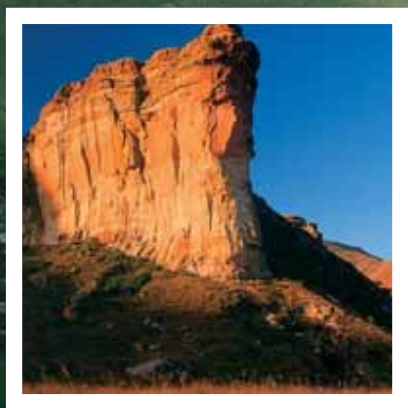


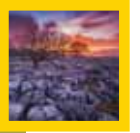
DEPARTMENT OF ECONOMIC, SMALL BUSINESS
DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
FREE STATE PROVINCE

VOTE NO. 3
ANNUAL REPORT
2017/18 FINANCIAL YEAR



destea

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

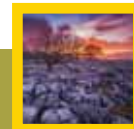


VOTE NO. 3
ANNUAL REPORT
2017/18 FINANCIAL YEAR



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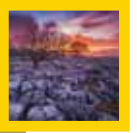


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PART A:

GENERAL INFORMATION



1. DEPARTMENT GENERAL INFORMATION

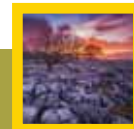
PHYSICAL ADDRESS:	113 St Andrews Street Bloemfontein 9300
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EMAIL ADDRESS:	nyamatef@detea.fs.gov.za
WEBSITE ADDRESS :	www.detea.fs.gov.za



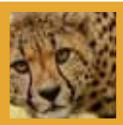


2. LIST OF ABBREVIATIONS/ACRONYMS

Acronyms	Description
AIDS	Acquired Immune Deficiency Syndrome
AMKPI	Asset Management Key Performance Indicator
APP	Annual Performance Plan
AQMP	Air Quality Management Plan
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
CCCU	Central Communication Coordinating Unit
DCC	Departmental Consultative Committee
DESTEAT	Department of Economic, Small Business Development, Tourism and Environmental Affairs
DM	District Municipality
DMP	Demand Management Plan
EIA	Environmental Impact Assessment
EIP	Environmental Implementation Plan
EHWP	Employee Health and Wellness Programme
EMC	Environmental Management Committee
EPWP	Expanded Public Works Programme
ETEYA	Emerging Tourism Entrepreneur of the Year Awards
EXCO	Executive Council
FDC	Free State Development Corporation
FS	Free State
FSGDS	Free State Growth and Development Strategy
GDP	Gross Domestic Product
GIAMA	Government Immovable Asset Management Act
HIV	Human Immune Deficiency Virus
HOD	Head of Department
HR	Human Resource
ICT	Information Communication Technology



IDP	Integrated Development Plan
IEMFFS	Integrated Environmental Management Framework of Free State
ITC	Information Technology and Communication
IWMP	Integrated Waste Management Plan
LED	Local Economic Development
MEC	Member of the Executive Council
MSP	Master Systems Plan
MTSF	Medium-Term Strategic Framework
MTEF	Medium-Term Expenditure Framework
NEMA	National Environmental Management Act
NSSD	National Strategy on Sustainable Development
PA	Protected Area
PP	Procurement Plan
PMDS	Performance Management Development System
PFMA	Public Finance Management Act
PGDS	Provincial Growth and Development Strategy
PMG	Pay Master General
PSBAC	Provincial Small Business Advisory Council
RIDS	Regional Industrial Development Strategy
SDIP	Service Delivery Improvement Plan
SITA	State Information Technology Agency
SMME	Small, Medium and Micro Enterprise
SMS	Senior Management Services
SRI	Social Responsibility Initiatives
Stats SA	Statistics South Africa
DTI	Department of Trade and Industry
UAMP	User Asset Management Plan
VCCT	Voluntary and Confidential Counselling and Testing
WIS	Waste Information System
LOGIS	Logistics Information System
CSD	Central Supplier Database



3. FOREWORD BY THE MEC



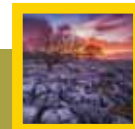
During its 54th National Conference in December 2017, the ruling Party, the ANC, resolved to have met under the theme of “Remember Tambo: Towards Unity, Renewal and Radical Socio-economic Transformation”. The ANC further emphasized that the purpose of the Conference was “to remind ourselves of Comrade OR’s legacy of selfless service to his people and our duty to emulate him in working for the unity and renewal of our organization”.

The above has also been our driving force as the Department, consorting to the ANC mandate of a united and committed organization to the people’s interests as a best vehicle to bring about fundamental and radical socio-economic transformation of society to create a better life for all South Africans. In executing its Political, Policy and Administrative mandate, the Department has continued in 2017/2018 to deal with the triple challenges that are affecting the lives of Free State Citizens, which are Poverty, Inequality and Unemployment. It is our Vision that by 2020 we should be able to realise a transformed economy and a prosperous society that is living in harmony with its natural resources. When we presented our 2017/2018 Annual Performance Plan, we set ourselves some key milestones that we had to pursue to achieve our mandate and these were:

- 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.

These were the principles from which the Department operated and yielded positive results in various respect. In the past financial year, 1150 direct and indirect jobs were created through various initiatives aimed at developing and supporting SMMEs in the province. Opportunities have been created through projects such as:

- Greenest and Cleanest Municipality Competition



- Upgrading of Resorts and Reserves.
- MECs Roadshows.
- InvestSA One-Stop-Shop
- Black Industrialist Support Programme
- Maluti-A-Phofung Special Economic Zone (MAP-SEZ)
- SMME Funding
- Tabalaza Pitching Programme
- Economic revitalization of townships
- Flower Festival

The Department's intention with these initiatives was to create favourable conditions for businesses to thrive, changing the lives of the people for the better; supporting the statement by the former State President Nelson Mandela when he said, "Let there be work, bread, water and salt for all".

The Department needs to further enhance and strengthen its efforts to realise its contribution towards Radical Socio-economic Transformation. The figures released by StatsSA for employment in Quarter 1 of 2018/2019 serve as a wake-up call for the Department to intensify its efforts in transforming the economy, tourism and environment in the Free State. StatsSA has indicated that five provinces which are the Free State, Gauteng, Western Cape, North West and Mpumalanga experienced quarter-to-quarter (Q1:2018 to Q2:2018) increases in the official rate of unemployment. The Free State recorded an increase of 1.6 percentage points in the unemployment rate in Q2:2018 compared to Q1:2018. The above statistics are a clarion call that economic development and tourism must be able to stimulate job creation in the Province.

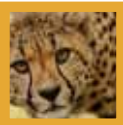
The world is now investing in tourism for economic development and Free State is no different. We are realizing the potential of the tourism industry in changing the lives of ordinary people. More and more people are encouraged to venture into the Tourism Industry by exposing them to projects and programmes like Medical Tourism, Lilizela Tourism Awards, Flower Festival and many others.

Keeping the environment clean, healthy and safe is also our priority in this financial year. Environmental Management, especially transformation in the wild life economy is necessary to ensure participation of previously disadvantaged communities and mainstream economy.

Ms. L.P. Mahasa

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

31 May 2018



4. REPORT OF THE ACCOUNTING OFFICER



- **Overview of the operations of the department:**

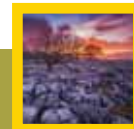
The main focus and mandate of the Department of Economic, Small Business Development, Tourism and Environmental Affairs is to champion economic activities in the Free State in order to ensure that the government programmes make a difference in the lives of our People. Our programmes for the period under review are motivated by the principles of the National Development Plan, the Free State Growth and Development Strategy, the State of the Nation Address, the State of the Province Address and the department's Budget Vote.

The report contained in this document will outline the operation of the department which focus primarily on:

1. Radical Socio – Economic Transformation
2. Foreign Direct Investment
3. Business Regulation
4. Tourism Development
5. Environmental Management and
6. Effective Governance

The accomplishment of our programme of action primarily depends on co-ordination and alliance with other stakeholders like: National Departments and Provincial Departments, State owned agencies, Municipalities, Institutions of Higher Learning and other associations.

In our effort to improve service delivery to the People of the Free State, focus was placed on administrative and fiscal discipline which include filling of critical vacant funded positions in the department.



- **Overview of the financial results of the department:**

- Departmental receipts

Departmental receipts	2016/2017			2017//2018		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	25 268	10,428	14 839	21 374	12,218	9 156
Fines, penalties and forfeits	711	30	681	134	393	(259)
Interest, dividends and rent on land	12	28	(15)	12	28	(16)
Financial transactions in assets and liabilities	164	850	(687)	794	1,169	(375)
Total	26 155	11.336	14 818	22 314	13.808	8 506

- The Department submits an annual application for revenue tariffs to the Provincial Treasury after consultation with various managers in the resorts, game reserves and the compliance and law enforcement units. Factors that are taken into consideration include, but are not limited to, the current condition of the resorts and the prices charged in the private sector, as well as any planned renovations for these facilities.

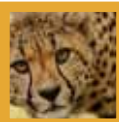
- **Sales of goods and services**

The Department was unable to collect all the revenue estimated even though the annual game auction took place. Revenue from this activity is deemed to be a major source of income for the Department and formed 92% of total revenue in 2017/18, because it also includes the sale of game as butchery meat during the culling process.

The Phillip Sanders facility still needs a lot of repairs and maintenance to be fully operational so that the Department can fully derive revenue from the resort.

- **Fines, Penalties and Forfeits**

The Department was unable to recover revenue from the fines which were issued as a result of Section 24G of the National Environmental Management Act (NEMA) because companies that were issued with these penalties have made representations to the Department for leniency through the approach process and the cases have not been finalized.



- **Financial Transactions in Assets and Liabilities**

Revenue was raised through the recovery of debts on salaries overpayment, claims from other Departments and telecommunications recovery of overspending. The Department is rolling out the speed points throughout the reserves and resorts so that tourists' payments can be electronically processed to deal with the risk of theft.

- **Programme Expenditure**

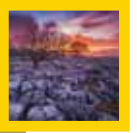
Programme Name	2016/2017			2017/2018		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	136,439	134,744	1,695	141,099	141,056	43
Environmental Affairs	146,442	139,488	6,954	136,691	137,858	(1,167)
Economic Development	114,378	113,353	1,025	218,167	201,075	17,092
Tourism	77,737	75,491	2,246	9,191	8,937	254
TOTAL	474,996	463,076	11,920	505,148	488,296	16,222

- **Virements/roll overs**

There are no rollovers requests for the current financial year.

Virements

Programme	Amount (R'000)
Administration	1 100
Economic Development	2 982
Environmental Affairs	(3 942)
Tourism	(140)
Total	0



- **A description of the reasons for unauthorised, fruitless and wasteful expenditure and the amounts involved as well as steps taken to address and prevent a recurrence:**
 - The Department incurred unauthorized expenditure on compensation of employees due to provincial budget allocation reductions - year.
- **Future plans of the department:**
 - Future plans of the Department are to upgrade and market the reserves and resorts in order to derive maximum revenue for the contribution into the Provincial fiscus.
- **Public Private Partnerships**
 - None
- **Discontinued activities / activities to be discontinued**
 - None
- **New or proposed activities**
 - None
- **Supply chain management**
 - There were no unsolicited bid proposals concluded for the year under review. SCM processes and systems are in place to prevent (and/or detect) irregular expenditure.
 - The Departmental Supply Chain Management Policy has been reviewed and includes new Regulations
 - Lack of automated systems.
- **Gifts and Donations received in kind from non-related parties**
 - None
- **Exemptions and deviations received from the National Treasury**
 - None



- **Appreciation**

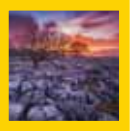
- I thank the Executive Council of the Province led by the Honorable Premier for their leadership, the MEC for strategic guidance and support, Senior Management of the Department, and staff in general for their support and dedication to serve.

Dr M Nokwequ

Acting Accounting Officer

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

Date: 31 May 2018



5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2018.

Yours faithfully

Dr M Nokwequ

Acting: Accounting Officer

Date 31 May 2018



6. STRATEGIC OVERVIEW

6.1 Vision

“A transformed economy and a prosperous society that is living in harmony with its natural resources”.

6.2 Mission

“To be a leading and developmental institution, that drives economic transformation, environmental sustainability, system change and adaptation to the ever-changing dynamics for the benefit of the Free State.”

