ul style="list-style-type: none"> <li>118 Registration certificates issued (Liquor licences).</li> <li>121 Gambling licences issued.</li> <li>Reviewed the gambling fees and drafted changes in line with the CPIX - dual revenue increase, on the one hand the increase of the fees in line with the CPI headline rates and on the other hand the implementation of Sections 100 &amp; 105 of the Free State Gambling and Liquor Act, 6 of 2010 which will allow for the renewal of employees.</li> <li>During the period under review The Free State Gambling and Liquor Amendment Bill was (comprises 48 sections and 21 pages) drafted and the consultation process with provincial and national stakeholders commenced.</li> <li>In regard to illegal internet gambling, a major warrant was executed and 48 gambling devices were seized in a joint operation with the SAPS.</li> <li>23 liquor outlets were closed because of non-compliance.</li> <li>3 217 L of liquor was seized from illegal operators.</li> </ul>

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
				<ul style="list-style-type: none"> <li>8. The renewal process was successfully completed on the 27th February 2014.</li> <li>4 388 Renewal notices were issued, 4 238 registrants renewed their registrations under review</li> <li>The Free State Gambling and Liquor Amendment Bill was (comprises 48 sections and 21 pages) drafted and the consultation process with provincial and national stakeholders commenced.</li> </ul>
<b>Free State Tourism Authority</b>	1. Established Big 5 Routes to market the province. 2. Big 5 Routes launched as a provincial strategy. 3. Roll out the provincial marketing strategy.  4. Free State positioned as a sports tourism destination - at Sports Events and Tourism Exchange (SETE) national exhibition.  5. Hosted the F1 National Powerboat to position the province as a sports tourism destination.  6. Hosted the F2 World Powerboat Championship to position the province as a sports tourism destination.	<b>41 864</b>	<b>41 864</b>	<ul style="list-style-type: none"> <li>The route strategy brought cohesive marketing of the province.</li> <li>The roll out brought synergy within the marketing of province, thereby breaking the silo approach. Industry stakeholders began to rally behind the strategy and become the ambassadors of the province.</li> <li>Communities were introduced to the strategy through district launch of routes in soliciting their buy-in into the concept.</li> <li>Signage was also rolled out along some routes.</li> <li>The platform was utilised to promote the F1 National Powerboat and the F2 World Powerboat Championship. International guests showed interest on the powerboat activities presented by the province.</li> <li>The event was covered on the CNN7 and Thembisa TV including the print media, which further marketed the provincial potential as a sports tourism destination.</li> <li>The event also profiled the junior F30 development side from the FSTA to showcase that the entity through its Phakisa Freeway office is working on the development of young people from the previously disadvantaged groups.</li> </ul>

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
	7. Hosted four major motorsports events to market Phakisa Freeway race track.			<ul style="list-style-type: none"> <li>Although the event was staged during the South African mourning period – the event attracted international water sports media and SuperSport carried the event live, the repeats also afforded views to view the event post the mourning period.</li> <li>The hosting of these events has marketed Phakisa Freeway to a number of motor sport organisations. The venue has since seen increased venue hire and all weekend during the financial years were booked – that has increased the revenue of the entity.</li> </ul>
<b>TOTAL</b>		<b>115 718</b>	<b>115 718</b>	

## 5.2 TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Dept. comply with s38 (1)(j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
Pit Dog Trading	Implementing agent	To implement Micro Enterprise support Programme (MESP).	Yes	27 000	27 000	The funds were transferred late to be utilised before the end of the first quarter 2014/15.

The table below reflects the transfer payments which were budgeted for in the period 1 April 2013 to 31 March 2014, but no transfer payments were made.

Name of transferee	Purpose for which the funds were used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
N/A				

## 6. CONDITIONAL GRANTS

### 6.1 CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

N/A

### 6.2 CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

The table below details the conditional grants and ear marked funds received during for the period 1 April 2013 to 31 March 2014.