6.3 Values

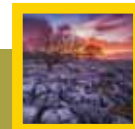
- Team Work
- Integrity
- Accountability
- Passion

7. LEGISLATIVE AND OTHER MANDATES

7.1 CONSTITUTIONAL MANDATE

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

1. Trade and investment promotion.
2. Tourism development
3. Casinos, racing, gambling and wagering
4. Consumer protection
5. Environment and nature conservation
6. Promotion of industrialization
7. Public entity overnight
8. Administration of Liquor licences and control of undertakings that sell liquor to the public
9. Small business development



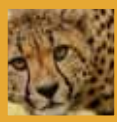
Furthermore, the Department's constitutional mandate is derived from Section 24 of the Constitution, which emphasises that, everyone has the right:

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

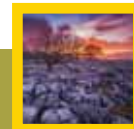
7.2. LEGISLATIVE MANDATE

The table below indicates core legislative mandates that are applicable to departmental programmes and objectives.

Programme Name and Core Function:	Legal Mandate	Implications
Economic Development: SMME Development	<ul style="list-style-type: none"> National Small Business Act, 1996 (Act No. 102 of 1996) and Amendments Business Act 1991, (Act No. 71 of 1991) 	Promote policy objectives, facilitate strategy implementation and align programmes to encourage SMME development in the Province.
	<ul style="list-style-type: none"> Broad Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003) 	Promoting Broad Based Economic Empowerment in the Province.
Economic Development: Gambling & Betting Administration	<ul style="list-style-type: none"> Free State Gambling and Liquor Act 	The Act replaces Free State Gambling and Racing Act, 1996 (Act No. 6 of 1996)
Economic Development: Consumer Protection	<ul style="list-style-type: none"> Free State Consumer Affairs (Unfair Business Practices) Act, 1998 (Act No. 14 of 1998) Consumer Protection Act No 68 of 2008 	Investigation, control and prohibition of unfair business practices. Referral of matters in terms of the National Consumer Affairs Act.
Economic Development: Compliance Monitoring	<ul style="list-style-type: none"> Credit Agreement Act 1980, (Act No. 75 of 1980) 	Business compliance monitoring and redress.



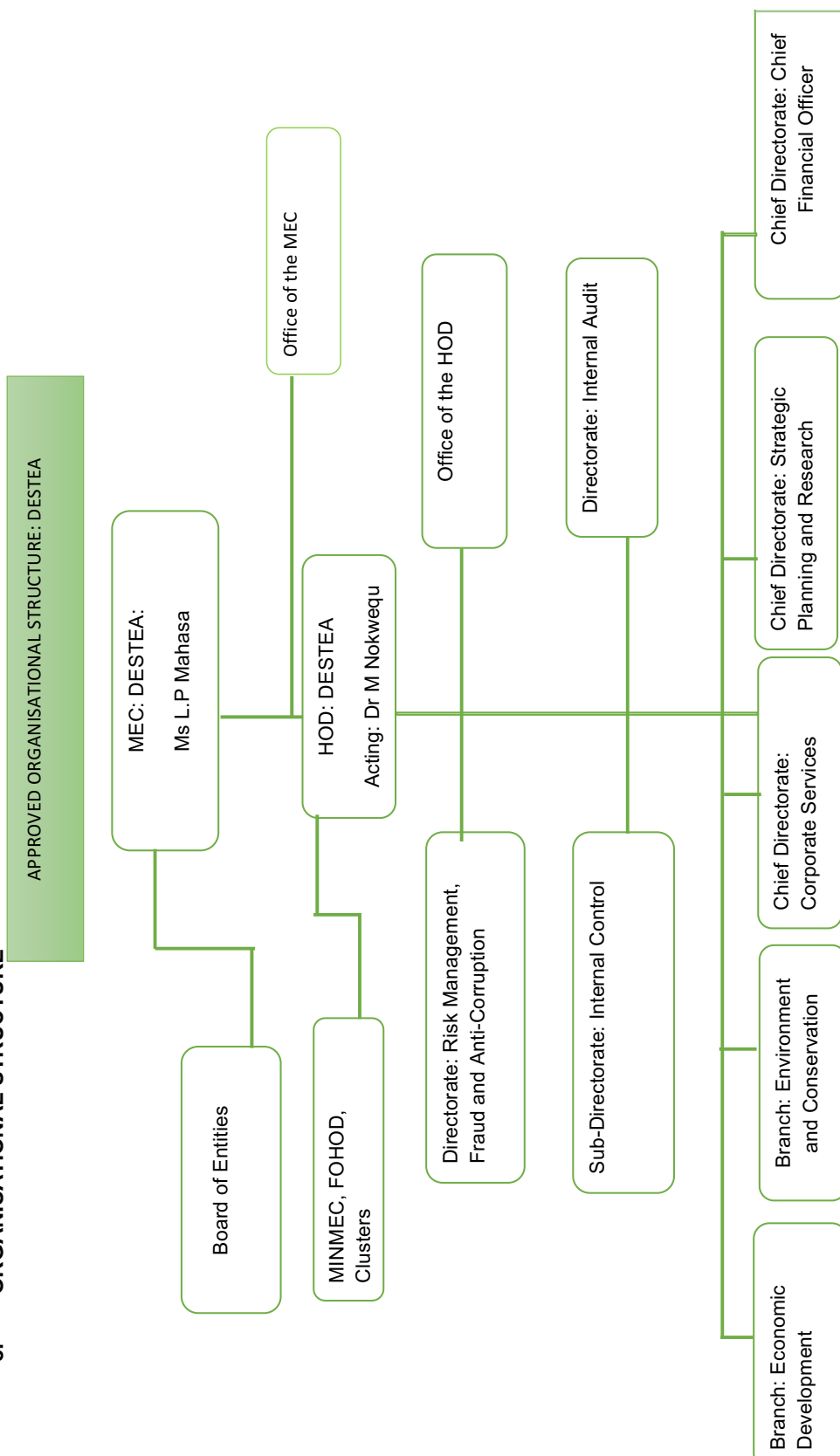
Programme Name and Core Function:	Legal Mandate	Implications
Economic Development: Liquor Administration	<ul style="list-style-type: none"> Liquor Act 1989, (Act No. 27 Of 1989) National Liquor Act, 2003 (Act No. 59 of 2003) 	Regulating the micro-manufacturing, retailing and distribution of liquor in the Province.
Economic Development: Trade Inspection	<ul style="list-style-type: none"> Trade Metrology Act, 1973 (Act No. 77 of 1973) Credit Agreement Act, 1980 (Act No. 75 of 1980) 	Ensure compliance with trade metrology and credit agreement regulations.
Environmental Affairs: Protected Areas Management	<ul style="list-style-type: none"> National Environmental Management Act, 1998(Act No.107 of 1998) and Amendments 	Coordination of the implementation, regulation and administration of all mandates entrusted to other sub-programmes and ensure monitoring thereof.
	<ul style="list-style-type: none"> Environmental Conservation Act, 1989 (Act No. 7 of 1989) Free State Nature Conservation Ordinance , 1969 (Ordinance No. 8 of 1969) 	Promoting conservation in the Province.
	<ul style="list-style-type: none"> Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004) 	Ensuring Biodiversity protection in the Province.
	<ul style="list-style-type: none"> National Environmental Management: Protected Areas Act, 2003 (Act No.57 of 2003) 	Providing an efficient framework for the management of protected areas.
	<ul style="list-style-type: none"> National Heritage Recourses Act, 1999 (Act No. 25 of 1999) World Heritage Conservation Act, 1999 (Act No. 49 of 1999) 	Ensuring the protection and effective management of National Heritage and World Heritage Sites.
	<ul style="list-style-type: none"> Game Theft Act, 1991 (Act No. 105 of 1991) 	Providing a framework for the implications of game theft.
	<ul style="list-style-type: none"> National Water Act, 1998 (Act No. 36 of 1998) 	Providing a regulating framework on water usage in the Province.
	<ul style="list-style-type: none"> National Environmental Management: Waste Act, 2008 (Act No.59 of 2008) 	Ensuring effective waste management in the Province.
	<ul style="list-style-type: none"> National Environmental Management: Air Quality Act, 2005 (Act No. 39 of 2005) 	Ensuring the prevention of air pollution in the Province.
	<ul style="list-style-type: none"> Veldt and Forest Fire Act, 1998 (Act No. 101 of 1998) 	Provide a regulatory framework for the prevention and combat of veldt and forest fires.
	<ul style="list-style-type: none"> Conservation of Agricultural Resources Act, 1983 (Act No. 43 of 1983) 	Ensuring the conservation of vital agricultural resources in the Province.
	<ul style="list-style-type: none"> Animal Protection Act, 1962 (Act No.71 of 1962) Spatial Planning and Land Management Act No. 16 of 2013 (SPLUMA) 	Ensuring the protection of various animal species in the Province To improve spatial planning and land management practises.

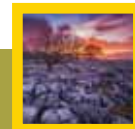


Programme Name and Core Function:	Legal Mandate	Implications
<u>Tourism</u>	<ul style="list-style-type: none"> • Tourism Act No. 3 of 2014 • Free State Tourism Authority Act, 2005 (Act No. 3 of 2005) • Tourism second amendment Act No.70 of 2000 	<p>To make provision for the promotion of tourism in the Republic; and further to regulate and rationalize the tourism industry</p> <p>Provide legal and operational framework for tourism promotion and development in the Province.</p> <p>Act provides for training and registration of tourist guides; and make provision for a code of conduct and ethics for tourist guides.</p>



8. ORGANISATIONAL STRUCTURE





9. ENTITIES REPORTING TO THE MEC

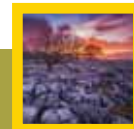
The table below indicates the entities that report to the MEC:

Name of entity	Legislative Mandate	Financial Relationship	Nature of Operations
Free State Development Corporation	Free State Development Corporation Amendment Act 4 of 2010	Transfer Payment	<ul style="list-style-type: none"> Finance and advance economic growth and development, Black Economic Empowerment and SMME development and growth. Promote investment and trade within the Province and to identify, analyse, publicize and market investment and trade opportunities in the provincial economy
Free State Gambling, Liquor and Tourism Authority	Free State Gambling, Liquor Act 6 of 2010 and Tourism Authority Act 4 of 2011	Transfer Payment	<ul style="list-style-type: none"> Regulate the gambling and racing activities in the Province on behalf of the Provincial Department. Reduce socio-economic and other costs of alcohol abuse. Regulate the micro-manufacturing and retail sale of liquor or methylated spirits. Promote tourism and increase market share in the tourism industry and to coordinate marketing activities of all role players. Market major sport events for tourism promotion.



PART B:

PERFORMANCE INFORMATION



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 Report on audit of the annual performance report section of the auditor's report.

Refer to page 148-150 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

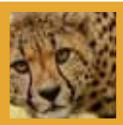
Population

It is important to consider population statistics when developing and implementing policy in the province. These statistics are important when analysing the provincial economy, as the population growth both directly and indirectly affects employment and unemployment, as well as other economic variables such as economic growth and per capita income.

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

Table 1: Distribution of land area and population of South Africa by province

Province	Square km	Distribution of Land area in %	Total Population Census 2011	Total Population CS 2016	Distribution of population in %
Western Cape	129 462	11%	5 822 734	6 279 730	11.3%
Eastern Cape	168 966	14%	6 562 053	6 996 976	12.6%
Northern Cape	372 889	30%	1 145 861	1 193 780	2.1%
Free State	129 825	11%	2 745 590	2 834 714	5.1%
KwaZulu-Natal	94 361	8%	10 267 300	11 065 240	19.9%
North West	104 882	9%	3 509 953	3 748 435	6.7%
Gauteng	18 178	1%	12 272 263	13 399 724	24.1%
Mpumalanga	76 495	6%	4 039 939	4 335 964	7.8%
Limpopo	125 755	10%	5 404 868	5 799 090	10.4%
South Africa	1 220 813		51 770 560	55 653 654	



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%).

In 2016, the female to male ratio of the province's population was 96.6 males to every 100 females. This figure is similar to the national male to female ratio for the same period. With regards to the province's race demographics, the Free State Province's population consisted of 87.83% African (2.51 million), 8.54% White (244 000), 3.28% Coloured (93 800) and 0.35% Asian (9 980) people.

Most of the Free State's population, in 2016, resides, as per *table 2*, in Thabo Mofutsanyana (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 2: Population per Metropolitan and District Municipality 2016

Province, District, Local Municipality	Community Survey 2016			Youth Proportion	Persons aged 20 years + who have completed grade 12
	Total population				
	Male	Female	Total		
Free State	1 379 965	1 454 749	2 834 714	37.4	706 722
Xhariep	73 927	76 754	150 681	38.3	29 090
Lejweleputswa	324 998	324 966	649 964	37.0	157 183
Thabo Mofutsanyane	366 168	413 432	779 600	39.8	172 983
Fezile Dabi	245 985	248 792	494 777	36.4	127 045
Mangaung	368 887	390 806	759 693	35.6	220 420

It is important to note that the highest proportion of youth population, according to Community Survey 2016 resided in Thabo Mofutsanyane District Municipality (39.8). Xhariep District Municipality which recorded the lowest population accommodates the second highest proportion of youth (38.3) in the province.

It is thus clear that programmes or initiatives with the focus on youth be embarked upon especially in those regions with the highest proportion of the youth population.

As per table 3 below, the population in the Free State increased by 5.72 percentage points from 2006 to 2016. Mangaung, Fezile Dabi as well as Lejweleputswa increased in population over the ten year period. In contrast, Thabo Mofutsanyane and Xhariep recorded decreases in their population sizes.

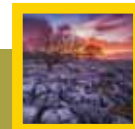


Table 3: % Change in population between 2006 and 2016

Province, District Municipality	2016
Free State	5.72%
Xhariep	-8.96%
Lejweleputswa	2.09%
Thabo Mofutsanyane	-2.49%
Fezile Dabi	10.66%
Mangaung	17.11%

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 0.7% from 2.86 million in 2016 to 2.97 million in 2021.

Table 4: Population projections - Free State and National Total, 2016-2021

	Free State	National Total	Free State as % of national
2016	2,860,000	55,700,000	5.1%
2017	2,880,000	56,500,000	5.1%
2018	2,900,000	57,400,000	5.1%
2019	2,930,000	58,100,000	5.0%
2020	2,950,000	58,900,000	5.0%
2021	2,970,000	56,600,000	5.0%
Average Annual growth			
20162021	0.72%	1.37%	

The average annual growth rate in the population over the forecast period for South Africa is 1.37% which is higher than that of Free State's growth rate, projected at 0.72%.



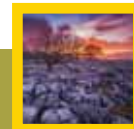
Global and Domestic Economic Environment

According to the IMF's estimates, the global economic output for 2017 has grown by 3.7% which is 0.5 percentage point higher than in 2016. The unexpected growth was predominantly noticeable in Europe and Asia which exceeded the forecast as predicted in June 2017 by 0.1 percentage point. The global growth for 2018 and 2019 is projected to rise up to 3.9%. The Southern African Development Community real GDP grew by 1.4 percentage points from 2015 to 2016. The Sub-Saharan Africa is estimated to have grown by 2.4% in 2017 compared to the 1.3% in 2016. The region's largest economies, Nigeria, South Africa and Angola, made the largest contribution towards the recovery as a result of improvement in commodity prices, favourable global financial conditions and slowing inflation which assisted to lift household demand. South Africa came out of its recession due to strong growth in the agricultural sector and the manufacturing sector recovery; hence, the economy is expected to grow by 1.1% in 2018. In general, growth was weaker because the region is still experiencing negative per capita income growth, weak investment and a decline in productivity. However, regional growth is projected to rise to 3.2% in 2018 and to an average of 3.6% in 2019.

South Africa and Free State Economy

South Africa's gross domestic product (GDP) increased by 3.1 percentage points in the final quarter of 2017. The largest positive contributor to growth in GDP in the fourth quarter was the agriculture, forestry and fishing industry, which increased by 37.5 percentage points, contributing 0.8 of a percentage point to GDP growth. The trade, catering and accommodation industry increased by 4.8 per cent and contributed 0.6 of a percentage point to GDP growth.

The Free State economy is mainly reliant on the tertiary sector. The community services sector, is the largest contributor in terms of gross value added (GVA) within Free State Province accounting for R 49.9 billion at current prices or 25.1% of the total GVA in the province's economy. The sector that contributes the second most to the GVA is the finance sector at 17.0% or R 33.8 billion, followed by the trade sector with 13.9% or R27.6 billion. The sector that contributes the least to the economy of the province is the construction sector with a contribution of R 4.83 billion or 2.44% of the total GVA. The remaining sectors' contributions were recorded as follows, manufacturing (R 23 billion or 11.6%), transport (R20.8 billion or 10.5%), mining (R 19.7 billion or 9.9%), agriculture (R 9.5 billion or 4.8%) and electricity R 9.4 billion or 4.7%).

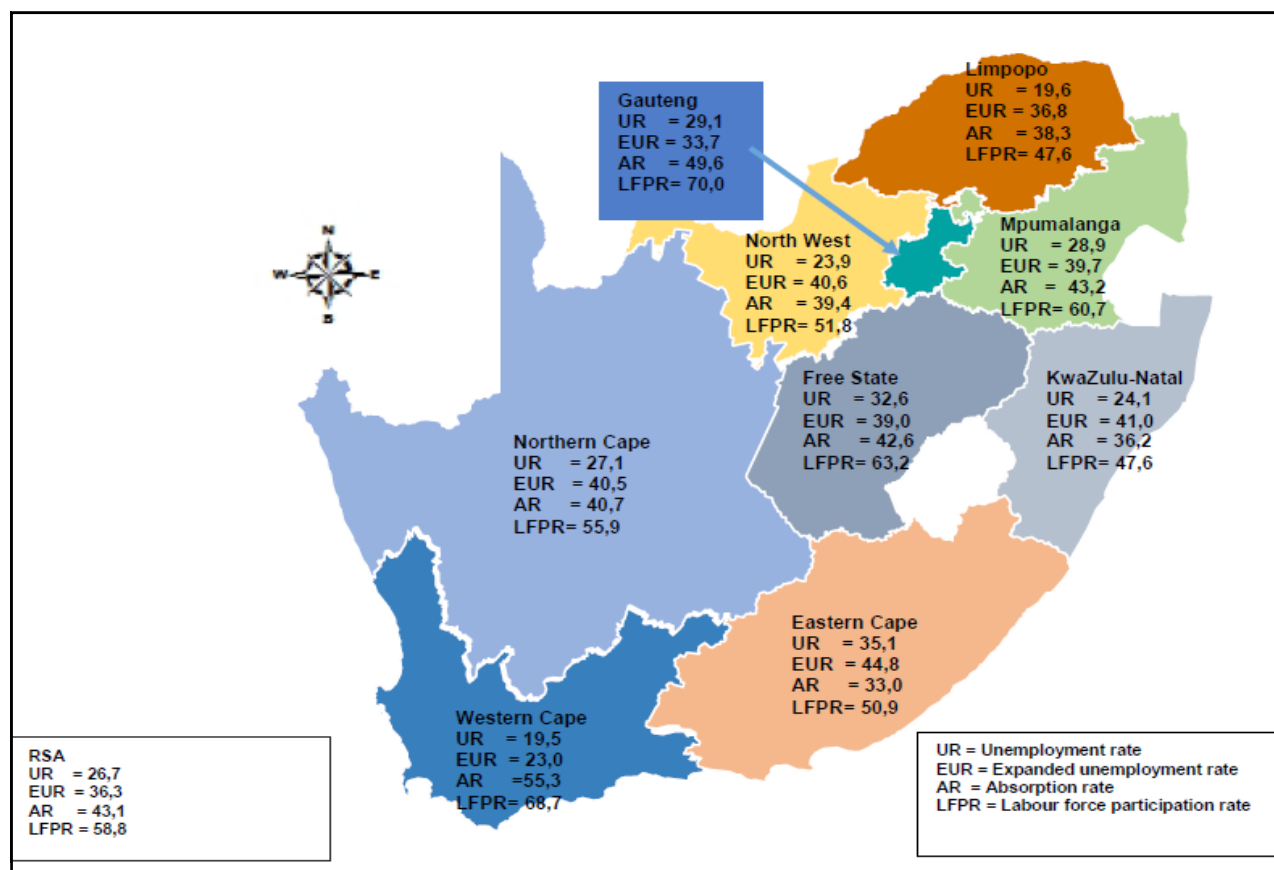


The greatest contributor to the Free State economy in 2016 is the Mangaung Metropolitan Municipality with a share of 40.55% or R 90.6 billion, increasing from R 37.2 billion in 2006. The region with the lowest contributor to the Free State economy in 2016 is the Xhariep District Municipality (DM) with a share of R7.56 billion, an increase from R3.29 billion in 2006. The Gross Domestic Product (GDP) per metropolitan and district municipalities in the Free State for the period of 2006 to 2016 indicates that the highest average annual economic growth is Mangaung with an average of 2.92%. The Xhariep with the second highest average annual growth rate of 1.90%, followed by Thabo Mofutsanyane with an average of 1.56%, Fezile Dabi DM with an average annual growth of 1.27%. The lowest average annual growth rate is Lejweleputswa DM with a growth rate of -1.21% between 2006 and 2016.

Free State Labour Market

South Africa's official unemployment rate decreased by 1.0 percentage point between October and December of 2017 compared the same period 2017. The largest declines in the unemployment rate were recorded in Northern Cape (2.8 percentage points), Western Cape (2.4 percentage points) as well as the North West provinces (2.3 percentage points). Between October 2017 and December of 2017, the number of discouraged work-seekers grew by 103 000 (or 4.2 per cent) to 2.5 million persons.

Table 5: Summary of labour market measures at a glance, Q4: 2017





The Free State province experienced an increase in unemployment from the third Quarter to the fourth Quarter of 2017. During Quarter 4, unemployment in the province was recorded as 32.6% as illustrated below. The official unemployment rate increased by 0.8 percentage points and the unofficial unemployment rate increased by 0.5 percentage points.

Table 6: Free State Unemployment from Q4: 2016 to Q4: 2017

Official unemployment rate					Expanded unemployment rate				
Oct-Dec 2016	Jul-Sep 2017	Oct-Dec 2017	Qtr-to-qtr change	Year-on-year change	Oct-Dec 2016	Jul-Sep 2017	Oct-Dec 2017	Qtr-to-qtr change	Year-on-year change
Per cent			Percentage points		Per cent			Percentage points	
34,7	31,8	32,6	0,8	-2,1	40,9	38,5	39,0	0,5	-1,9

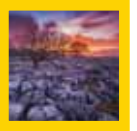
It is however encouraging that the unemployment rate year-on-year represents a decline of 2.1 percentage points in Q4: 2017 compared to Q4: 2016. The province thus lost 16 000 jobs between Q3: 2017 and Q4: 2017. Annually when comparing Q4: 2016 and Q4: 2017 the province was successful in creating 48 000 jobs.

The size of the province's labour force decreased by 0.8 percentage points quarter on quarter and the number of discouraged workers increased by 10,3 percentage points during the same period. The province's priority sector's recorded both increases and declines in employment during the final quarter of 2017. Both agriculture and manufacturing experienced an increase in employment, with increases of 3.0 and 0.9 percentage points respectively. In contrast, the mining and transport sectors experienced declines in employment, recording decreases of 6.5 and 22.8 percentage point quarter on quarter respectively.

With regards to the Free State's priority sectors, both Agriculture and Manufacturing employed more people in the fourth quarter of 2017 (2 000 and 1 000 respectively). In contrast, Mining and Transport shed jobs during the same period (1 000 and 12 000 respectively). This is shown in the table below.

Table 7: Free State Employment per industry from Q3:2016 to 2017

	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017	Qtr-to-qtr change	Year-on-year change	Qtr-to-qtr change	Year-on-year change
	Thousand							Per cent	
Agriculture	65	70	80	75	77	2	13	3,0	19,7
Mining	17	17	15	17	16	-1	-1	-6,5	-5,8
Manufacturing	59	68	69	55	55	1	-4	0,9	-6,1
Transport	36	43	44	51	39	-12	3	-22,8	8,1



Tourism

Free State Tourism

Globally, tourism is one of the largest economic sectors, creating jobs, driving global exports and generating prosperity worldwide. Research indicates that for every 30 new tourists to a destination, one new job is created. The sector is reportedly estimated to employ almost twice as many women as other sectors worldwide. In 2016, the sector grew by 3.1% globally. This continuous growth outpaced that of global GDP by 0.6%. Not only has the sector outperformed economy wide growth for the 6th consecutive years, Travel and Tourism was also stronger in growth than the financial and business services, manufacturing, public services, retail and distribution, and the transport sector.

The Free State provincial government also recognises the role that tourism can play as a driver of economic growth and job creation for the province. One of main reasons for this is the sector's ability to lend itself to other economic sectors through its broad value chain. The sector is interlinked with other priority sectors including agriculture and manufacturing, thus possessing a multiplier effect on economic growth and development.