#### Conditional Grant EPWP:

Department who transferred the grant	National Dept. Public Works
Purpose of the grant	To alleviate unemployment, delivery goods and services labour-intensively and to provide work experience and training.
Expected outputs of the grant	Job creation
Actual outputs achieved	24 jobs created
Amount per amended DORA (R'000)	550
Amount received (R'000)	550
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	497
Reasons for the funds unspent by the entity	Absenteeism of some beneficiaries led to under spending.
Reasons for deviations on performance	Absenteeism of some beneficiaries led to under spending.
Measures taken to improve performance	Ensure projects commence on time 2014/15.
Monitoring mechanism by the receiving department	Treasury Infrastructure Review Model.

## 7. DONOR FUNDS

### 7.1. DONOR FUNDS RECEIVED

N/A

## 8. CAPITAL INVESTMENT

### 8.1 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

#### 8.1.1. ASSET MANAGEMENT PLAN

The department engaged the services of Morar Incorporated to assist with asset verification process and development of the Asset Register. The intention of the plan was to ensure that the project is concluded and all issues raised by the Auditor General during 2012/13 audit are resolved.

The objective of the plan was to focus on the following:

- The physical asset verification by the consultants for all offices at Head Office, the 7 departmental resorts, 14 departmental reserves, 4 regional offices and Karee Nursery.
- To ensure that the all Managers and Asset Holders sign off all asset lists as a true reflection of assets verified.
- Bar code all departmental assets.
- Identification of shortages and surpluses.
- Develop an excel Asset Register and reconciliation of the above (e).
- Once the asset register is finalized, do the disclosure notes for the AFS.
- Do asset verification and develop the asset register for Phillip Sanders Resort.
- Provide training to Asset Controllers to enable them to perform the function.

All Additions and Disposals are verified on a monthly basis. Additions are traced and checked for correctness and bar code numbers are included in the Asset register, and that locations are correctly captured.

#### 8.1.2. INFRASTRUCTURE PROJECTS

	2012/2013			2013/2014		
Infrastructure projects	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	25 105	25 074	31	17 313	16 103	1 210
Existing infrastructure assets						
- Upgrades and additions	8 946	7 356	1 589	6 926	4,994	1 932
- Rehabilitation, renovations and refurbishment						
- Maintenance and repairs	12 475	10 435	1 634	1 800	1 246	553
Infrastructure transfer						
- Current						
- Capital						
<b>TOTAL</b>	<b>46 526</b>	<b>42 865</b>	<b>3 254</b>	<b>26 039</b>	<b>22 343</b>	<b>3 695</b>

#### 8.1.3. PLANS TO CLOSE DOWN OR DOWN-GRADE ANY CURRENT FACILITY

There are no plans to close down or down grade any facility.

#### 8.1.4. PROGRESS MADE ON THE MAINTENANCE OF INFRASTRUCTURE

##### 8.1.4.1. GENERAL MAINTENANCE

General maintenance is done by contractors close to each Reserve or Resort. This is mainly urgent repair work for e.g. cooler rooms, sewerage pumps, geysers.

#### 8.1.4.2. MAJOR MAINTENANCE PROJECTS

Major maintenance was done at sewerage pipe lines at Erfenisdam, water pumps at Soetdoring & Sandveld.

#### 8.1.4.3. PROGRESS MADE IN ADDRESSING THE MAINTENANCE BACKLOG

More funds have been allocated to general maintenance for 2014/15. A maintenance plan of action has been compiled for 2014-2016.

#### 8.1.5. DETAILS ON HOW ASSET HOLDING HAS CHANGED DURING THE PERIOD UNDER REVIEW (INCL. INFORMATION ON DISPOSALS, SCRAPPING AND LOSSES)

The departmental asset holdings in terms of values and counts as reflected on LOGIS at the beginning and end of 2013/14 financial year were as follows: For Disposals: Game: R11 011 900.00 and Additions: R1 866 377.30.

#### 8.1.6. CURRENT STATUS OF CAPITAL ASSETS

The current state of departmental capital assets in terms of percentages is as follows:

- Good: 89%
- Fair: 9%
- Bad: 3%