The Free State aims to grow its tourism sector to turn what has been called a 'hidden treasure of South Africa' into a popular and repeat destination for thousands of domestic and international tourists. The province certainly has the assets that make this goal achievable. Some of these assets include the following designated tourist routes, namely:

- Cheetah Route – This route takes you through the Mangaung Metropolitan Municipality – the cultural and political heart of the Free State.
- Eagle Route – Sharing the southern border with Lesotho, this route runs from Ficksburg to Harrismith in the Thabo Mofutsanyana District through some of the most picturesque landscape in the country.
- Lion Route – Provides a taste of everything that is typically “Free State” – from culture to nature to history exploring attractions in the Fezile Dabi District.
- Flamingo Route – This route runs through the Lejweleputswa District, an important agricultural and gold-producing area.
- Springbok Route - Connects the Free State with the Northern Cape and winds through the scenic farmlands and nature reserves of the Xhariep District.

Data shows that, when compared to other provinces in South Africa, the Free State province is currently not achieving its tourism goals given its attractive tourism resource base and offerings. Tourism, one of the province's priority sectors, thus requires urgent intervention from both the private and public sectors to positively change the economic contribution of tourism in line with other South African provinces, such as Gauteng and Limpopo.

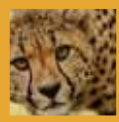


Table 8: Province of destination by expenditure on most recent day and overnight trips, January–December (concluded), 2016 (R'000)

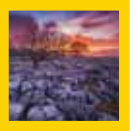
Province of destination	Accommodation	Food and beverages	Domestic transport	Recreation and culture	Shopping	Other	Total
Overnight trips							
Western Cape	1 142 727	1 219 252	1 744 393	84 011	1 289 768	188 913	5 669 064
Eastern Cape	251 577	636 539	1 599 544	36 696	1 852 170	159 547	4 536 073
Northern Cape	28 789	107 316	246 848	13 576	221 371	17 019	634 919
Free State	111 259	246 341	402 129	21 384	466 794	67 519	1 315 426
KwaZulu-Natal	1 455 274	822 558	1 699 338	96 945	1 834 846	181 127	6 090 088
North West	270 571	323 878	578 378	33 373	512 057	74 792	1 793 049
Gauteng	378 700	694 407	1 707 143	88 987	1 426 649	219 876	4 515 763
Mpumalanga	560 844	955 437	956 824	26 937	771 744	58 135	3 329 920
Limpopo	186 587	625 943	1 369 954	27 147	1 472 912	141 602	3 824 145
Unspecified	924 636	664 967	1 395 107	249 743	927 757	82 178	4 244 388
Total overnight trips spending	5 310 963	6 296 639	11 699 659	678 797	10 776 068	1 190 708	35 952 834

The table above shows the total expenditure for the year 2016 per province on overnight trips and indicates that annually R5 310 963 000 was spent on accommodation nationally. On average, guest spending on overnight accommodation was recorded as R323.43 per guest for the Free State province. Total spending on accommodation annually for overnight trips in the Free State province stood at R111 259 000 for the period. Although this amount represents a large percentage of tourist expenditure in the province, the total amount generated provincially for accommodation is significantly lower than what has been recorded in the other provinces.

Domestic tourism plays a critical role in the tourism sector as it generates more than half the internal tourism revenue, according to a report released by South Africa Tourism (SAT). Although domestic tourism declined in 2016 in Free State province, table 2 below, with 0.7% compared to 2015, total domestic expenditure increased in the same period by 12.3% when compared to 2015. Additionally, this indicated an improvement comparing the 5% growth recorded in 2015 with the 3.7% growth in 2014.

Table 9: Free State Domestic Picture 2013 - 2016

	Free State 2013	Free State 2014	Free State 2015	Free State 2016
Size	878 000	1 043 000	1 200 000	1 140 000
Growth (%)	3.4%	3.7%	5%	4.3%
Direct Spend	712 535 000	1 124 933 000	1 046 634 000	1 210 253 000
Average Stay (nights)	4.2	4.7	3.8	4.4
Bednights	3 725 000	4 858 000	3 431 000	4 981 000



An upward growth trend in foreign tourism, as indicated in the table 10 below, was recorded in the province from 8.9% in 2013 to 12.2% in 2016 which is very encouraging.

Table 10: Free State Foreign Picture 2013/2016

	Free State 2013	Free State 2014	Free State 2015	Free State 2016
Size	796 706	960 147	947 861	1 223 631
Growth (%)	8.9%	10.1%	10.6%	12.2%
Direct Spend	R1 949 995 677	R1 206 003 374	R1 320 771 995	R1 148 063 103
Average Stay (nights)	10.0	9.6	9.7	7.8
Bednights	7 698 163	8 910 529	8 824 031	9 176 032

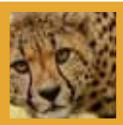
The table below reflects the Total Spending of National in relation to that of the Free State Province.

Table 11: Total Tourism Spending – Free State and National Total, 2007-2017 (R billions, current prices)

	Free State	National Total
2007	5.4	138.7
2008	5.9	152.5
2009	5.9	153.4
2010	6.3	167.2
2011	6.6	174.6
2012	7.7	199.9
2013	8.7	218.3
2014	10.0	240.7
2015	10.6	249.7
2016	11.7	265.8
2017	12.8	281.4
Average Annual growth		
2007-2017	8.99%	7.33%

Free State Province had a total tourism spending of R 12.8 billion in 2017 with an average annual growth rate of 9.0% since 2007 (R 5.42 billion). Based on the current economic performance, it is projected that the GVA for tourism will continue to increase over the next 5 year period.

This, without doubt, indicates that the tourism sector is resilient and bodes well for the future economic growth of the province.



Environment

The regulatory environment practiced by the Department requires of us to not only promote environmental policies, but ensure environmental compliance measures to protect the environment for current and future generations. Key amongst these measures is compliance to the following:

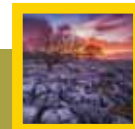
- The National Environmental Management Act, 107 of 1998 with its SEMA's (Specific Environmental Management Acts)
- Chapter 5 on Environment in relation to the National Development Plan
- Outcome 10 Delivery Agreement
- EXCO Resolutions on Environment Projects and Programmes
- SOPA and Departmental Budget Vote Speech Injunctions

The need for socio-economic radical transformation has brought in a new era within the space of environment. The paradigm shift calls for the environmental pristine environment should also be used to an impetus for economic development and job creation. It is in this context that the departmental Environmental Management Committee (EMC) has to assess and recommend for approval all Environmental Impact Assessments (EIA's) in line with these policy imperatives and societal change to offset the past legacy imbalances.

The call is not only to protect our pristine environment and biological diversity, but to utilise the recently approved Biodiversity Economy Strategy in transforming and empowering the full participation of previously disadvantaged individuals in economic beneficiation processes such as the Wildlife Economy, Waste Economy and Game Industry Transformation. Development Initiatives has resulted in the department introducing the e-Permit System to facilitate efficiency in Biodiversity Permits application process within a shorter turnaround period. The effects of climate change resulting in drought and poor rainfalls demands of the department to respond to these challenges. We have recently completed the Free State Province Climate Change Vulnerability Assessment Strategy in this regard, with policies that will be directed to all key sectors within the province. All of the above should be done within the regulatory function and coordination processes provided by the State of Environment Outlook Report including the Environmental Implementation Plan (EIP) in relation to the environment sector coordination.

The foundation to achieve these programmes is embedded in our Environmental Education and Awareness Programs focusing on all communities, learners and other interested and affected parties. This is in line with Section 24 of the RSA Constitution.

Global Change has resulted in new technical fields like the Green Economy and Climate Change. The department is well poised in responding to these new challenges with programs and projects accommodated in our Annual Performance Plan.



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 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 and 1 (one) Stewardship site is (Sneeuwberg Protected Environment) declared privately owned Protected Areas in 2018.

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.



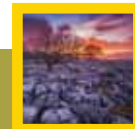
A wide range of wetland types occur in the Free State, which contribute towards the overall biological diversity of the Province with Seekoeivlei Nature Reserve a Ramsar site of international importance. Climate change is expected to bring considerable warming and drying to much of this already semi-arid 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 scarcity. 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.



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, was considered when developing the 2017/18 Annual Performance Plan. The main themes emphasised by the NDP includes:

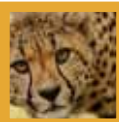
- Economy and employment
- Economic infrastructure
- Transitioning to a low carbon economy
- Inclusive rural economy
- Positioning South Africa in the world
- Human settlement
- Promoting health and
- Social protection

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.

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.



2.2 Service Delivery Improvement Plan

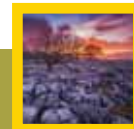
The department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Enterprise support and development	Enterprises in the Free State	150	120	649

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Consultation		
Roadshows were conducted in Fezile Dabi and Thabo Mofutsanyana District Municipalities.	Conduct stakeholder engagements in all Districts and the Metro.	All Districts and the Metro conducted stakeholder engagements / Roadshows. MEC roadshows were held in 25 municipalities.
Courtesy		
Regular Update on received applications for Assessments by BATC	Regular update on requests received.	Applicants were regularly informed about the status of their applications.
Access		
Service Centers established in all districts except Xhariep. Service Centers struggling with tools of trade to reach outlying towns.	Increase outreach to outlying towns by the Service Centers and Head Office by employing more personnel and providing tools of trade.	Small Business and Economic Development hired almost 25 personnel and all Service Centers had middle managers to lead them.
Information		
Brochures and pamphlets on enterprise support and development distributed to Service Centers and Municipalities. Information sessions conducted.	Hold Information Sessions / Roadshows. Increase media coverage of enterprise support and development of DESTEA.	All Service Centers held numerous information sessions including Head Office. MEC led numerous information sessions with Municipalities. 525 media appearances (both in print and electronic). Regular updates on Social Media: Tweeter and Facebook.
Openness and Transparency		
Enterprise Support and Development reports submitted Quarterly and Annually.	Submission of quarterly reports and annual report.	Quarterly and annual reports submitted.
Redress		



Current/actual arrangements	Desired arrangements	Actual achievements
No clear guidelines / mechanisms to ensure redress	Feedback on unsuccessful applications to be provided. Refer some applications to relevant departments or DFIs.	Inter-Departmental BATC sessions has enhanced referrals. Tabalaza provides an easy channeling of innovative ideas to funding institutions.
Value for Money		
Supported and developed businesses to show growth through increased production and/or jobs created.	30 enterprises to be supported and developed in 2017/18	Six enterprises that were funded and of the R6, 7million in funding by Department, R28, 7 million funding by DFIs was unlocked. 1 000 job opportunities were created.
Human Resource		
The unit had vacant post for 2016/17.	The plan was to fill all critical post before the end of the financial 2017/18	8 Trade advisors, 1 Director and 1 Deputy Director for Thaba Mofutsanyane Service Centre were appointed.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
125 Information Sessions 125 Training Sessions	To have Roadshows, Forums, Summits, Business Regulation Workshops and Red Tape Reduction Meetings.	14 X Roadshows; 8 X Economic Forums; 2 X Summits; 2 X Business Regulation Workshops and 4 X Red Tape Reduction Meetings.

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Service Charter Provision	Service Charter Provision Complaints and. Compliments Box at all service points. Complaints Mechanism for each service point.	Service Charter Posters with complaints mechanism displayed at Head Office and Service Centres. Complaints and Compliments box placed at all Service Centres. Developed template for complaints mechanism for each service centre

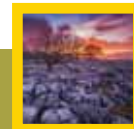


2.3 Organisational environment

Programme structure

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

Programme	Sub programme
1. Administration	1.1 Office of the MEC 1.2 Management Services 1.3 Financial Management 1.4 Corporate Services
2. Environmental Affairs	1.5 Environmental Policy, Planning and Coordination 1.6 Compliance and Enforcement 1.7 Environmental Quality Management 1.8 Biodiversity Management 1.9 Environmental Empowerment Services
3. Economic and Small Business Development	1.10 Integrated Economic Development 1.11 Economic Research and Planning 1.12 Small Business Development
4. Tourism	1.13 Tourism Planning 1.14 Tourism Growth and Development 1.15 Tourism Sector Transformation



Personnel

As at 31 March 2018, the Department had a workforce of 692, this is inclusive of 675 permanent employees and 17 contract workers. In addition to the above, the department had 2 categories of employment contracts namely; Interns and Security Learners. During 2017/18 financial year, the Department had 9 graduate interns and 19 Security Learners. Of the 9 Interns, 7 were recruited in the department and the 2 remaining Interns were unsuccessful. All the 19 Security Learners were recruited in the department with effect from 01 April 2018. The current vacancy rate is standing at 41,34%. The highest percentage of vacancy rate is as a result of unfunded vacancies in terms of the actual structure as the department recently finalised implementation of its approved structure. However, the department has undertaken the process to abolish unfunded vacancies on Persal and after the exercise, 877 posts instead of 1674 will be implemented on Persal. This will translate to 185 posts that have been prioritised for filling over the MTEF period (2018-2020) and the vacancy rate will decrease to 21.1% as on 01 April 2018.

The age profile of the department is not of a major concern in terms of critical occupation, however, measures needs to be put in place in order to address anticipated retirement in some programmes such as Environmental Branch where it will be losing majority of its employees. Of the 692 employees, 190 (27.5%) are between the ages of 18 and 35 years (youth), 87 (12.6%) are between the ages of 36 and 39, 198 (28.6%) are between the ages of 40 and 49, 181 (26.15%) are between the ages of 50 and 59, 36 (5.2%) are between the ages of 60 and 65. One hundred and nine (109) of these employees will be retiring in the next 5-10 years through normal and/or compulsory retirement. Of this number, 86 (78.9) are from Environmental Management Branch, 15 (13.76%) from Administration and 8 (1.1%) are from Economic Development.

During 2017/18 financial year, the department advertised 100 posts and all the posts were filled. Part of the 93 posts that could not be filled during the 2016/17 financial year were also filled from April 2018, which has seen the department filling 149 posts during this financial year. Twenty-six (26) of these posts can be classified as follows: SMS (5), MMS (8) and Junior Management (13). Sixty-five percent (65%) of the 149 posts were filled by women and 60% at SMS level. There were 25 employees who were promoted, 34 contract workers were permanently appointed (excluding the Security Learners).

The total number of employees who left the department is 92 which translates into 13.3% of the total workforce. The figure is higher than the national benchmark of 8%. It can also be indicated that the figure has gone up as compared to last year where the department was standing at 7.6%. The majority of employees who left the department are due to expiry of contracts. Of the 68, fourteen (14) officials resigned, twenty six (26) officials were transferred, thirty-four (34) officials were appointed on contract and contract appointments were terminated due to permanent appointment in the department, five (5) officials left the department due to early retirement, two (2) officials left due to ill-health retirement, seven (7) official left due to normal retirement and four (4) officials services got terminated due to death. The significant high number of attrition is not of a concern due to the fact that the employees whose contract expired were permanently appointed. The other contributing factor to the highest number of attrition rate was transfers which were due to the application of section 14(4) of the Public Service Act.



Thirty-four (34) grievances were lodged and 23 misconduct cases were reported during the 2017/18 financial year. Of the 34 grievances lodged, 27 were resolved within 30 days, 7 were resolved outside the prescribed time-frames. Two (2) misconduct cases were finalised within 90 days, 1 outside the prescribed time-frames and 20 are outstanding. The factors which contributed to the misconduct cases not finalised within 90 days were as follows:

- Non-availability of presiding officers or alleged offenders;
- Postponement of disciplinary hearings;
- Long investigations due to non-availability of external people to be interviewed.
- Veracity of documents needed by offenders through points in limine, which delays process.

2.4 Key policy developments and legislative changes

There were no major changes to policies and legislation, during the period under review, which had a major impact on operations.

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. Consumer protection and business regulations policies and legislation.
4. Tourism related policies.

The Small Business Development Unit of the department was established during 2014/15, in response to the establishment of the SBD National Ministry, and relevant pronouncements made by the Executive of the Province.



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 12: Integrate environmental concerns into growth and development planning
Chapter 14: Fighting Corruption	Outcome 12: An efficient, effective and developmental orientated public service	Driver 15: Foster good governance to create a conducive climate for growth and development

3. STRATEGIC OUTCOME ORIENTED GOALS

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

Strategic Goal 1	Provision of leadership for effective socio-economic development
Goal statement	To substantially improve socio-economic development through astute leadership in the form of strategic direction, monitoring and accountability.
Strategic Goal 2	Creation of efficient and effective financial management system for sustainability
Goal Statement	To ensure that appropriate methodologies, guidelines and processes for financial management is applied, in an efficient and accountable manner.
Strategic Goal 3	Build a responsive human resource attribute that is responsive to service demands
Goal Statement	To ensure that organizational human resources are skilled, equipped, healthy and motivated in order to meet the service delivery demands placed on the department.
Strategic Goal 4	Integrated economic development for radical transformation
Goal Statement	To ensure that economic development is planned and executed in an integrated manner, addressing the issues of poverty, job creation and inequality, whilst promoting a culture of risk avoidance, awareness and adaptation.
Strategic Goal 5	Inculcate accountable environmental management for sustainable development and inclusive economic growth
Goal Statement	To ensure, transparent, accountable and democratic environmental management systems and processes, which will support sustainable development and inclusive economic growth in the province.
Strategic Goal 6	Foster tourism sector transformation and development for improved market share
Goal Statement	To ensure transformation in the tourism sector, in order to promote equity, investment, and growth in both domestic and international tourism.



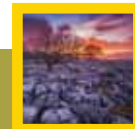
Strategic Goal 7	Business process optimization for better programme performance & co-operation
Goal Statement	To ensure optimal organizational performance and service delivery through managing and optimizing internal business processes, with emphasis on internal resource optimization, process re-design for efficiency, technology adaptation and strengthened accountability.

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"> • Continuous support to new and existing SMME's • Continuous support to existing and new cooperatives • Trade and investment promotion via Free StateDevelopment Corporation • Education and support to client on Consumer Rights • Continuous tourism promotion and marketing • Free State Small business database developed. • Provincial Economic Development forum launched. • Free State Provincial Economic Development Strate-Framework developed
Chapter 5: Environmental sustainability	Outcome 10: Protect and enhance our environmental assets and national resources	<ul style="list-style-type: none"> • Expansion of land under conservation • Wetland conservation • Upgrade of certain resorts and reserves • Continues enforcement of environmental legislation • Wildlife Auction Conducted • Promotion of waste recycling • Host COP 21 stakeholders' workshop on Climate Change.

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



4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

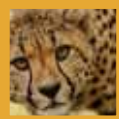
To provide leadership and strategic management in accordance with Policy and Legislation and to provide appropriate support service to other programmes.

Sub-Programmes:

Programme	Sub Programme
Administration	<ol style="list-style-type: none"> 1. Management Services 2. Financial Management 3. Corporate Services

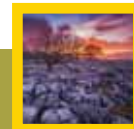
This programme contributed to the following priorities:

- **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



Management Services

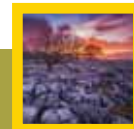
		Strategic Objectives					
		Sub-Programme Management Services					
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
Internal Audit							
1.1	Accelerate implementation & enforce accountability.	Number of internal audit plans developed	1	1	1	0	-
1.2	Ensure overall corporate compliance.	Number of internal audit charters developed	1	1	1	0	-
1.3		Number of audit committee charters developed	1	1	1	0	-
1.4		Number of internal audits performed.	-	12	20	+8	Due to in-year amendments of the Audit Plan.
Risk Management							
1.5	Strengthen risk & regulatory compliance.	Number of reviews conducted on risk registers	-	1	1	0	-
1.6		Number of monitoring and review of new risks	-	4	0	-4	Late approval of Strategic and operational registers.
1.7		Number of invitations issued	-	4	2	-2	RMC Meetings not be convened.
1.8		Number of RMC reports	-	4	2	-2	RMC meetings could not be conducted in time due logistical reasons.
1.9		Number of AC meetings attended	-	4	2	-2	Unavailability of CRO.



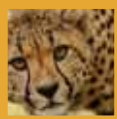
		Strategic Objectives					
		Sub-Programme Management Services					
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
Strategic Planning, Monitoring and Evaluation							
1.10	Ensure overall corporate compliance	Number of plans facilitated and submitted to Treasury.	1	1	1	0	-
1.11		Number of an annual reports submitted.	1	1	1	0	-
1.12		Number of service delivery planning documents developed	4	5	5	0	-
1.13		Number of FSDM reports compiled	-	16	16	0	-
1.14		Number of MPAT Self-Assess-ments facilitated	1	1	1	0	-
1.15		Number of projects assessed.	-	12	13	+1	Additional request was received from SBD.
1.16		Number of unit asset, SCM and financial reports compiled.	36	36	36	0	-



		Strategic Objectives					
		Sub-Programme Management Services					
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
Security Services and Anti-Corruption							
1.17	Ensure effective corporate compliance	Number of security-awareness sessions conducted	4	4	3	-1	Loss of documentation due to movement of the department to new building.
1.18		Number of monitoring reports on security related matters.	8	4	2	-2	Loss of documentation due to movement of the department to new building.
1.19		Number of awareness campaigns on Fraud and Anti-Corruption conducted.	-	2	2	0	-
1.20		Number of reports on Fraud and Corruption cases investigated	-	2	1	-1	Demand driven
1.21		Number of reports on Z204 forms submitted to SSA.	-	2	1	-1	Loss of documentation due to movement of the department to new building.
1.22		Number of training sessions conducted	-	2	1	-1	Loss of documentation due to movement of the department to new building.
1.23		Number of SOPs implemented	-	1	0	-1	Due diligence on the SOP could not be completed in time.
1.24		Number of departmental events supported by security services	-	4	9	+5	Demand Driven



Strategic Objectives							
Sub-Programme Management Services							
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
Communication							
1.25	Improve corporate communication and coordination	Number of platforms identified and used	-	4	3	-1	Appointed service provider failed to deliver.
1.26		Number of engagements with strategic partners	-	4	0	-4	No engagement requests were received.
1.27		Number of implementation plans developed	-	12	12	0	-
1.28		Number of approved Communication Strategies	-	1	1	0	-
1.29		Number of media interviews conducted	-	12	154	+142	Due to MEC Roadshows
1.30		Number of media statements issued	-	4	6	+2	Due to MEC Roadshows
1.31		Number of campaigns	-	4	5	+1	Due to MEC Roadshows
1.32		Number of publications produced.	-	4	4	0	-
1.33		Number of promotions	-	4	4	0	-
1.34		Number of profiled programmes.	-	4	4	0	-
1.35		Number of media appearances	-	200	546	+346	Due to MEC Roadshows
1.36		Number of successful projects communicated	-	2	2	0	-
1.37		Number of events coordinated.	-	2	2	0	-



		Strategic Objectives					
		Sub-Programme Management Services					
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
Information Technology and Knowledge Management							
1.38	Implement appropriate technology	Number of e-Government initiatives implemented	0	2	2	0	-
1.39	Strengthen access to services/ programs	Number of department-wide business process mapping.	-	1	0	-1	No responses to request for proposals received by SCM.
1.40	Foster learning & innovation	Number of implemented ICT solutions.	-	2	2	0	-
1.41	Develop business capabilities	Number of monitoring reports compiled for ICT services, usage of IT resources and ICT security risks.	4	4	4	0	-



Strategic Objectives							
Sub-Programme Management Services							
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
Legal Services							
1.42	Consistent quality service provision	Number of departmental legislation drafted.	1	1	1	0	-
1.43		Number of contracts drafted and vetted.	-	4	16	+12	Demand driven.
1.44		Number of workshops on the Implementation of PAIA and PAJA.	2	1	1	0	-
1.45		Number of SOPs on misconduct processes & grievance procedure and legal services reviewed.	-	3	3	0	-
1.46		Number of awareness sessions conducted on SPO's.	-	1	1	0	-
1.47		Number of awareness conducted to promote Sound Labour Peace.	-	1	1	0	-
1.48		Number of publication of PAIA Manual on DESTEA database	-	1	1	0	-
1.49		Number .of reports on compliance with PAIA and PAJA	-	1	1	0	-
1.50		Number reports on grievances finalised	-	12	12	0	-
1.51		Number of reports on misconduct cases reported and finalised	-	12	12	0	-
1.52		Number of reports on conflicts and disputes resolved	-	4	4	0	-

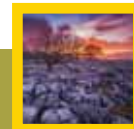


Strategies to overcome areas of underperformance:

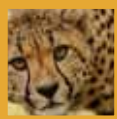
- Improve ICT project management.
- Curb or reduce areas of underperformance in Security Services, Anti-Fraud and Corruption Unit:

4.1.3. Financial Management

		Strategic Objectives					
		Sub-Programme Management Services					
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
Management Accounting							
1.1	Effective financial management	Number of credible budget statement submitted to treasury on time.	1	1	1	0	-
1.2	Improve expenditure management	Number of credible adjustment budget submitted to Treasury on time.	1	1	1	0	-
1.3		Number of in-year monitoring reports submitted to treasury on time.	12	12	12	0	-
Financial Accounting							
1.4	Improve revenue collection & manage growth.	Number annual financial statement compiled according to prescripts.	1	1	1	0	-
1.5	Financial stewardship Improve financial sustainability	Number Quarterly interim statements compiled according to prescripts.	3	3	3	0	-



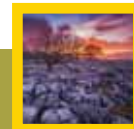
Strategic Objectives							
Sub-Programme Management Services							
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
Supply Chain Management							
1.6	Implement cost efficiencies	Percentage of payments made to creditors within 30 days from receipt of an invoice.	100	100%	100%	0	-
1.7		Number of days to conclude quotes/bids					No tenders were issued in the financial year under review.
		• Transversal Contracts:	2	2	2	0	
		• Price quotations(<30000)	4	4	4	0	
		• Price quotation (30000-500000)	10	10	10	0	
		• Bid/Tenders	60	60	0	-60	
1.8		Annual procurement plan (PP) developed.	1	1	1	0	-
1.9		Number of expenditure analysis reports done.	128	32	32	0	-
		• 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	2	4	0	-4	A decision was taken that DESTEA would not keep inventory.



		Strategic Objectives					
		Sub-Programme Management Services					
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
Fleet and Asset Management							
1.11	Improve record asset management.	Number of stocktaking reports.	2	1	1	0	-
1.12		Number of disposal reports.	-	4	4	0	-
1.13	Increase asset utilization	Number of facilities management plans (U-AMP) developed.	1	1	1	0	-
1.14	Implement proper inventory turnover.	Number of all movables assets verification reports developed.	-	4	4	0	-

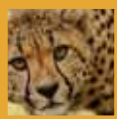
Strategies to overcome areas of underperformance:

- Develop an action plan to improve areas of underperformance.

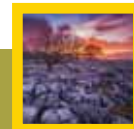


4.1.4. Corporate Services

		Strategic Objectives					
		Sub-Programme Management Services					
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
Corporate Services							
1.1	effective corporate	Number of HIV Counselling and Testing (HCT) conducted.	2	2	2	0	-
1.2	Foster a high performance culture	Number of Health Risk Assessments (HRA) conducted.	-	2	2	0	-
1.3	Optimize staff productivity	Number of gender Equality Strategic Framework Plan submitted.	-	1	1	0	-
1.4		Number of Job Access Strategic Framework Plan submitted.	-	1	1	0	-
1.5		Number of Youth Development Plans submitted to the Department of the Premier.	-	1	1	0	-
1.6		Number of Gender Equality Strategic Framework Report submitted.	-	1	1	0	-



1.7		Number of Job Access Strategic Framework Report submitted to DPSA	-	1	1	0	-
1.8	Ensuring effective corporate compliance	Number of Youth Development Reports submitted to the Presidency	-	4	4	0	-
1.9	Foster a high performance culture	Number of organisational structure updated	-	1	1	0	-
1.10	Optimize staff productivity	Number of bi-annual health and safety inspections conducted	-	2	2	0	-
1.11	Ensuring effective corporate compliance	Number of business processes to be mapped	-	5	5	0	-
1.12	Recruit and develop workforce	Number of approved organisational structure captured on PERSAL	-	1	1	0	-
1.13	Continuous improvement process	Number of SOP's developed	-	5	5	0	-
1.14	Enhance change management practises & training climate	Number of workshops on diversity management	-	2	3	+1	Based on the previous session, a need was identified to do another workshop
1.15		Number of workshops on change management	-	1	1	0	-
1.16	Clarify roles and responsibilities	Number of job descriptions reviewed	-	50	50	0	-



Strategies to overcome areas of underperformance:

- None as there were no areas of underperformance.

Changes to planned targets

Indicator	Original 2017/18 Target	Adjusted 2017/18 Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Reason for Amendment
Number of workshops on change management	4	1	-	-	-	1	Reprioritization of funds after 2017/18 Adjustment Budget Allocation.

Linking performance with budgets

Sub-programme expenditure

Programme Name	2016/2017			2017/2018		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
ADMINISTRATION						
	R'000	R'000	R'000	R'000	R'000	R'000
Sub Program						
Office of the MEC	8,097	7,936	161	11,579	10,067	1,512
Management Services	25,690	25,333	357	26,972	27,424	(452)
Financial Management	62,924	62,648	276	66,369	70,482	(4,113)
Corporate Services	39,728	38,827	901	36,179	33,083	3,096
TOTAL	136,439	134,744	1,695	141,099	141,056	43



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, Protected Areas and Waste Management.

Sub-Programmes:

Programme	Sub Programme
Environmental Affairs and Conservation	<ol style="list-style-type: none">1. Environmental Policy Planning and Coordination2. Compliance and Enforcement3. Environmental Quality Management4. Biodiversity Management5. Environmental Empowerment Services

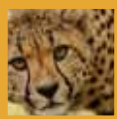
This programme contributed to the following priorities:

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



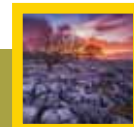
4.2.1. Environmental Policy Planning and Coordination

		Strategic Objectives					
		Environmental Policy Planning and Coordination					
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
1.1	Regulatory environment enforcement	Number of intergovernmental sector tools reviewed.	2	2	2	0	-
1.2		Number of legislative tools developed.	-	2	2	0	-
1.3		Number of environmental research projects completed.	5	5	17	+12	Additional interns were allocated to DESTEA by FSTDI.
1.4		Number of functional environmental information management systems (EIMS).	1	1	2	+1	GIS SPISYS system was utilized in addition to the ArcGIS system.
1.5		Number of IDPs reviewed for environmental content as per requirements (DA/3.5)	23	23	23	0	-
1.6		Submission of EIP reports.	1	1	1	0	-
1.7		Number of climate change sector policy interventions held.	-	2	2	0	-
1.8		Number of road shows conducted at municipal level relating to climate change.	7	5	5	0	-



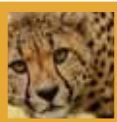
4.2.2. Compliance and Enforcement

		Strategic Objectives					
		Compliance and Enforcement					
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
1.1	Regulatory environment enforcement	Number of completed green issue criminal investigations handed to the NPA for prosecution.	-	45	26	-19	Demand driven
1.2		Number of completed brown issue criminal investigations handed to the NPA for prosecution	-	3	3	0	-
1.3		Number of administrative enforcement actions taken for non-compliance with environmental legislation.	7	10	12	+2	Demand driven
1.4		Number of compliance inspections conducted for green issues.	1275	270	800	+530	Demand driven
1.5		Number of compliance inspections conducted for brown issues.	-	80	87	+7	Demand driven
1.6		Number of permits issued within legislated time-frames.	5049	4500	4200	-300	No opportunity to demonstrate as DESTEA did not receive 4500 applications.
1.7		Number of Admission of Guilt Fines issued Biodiversity related transgressions	23	32	6	-26	Demand driven



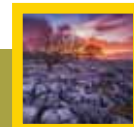
4.2.3. Environmental Quality Management

Strategic Objectives							
Environmental Quality Management							
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
1.1	Regulatory environment enforcement	Number of facilities trained on the Waste Information System.	6	6	16	+10	Needs for more training were identified through Waste Management Forum discussions.
1.2		Percentage of waste licenses applications finalised within legislated time-frames.	80%	80%	100%	+20%	EMC sitting weekly instead of fortnightly, which allowed faster response times.
1.3		Number of waste pickers supported.	101	150	203	+53	Additional training requests from waste reclaimers were received and addressed through a partnership with PETCO.
1.4		Number of Waste Management Officers Forum meetings held	-	4	4	0	-
1.5		Percentage of EIA applications finalized within legislated time-frames.	68%	60%	62%	+2%	Due to improved internal processes and procedures.
1.6		Number of Air Quality Officers Forum meetings held.	-	4	4	0	-
1.7		Number of S24G applications finalized.	-	2	2	0	-
1.8		Number of waste landfill sites environmentally audited	-	2	6	+4	As an outcome of the DESTEA MEC roadshows.
1.9		Number of cleaning campaigns conducted.	-	12	12	0	-



4.2.4. Biodiversity Management

Strategic Objectives							
Biodiversity Management							
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
1.1	Regulatory environment enforcement	Number of new black game farmers registered in the DESTEA Game Farming Programme.	4	8	8	0	-
1.2		Number of new stewardships sites assisted to increase land under conservation through the implementation of the Biodiversity Stewardship Programme (BSP).	1	1	1	0	-
1.3		Percentage of area of state managed protected areas as-sess with a METT score above 67%.	96%	70%	100%	+30%	Improvement in management systems without additional costs to the organisation.
1.4		Number of hectares in the conservation estate.	920483	5000	5486	+486	Demand driven
1.5		Number of black game farmers supported through the donation of 1121 animals of various species.	-	29	0	-29	Due diligence process took longer than expected.
1.6		Provincial biodiversity plan developed and reviewed.	-	1	1	0	-
1.7		Number of new Black Game Ranchers established.	-	8	51	+43	Demand driven
1.8		Number of mentorship sessions for black game farmers.	-	48	50	+2	Demand driven
1.9		Number of biodiversity economy initiatives implemented.	-	2	3	+1	More human resources



4.2.5. Environmental Empowerment Services

Strategic Objectives							
Environment Empowerment Services							
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
1.1	Regulatory environment enforcement	Number of conservancies supported.	11	8	16	+8	Demand driven
1.2		Number of community members' workshopped on environmental management.	1276	380	717	+337	Demand driven
1.3		Number of registered schools for participation in an environmental programme.	148	200	256	+56	Demand driven
1.4		Number of environmental awareness activities conducted (Community).	94	14	69	+55	Demand driven
1.5		Number of environmental capacity building activities conducted through workshops and informal training conducted.	30	28	38	+10	Demand driven
1.6		Number of quality environmental education resource materials developed.	1	1	3	+2	Due to partnerships with WESSA and Enviro-Quiz stakeholders
1.7		Number of environmental calendar days celebrated.	5	4	6	+2	Innovative means of celebrating calendar days
1.8		Number of Greenest and Cleanest Municipality Competitions facilitated.	1	1	3	+2	Optimisation Waste Management Forum and Air Quality management Forum in increasing competitions.
1.9		Number of work opportunities created through environmental programmes (EPWP)	264	300	1253	+953	Additional funding received from DEA and DESTEA funds.
1.10		Number of rivers cleaned	-	2	2	0	-
1.11		Number of towns cleaned	-	9	12	+3	Additional towns were requested by Municipalities.

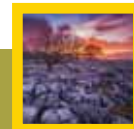


Strategies to overcome areas of underperformance:

- Utilize expertise of DEA in relation to aspects of environmental sustainability and sustainable development;
- Enter into support programmes with CUT and UNEP, including other industry stake holders.

Changes to planned targets

Indicator	Original 2017/18 Target	Adjusted 2017/18 Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Reason for Amendment
Number of climate change alignment policies developed.	2	0	-	-	-	-	Reprioritization of funds after 2017/18 Adjustment Budget Allocation.
Number of completed brown issue criminal investigations handed to the NPA for prosecution.	30	3	-	-	-	3	Reprioritization of funds after 2017/18 Adjustment Budget Allocation.
Percentage of complete EIA applications finalized within legislated time-frames.	98%	60%	60%	60%	60%	60%	Reprioritization of funds after 2017/18 Adjustment Budget Allocation.
Number of marketing sessions for resorts conducted	4	0	-	-	-	-	Reprioritization of funds after 2017/18 Adjustment Budget Allocation.
Number of black game farmers supported through the donation of 1121 animals of various species	4	29	-	-	-	29	Reprioritization of funds after 2017/18 Adjustment Budget Allocation.
Number of seedlings cultivated at the Karee Nursery.	3000	0	-	-	-	-	Function has been transferred to DARD.
Number of trees planted	1000	0	-	-	-	-	Function has been transferred to DARD.



Linking performance with budgets

2016/2017				2017/2018		
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
Environmental Policy, Planning and Coordination	7,209	7,718	(509)	9,017	7,190	1,827
Compliance and Enforcement	13,170	10,996	2174	14,434	15,609	(1,175)
Environmental Quality Management	11,244	7,447	3797	22,558	23,655	(1,097)
Biodiversity Management	99,343	105,177	(5834)	78,943	80,503	(1,560)
Environmental Empowerment Services	15,476	8,150	7326	11,739	10,901	838
Total	146,442	139,488	6954	136,691	137,858	(1,167)

4.3 Programme 3: Economic and Small Business Development

To enhance economic development, small business develop growth in the province through financial and non-financial support programmes.

Sub-Programmes:

Programme	Sub Programme
Economic Development	1. Integrated Economic Development 2. Economic Research and Planning 3. Small Business Development

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

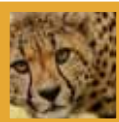
4.3.1 Intergrated Economic Development

		Strategic Objectives					
		Integrated Economic Development					
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
1.1	Strengthen & coordinate economic development.	Number of initiatives introduced to attract investment.	-	1	1	0	-
1.2	Optimize investments.	Number of enterprises assisted with access to markets.	92	30	31	+1	DESTEA partnered with FDC and private sector.
1.3		Number of forums facilitated (cumulative)	-	1	1	0	-
1.4		Number of business supported in critical sectors	-	3	3	0	-
1.5		Number of projects supported that qualify for co-funding arrangement with Developmental Funding Institutions (DFI)	-	4	12	+8	Additional funding approvals by FDC, NEF, IDC.
1.6	Strength strategic partnership	Number of outward and inward missions attended.	-	4	8	+4	As requested by the Office of the Premier.
1.7		Number of partnerships established with private sector to create relevant skills	-	2	2	0	-
1.8		Number of municipalities in which Black Business Chambers were established	-	1	1	0	-
1.9		Number of new job opportunities facilitated, with emphasis on the agro-processing sector	-	5	6	+1	Additional appointment was done during planting season which required additional labour.



4.3.2 Economic Planning

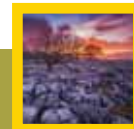
		Strategic Objectives					
		Integrated Economic Development					
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
1.1	Exploit opportunity in critical sectors	Number of lists of Investment opportunities in 5(five) priority sectors developed	-	1	1	0	-
1.2		Number of work-shops on priority sectors for district municipalities conducted	-	5	5	0	-
1.3	Promote capital investmenet	Number of lists of annual capital investment targets developed	-	1	1	0	-
1.4	Improve R & D	Number of R & D projects initiated	-	3	4	+1	Additional capacity was received through CUT.
1.5	Economic growth	Number of lists of economic growth targets developed	-	1	1	0	-
1.6	Customer satisfaction	100% of disputes resolved in 90 days	48%	100%	77%	-23%	Complexity of cases, extended mediations, unavailability of defending lawyers.
1.7	Promote collaborations and partnership	Number of partnerships and networks established	-	1	1	0	-
1.8	Consistant quality service provision	Number of SOPs developed	-	1	1	0	-
1.9	Job creation	Number of lists of possible high impact projects identified	-	1	1	0	-
1.10		Number of LED plans aligned to PEDS	-	21	21	0	-
1.11	Improve revenue collection and manage growth	Number of comparative studies on revenue collection conducted	-	1	1	0	-



1.12		Number of Reserves/ Resorts Viability recommendation reports submitted	-	1	1	0	-
1.13	Improve prosperity	Number of consumer awareness campaigns conducted	66	36	44	+8	Due to MEC's Roadshows
1.14	Strengthen & co-ordinate economic development	Number of Provincial Economic Development Forums convened	-	4	4	0	-
1.15	Accelerate implementation and enforce accountability	Number of workshop on PEDS held	-	1	2	+1	Received additional request from the DTI to have a Provincial BIS and PEDS working session.
1.16	Improve FS Brand image	Number of World Consumer Rights Day Commemorations held	-	1	1	0	-

4.3.3. Small Business Development

		Strategic Objectives					
		Small Business Development					
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
1.1	Promote entrepreneurial culture	Number of economic development roadshows conducted	-	4	15	+11	Due to MEC Roadshows
1.2	Strengthen & co-ordinate economic development	Number of economic development strategies developed	-	1	0	-1	Delay in due diligence to approve.
1.3	Strengthen strategic partnership	Number of strategic MoUs/SLAs signed	-	5	3	-2	Delay in due diligence to approve.



		Strategic Objectives					
		Small Business Development					
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
1.4	Increase market share	Number of surveys conducted	-	4	7	+3	Due to the success of strategic partnerships with Municipalities and private sector
1.5		Number of SMMEs linked to big business	-	40	17	-23	Applications did not comply with BATC criteria.
1.6	Job creation.	Number of provincial incubators initiated	-	1	0	-1	Due to administrative delays by role-players.
1.7	Foster mergers & acquisition	Number of sector forums held	-	8	6	-2	The two forums were not held due to the International Cooperative Day preparation and hosting. Instead the task team meetings were held.
1.8	Be industry thought leader.	Number of enterprises developed and supported	-	12	649	+637	Due to the success of strategic partnerships with Municipalities and private sector.
1.9	Promote entrepreneurial culture	Number of BBBEE workshops held	5	4	4	0	-
1.10		Number of motor mechanics and panel beaters trained	-	25	0	-25	Service provider could not provide the training before the end of the financial year.

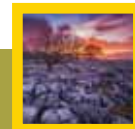


Strategies to overcome areas of underperformance:

We have identified a lack of resources as a key contributor to underperformance in some indicators. The strategy to turn around the situation includes ensuring that we realign the structure so it can function optimally to achieve the results in an environment where there are constrained resources. To this end, we have appointed managers for the Fezile Dabi and Thabo Mofutsanyana Service Centres in the current financial year; this will ensure that there is oversight and that service delivery is enhanced. Furthermore, the department has adopted the use of the Balanced Score Card (BSC) as a tool to monitor and ensure implementation of activities and indicators as contained in the APP.

Changes to planned targets

Indicator	Original 2017/18 Target	Adjusted 2017/18 Target	Quarter 1 Target	Quarter 2 Target	Quarter 3 Target	Quarter 4 Target	Reason for Amendment
Number of business supported in critical sectors	3	2	-	-	-	2	Reprioritization of funds after 2017/18 Adjustment Budget Allocation.
Number of projects supported that qualify for co-funding -arrangement with Developmental Funding Institutions (DFI).	4	3	-	-	-	3	Reprioritization of funds after 2017/18 Adjustment Budget Allocation.
Number of R & D projects initiated	4	3	-	1	1	1	Reprioritization of funds after 2017/18 Adjustment Budget Allocation.
Number of SOPs developed	3	1	1	-	-	-	Reprioritization of funds after 2017/18 Adjustment Budget Allocation.
Number of Provincial Job Summits convened	1	0	-	-	-	-	Reprioritization of funds after 2017/18 Adjustment Budget Allocation.
Number of provincial incubators initiated	2	1	-	-	-	1	Reprioritization of funds after 2017/18 Adjustment Budget Allocation.
Number of Business Hubs established	2	0	-	-	-	-	Reprioritization of funds after 2017/18 Adjustment Budget Allocation.
Number of SMME Forums established at provincial and district levels	6	0	-	-	-	-	Reprioritization of funds after 2017/18 Adjustment Budget Allocation.



Linking performance with budgets

2016/2017				2017/2018		
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
Integrated Economic Development	24,256	23,103	1,153	44,947	32,750	12,197
Economic Research and Planning	70,357	68,370	1,987	135,505	139,428	(3,923)
Small Business Development	19,765	21,880	(2,115)	37,715	28,897	8,818
Total	114,378	113,353	1,025	218,167	201,075	17,092

4.4. Programme 4: Tourism

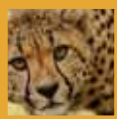
To ensure adequate planning, growth, development and transformation in the Tourism Industry.

Sub-programmes:

Programme	Sub Programme
Tourism	<ol style="list-style-type: none"> 1. Tourism Planning 2. Tourism Growth and Development 3. Transformation of Tourism Sector

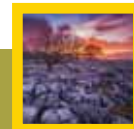
This programme contributed to the following priorities:

- **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					
		Tourism Planning					
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
1.1	Promote collaborations & partnership.	Online reservation system to be implemented.	-	1	0	-1	Lack of suitable service providers
1.2	Strengthen strategic partnerships	Alignment of tourism development plans with municipalities.	-	1	1	0	-
1.3		Number of initiatives facilitated for regional integration.	-	6	6	0	-
1.4	Improve FS brand image	Number of Policy Development initiative for the provincial tourism sector	-	1	0	-1	The Policy could not be developed due to the delay by NDT with the reviewed of the National Tourism Sector Strategy which was supposed to inform the Provincial Policy.
1.5	Increase market share Customer satisfaction	Number of tourism development research reports compiled.	-	2	1	-1	The research topics have been submitted to CUT, however only one student was able to do the research.
1.6	Improve prosperity and Optimise investments	Number of tourism specific training provided.	-	3	1	-2	The Service Provider could not facilitate the training within the last quarter of the financial, as a result the training was cancelled.



4.4.2. Tourism Growth and Development

Strategic Objectives							
Tourism Growth and Development							
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
1.1	Increase market share	Number of Township/ Kasi tourism campaigns for township development facilitated.	-	2	2	0	-
1.2	Improve prosperity	Number of stakeholder engagements.	-	4	4	0	-
1.3	Strengthen strategic partnerships	Number of linkages established with private sector for tourism development.	-	2	1	-1	Due to a delay in concluding due diligence processes.
1.4	Customer satisfaction	Number of feedback reports on tourism customer survey questionnaire.	-	2	2	0	-
1.5	Improve FS brand image	Number of Social Tourism initiatives facilitated at DESTEA Resorts and government-owned attractions	-	4	3	-1	Due to administrative delays by Mangaung Metro, the event could not take place.
1.6	Improve prosperity	Number of workshops conducted for tourism awareness.	-	3	3	0	-
1.7	Optimise investments & improve prosperity	Number of DFI initiatives supported	4	4	0	-4	MOU's between NDT and DFI's were completed late in the financial year.



4.4.3. Transformation of Tourism Sector

Strategic Objectives							
Transformation of Tourism Sector							
	Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target 2017/2018	Comments on deviations
1.1	Exploit opportunities in critical sectors	Number of “A day in the life of a tourism enterprise” programmes conducted.	-	4	4	0	-
1.2	Increase market share	Number of enterprise improvement plans developed.	-	4	4	0	-
1.3	Promote capital investment	Tourism Careers Expo facilitated	1	1	1	0	-
1.4	Improve R&D	Tourism Awards facilitated.	-	1	1	0	-

Strategies to overcome areas of underperformance:

A Plan with timeframes to achieve crafting of policies will be put in place and the APP will be revised in the event that there is no funding for implementation thereof and/or when approval is taking longer to be granted due to various reasons such as public consultation.



Changes to planned targets

In Programme 4 there were no in-year changes to planned targets and indicators for the period under review. The department implemented its 2017/18 APP as tabled in legislature.

Linking performance with budgets

2016/2017				2017/2018		
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	77,237	75,491	1,746	6,031	5,102	929
Tourism Growth and Development	250	-	250	1,070	3,150	(2,080)
Transformation of Tourism Sector	250	-	250	2,090	685	1,405
Total	77,737	75,491	2246	9,191	8,937	254

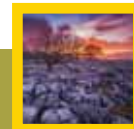


5. TRANSFER PAYMENTS

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 (R'000)	Amount spent by the public entity (R'000)	Achievements of the public entity
Free State Development Corporation	<ul style="list-style-type: none"> Investment Facilitation and Management SMME Financing, Development and Support Property Management-industrial, commercial and residential rental 	32 260	9 465	<p>104 SMMEs provided with promotional and/or export training programmes.</p> <p>2 business ventures (new and expansion) committed with investments above R10million.</p> <p>26 SMMEs with investment commitment below R10million.</p> <p>48 SMME's were assisted with bridging loans.</p> <p>61 FDC customers (rental and loans) assumed to be in financial distress with payment/ debt resolution plans.</p> <p>33 existing and new SMMEs financially assisted.</p> <p>75% occupancy rate of commercial and industrial properties.</p> <ul style="list-style-type: none"> 82% occupancy rate of rental property.



Free State Gambling, Liquor and Tourism Authority	To promote legally compliant, responsible, sustainable and transformed gaming and liquor industries through effective licensing, regulating and reporting on the activities of the industries, and to position the Free State Province as a tourist destination of choice.	R112 725	R112 725	<ul style="list-style-type: none"> • Successful incorporation of the Free State Tourism Authority into the Free state Gambling and Liquor authority which is now called the Free State Gambling Liquor and Tourism Authority. • The completion and implementation of the Data base management system (DBMS) which will capacitate the Authority to expedite the processing of applications to enhance revenue collection. • The Second Route Operator has been licensed and is set to roll out 1000 machines in the Province and 36 sites has already been approved by the board. • Second edition of the Free state Madeira Flower festival was a huge success that has further entrenched social cohesion and encouraged the previously disadvantaged to venture into flower farming. • Power Boat has seen anew intake of young trainees pilots who will be trained at the level of international standards.
Total		R144 985	R122 190	

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 s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
Free State Black Business Chamber	Business Chamber	Radical Economic Transformation	Yes	R5 000	R5 000	N/A - All funds were spent.

The table below reflects the transfer payments which were budgeted for in the period 1 April 2017 to 31 March 2018, but no transfer payments were made.

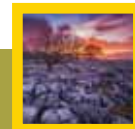


Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
None	-	-	-	-

6. CONDITIONAL GRANTS

6.1 Conditional grants and earmarked funds paid

Grants and Earmarked Funds	Current Budget (R'000)	Total Expenditure (R'000)
Conditional Grant		
Epwp Intergrated Grant For Prov	2,000	1,820
Total Conditional Grant	2,000	1,820
Earmarked Funds		
Flower Festival-Fsta	12,000	12,000
Global Trade Bridge	2,000	1,400
Tourism Promotion	4,000	4,000
Infrastructure Enhancement Alloc	13,709	13,090
Radical Economic Transformation (DEP)	15,000	11,572
Radical Economic Transformation (FDC)	15,000	15,000
Maluti Sez (FDC)	4,000	4,000
Ngo Adoption	610	0
Waste Management	1,600	2,065
Es Fsgla	1,000	1,000
Smme Incubator Programme	3,590	3,404
Smme Equipment Support	1,305	1,509
Risk Sharing And Black Industrialist	7,000	7,000
Textile Fashion Support	500	419
Youth Trade Fair	281	105
Training And Roadshows In Townships	2,000	1,215
Total	83,595	77,779



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 2017 to 31 March 2018.

Conditional Grant EPWP:

Department who transferred the grant	National Department of 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	1253
Amount per amended DORA (R'000)	2000
Amount received (R'000)	2000
Reasons if amount as per DORA was not received	None
Amount spent by the department (R'000)	1820
Reasons for the funds unspent by the entity	This is due to unpaid leave for beneficiaries absent from work.
Reasons for deviations on performance	n/a
Measures taken to improve performance	n/a
Monitoring mechanism by the receiving department	Treasury Infrastructure Review Model.



7. DONOR FUNDS

7.1 Donor Funds Received

n/a

8. CAPITAL INVESTMENT

8.2 Capital investment, maintenance and asset management plan

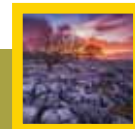
8.1.1. Asset Management Plan

By the end of the financial year 2017/2018, the following processes had been finalised:

- Stocktaking for machinery and equipment
- The barcoding of assets and updating of the room assets lists
- Reconciliations of the assets systems
- Ensuring that all the supporting documentation for assets transactions are in place.

8.1.2. Infrastructure Projects

	2016/2017			2017/2018		
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	-	-	-	250	604	(354)
Existing infrastructure assets	-	-	-	-	-	-
- Upgrades and additions	18 175	13 027	5 147	3 455	3 045	410
- Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
- Maintenance and repairs	2 274	2 232	42	9 519	9 441	78
Infrastructure transfer	-	-	-	-	-	-
- Current	-	-	-	-	-	-
- Capital	-	-	-	-	-	-
Total	20 449	15 259	5 189	13 224	13 090	134



8.1.3. Plans to close down or down-grade any current facility

There are no plans to close down or down-grade any of the current facilities. The department wants to renovate facilities so that they can be up-graded and be in a position where we can compete with private resorts and reserves.

8.1.4. Progress made on the maintenance of infrastructure

8.1.4.1. General maintenance

There are no plans to close down or down-grade any of the current facilities. The department wants to renovate facilities so that they can be up-graded and be in a position where we can compete with private resorts and reserves.

8.1.4.2. Major maintenance projects

The following major maintenance projects are receiving attention:

- Upgrading of fence at Sandveld

8.1.5. Details on how asset holding has changed during the period under review (incl. Information on disposals, scrapping and losses)

Departmental asset holding

The following changes in the departmental asset holding were observed:

The losses for the department for the period under review have been estimated at R40 000 and in all instances cases were opened with the SAPS.



Disposals

Revenue collected for disposing scrapped assets:

- R8 290 for the whole Department

8.1.6. Current status of capital assets

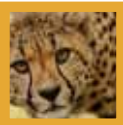
The current state of departmental capital assets in terms of percentages is as follows:

- Good: 35%
- Fair: 60%
- Bad: 5%



PART C:

GOVERNANCE



1. INTRODUCTION

The Department constantly strives to improve its internal processes to ensure effectiveness and efficiency of business processes. Measures have been put in place to popularise and address issues such as the conflict of interest, code of conduct and the health safety environment. Below is an account of processes followed to address these issues.

2. RISK MANAGEMENT

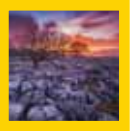
Director Risk Management unit was seconded to Department of Health and has return to the department on the 1st March 2018. Risk Management unit was not fully effective due to absence of leadership. Since the cancellation of secondment Risk Management unit has reviewed all its relevant policies.

Risk Management Committee was also not fully function during the financial year, however member has been appointed and the position for the chairpersons will be advertised during the new financial year. The outgoing chairperson's contract was renew and expired 31 March 2018.

The Risk Management meeting was convened where Risk Management related polices were reviewed for 2018/19.

3. FRAUD AND CORRUPTION

- The department's fraud prevention plan and the progress made in implementing the fraud prevention plan:
 - Training and Awareness
 - Risk Identification and Assessment
 - Internal control and compliance
- Mechanisms in place to report fraud and corruption and how these operate.eg: Whistle blowing - The need for officials to make confidential disclosure about suspect fraud and corruption:
 - Whistle Blowing Implementation Plan
 - Anti-Corruption hotline
 - Anti-Corruption Unit



- How these cases are reported and what action is taken?

- HoD
- Anti-Corruption Hotline
- Public Service Commission
- Anti-Corruption Unit
- Pre-investigation
- Investigation

4. MINIMISING CONFLICT OF INTEREST

All officials in Finance and SCM have signed the disclosure forms and declared their interest. Monitoring is done during the financial year.

5. CODE OF CONDUCT

The Code of Conduct is an instrument that is used in the Public Service to promote and maintain a high standard of professional ethics and good governance. It serves as a guideline to all public servants in various categories, levels and controls the relations in various ways, namely:

- a) The relationship with the legislature and the executive;
- b) The relationship between the department and the public;
- c) The relationship between the employees at different levels;
- d) The performance of duties; and
- e) Personal conduct and private interest.

The implementation of the code ensures that there is uniformity in the Public Service with regard to service delivery. It also improves loyalty and brings control, compliance as well as prevention of corruption.

Each employee in the department has been given a copy of Public Service Code of Conduct Manual and all newly appointed employees are given a copy of the code on the day they assume duty. The code was also thoroughly explained to the newly appointed employees during their induction. Furthermore, workshops on the Code of Conduct are always conducted biannually.



The Code of Conduct outlines the procedure to be followed in case of any breach of any conditions of the Code of Conduct. All instances of non-compliance with the Code of Conduct are, therefore, treated seriously by the department and, depending on the nature of misconduct, the necessary disciplinary action are taken against the perpetrators.

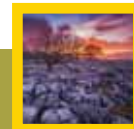
6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

According to the Occupational Health and Safety Act no 181 of 1993, Occupational health and Safety aims “to provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work; to establish an advisory council for occupational health and safety; and to provide for matters connected therewith”.

The following are some of the examples of risks/hazards that have been identified and addressed through this Act:

- Chemical hazards e.g. exposure to high or low temperature, high level of noise, such hazard can affect your concentration or lead to a possibility to accidents.
- Physical hazards e.g. Gases, dust, high level of industrial chemicals that can poison your body, affect lungs and the ability to breath.
- Biological hazards e.g. organisms can be passed from one person to the other or animal to a person (people working in abattoirs with animals etc).
- Mechanical hazards e.g. moving parts or energy sources a broad range of machinery and equipment are high source of danger (can cause cuts, crush injuries, amputations and fractures).
- Ergonomic hazards e.g. working in cramp positions or spaces, poor lighting, poor seating, or standing for long period (exposure to eye strain, backache, wrist strain and sore shoulders).
- Behavioural hazards e.g. non-compliance with standards, lack of skills, new tasks.

Employers are therefore expected to provide and maintain, as far as is reasonably possible, a working environment that is safe and without risk to the health of the employees. The department has established an occupational Health and Safety (OHS) Committee to oversee health and safety matters in the department. The members of the committee comprises of the following members:



Name of official	Designation	Role	Work Station
1. Ms LGB Molefe	Deputy Director:EHWP	Chairperson	Head Office
2. Ms T. Morabe	Senior OHS Practitioner	Secretary	Head Office
3. Mr S. Makhubu	Reserve Assistant	Member	Seekoeivlei
4. Mr T.D. Telane	Resort Assistant	Member	Sterkfontein Dam
5. Ms T. Monareng	Admin	Member	Qwa-Qwa Service Center
6. Mr T. Sebati	Reserve Assistant	Member	TDR
7. Mr M. Jacobs	Resort Assistant	Member	Gariep Dam
8. Mr Charles Tau	Reserve Assistant	Member	Kalkfontein
9. Mr M. Booie	Reserve Assistant	Member	Rustfontein Dam
10. Ms M. Molefe	Reserve Assistant	Member	Karee Nursery
11. Mr S. Stok	Reserve Assistant	Member	Maria Moroka
12. Mr R.J. Lesupi	Reserve Assistant	Member	Bathurst Reserve
13. Ms M. Mathopa	Cleaner	Member	Thaba-Nchu Service Center
14. Mr M. Motaung	Reserve Assistant	Member	Caledon
15. Ms B. Matlakala	Resort Assistant	Member	Soetdoring
16. Mr P.S. Mokhele	Reserve Assistant	Member	Sandveld
17. Mr S. Choloto	Reserve Assistant	Member	Parys Service Center
18. Mr S. Yekwa	Reserve Assistant	Member	Koppies
19. Mr A. Mahlomola	Resort Assistant	Member	Willem Pretorius
20. Mr T. Seisho	Resort Assistant	Member	Erferis
21. Mr M. Lecholo	Game Capture	Member	Bathurst
22. Mr V. van Rooyen	Handyman	Member	Construction & Maintenance
23. Mr S. Ncaba		Member	Parys Service Centre
24. Ms N. Dlali (not replaced)	Resigned	Member	Consumer Affairs
25. Mr M. Mahlasela	Assistant Director	Member	Labour Relations
26. Ms R. Namola	Personal Assistant	Member	Conservation
27. Ms R Khumalo		Member	HOD's office
28. Ms M. Mbuthile	Disability Officer	Member	Gender Youth & Disability
29. Ms P. Nyokong		Member	SBD
30. Ms M. Nyawo	Cleaner	Member	Auxiliary Services
31. Ms L. Tsotetsi		Member	Finance
32. Ms N. Khomo	Officer	Member	Environment
33. Mr M. Tollie	Officer	Member	Asset Management
34. Ms M. Maloisane	Security Officer	Member	Security Services
35. Mr Seekane	General Foreman	Member	Koppies Dam Reserve

The members of the Committee were trained on Occupational Health and Safety (OHS) Act and First Aid Level 1 and 2. The main responsibility of the Committee members is to conduct health and safety inspections at their respective workplaces. Their findings are reported to the Employee Health and Wellness unit who in turn submit a report with recommendations to the Head of Department.



Health hazards that have been identified and not timeously attended to, have a negative impact on the health and morale of the departmental employees. In order to minimise the risks, a certain amount of the allocated budget has been set aside to correct the identified hazards. Health threatening hazards are prioritised in accordance with the available budget.

7. PORTFOLIO COMMITTEES

A Portfolio Committee Meeting took place on the following dates:

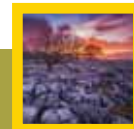
- 18th October 2017 for 1st quarter non-financial performance information.
- 16th November 2017 for 2nd quarter non-financial performance information.
- 16th May 2018 for 3rd and 4th quarter non-financial performance information.

The Portfolio Committee raised the following issues during the year under review:

- Transformation of the game industry
- Environmental compliance
- Small business development
- Environmental impact assessment authorization

8. PROPAC RESOLUTIONS

Resolution No.	Subject	Details	Response by the Department	Status of Resolve
1	Accounting Officer must a) Implement measures to ensure that the Supply Chain Management toolkit that was rolled out by Provincial Treasury during the 2015/16 financial year is used to its full potential in order to curb non-compliance with Supply Chain practices that results in Irregular expenditure or non-compliance with laws and regulations; and	To ensure that officials are trained on the SCM toolkit and used to its full potential.	Completed	100%
	b) Ensure staff is nominated for training presented by Provincial Treasury	To ensure that officials are trained on the SCM toolkit and used to its full potential.	Completed	100%



Resolution No.	Subject	Details	Response by the Department	Status of Resolve
2	Accounting Officer must ensure that Written responses provided to the Committee is submitted within the timeframe indicated by the committee; and	The department has accepted Auditor General opinion therefore the Annual Report will be tabled	The Department confirms and will ensure that written responses will be submitted within the required timeframes to the Committee.	100%
3	Written responses receive the necessary priority and attention to ensure that it is factually correct and complete.	The department has accepted Auditor General opinion therefore the Annual Report will be tabled	The Department confirms that in future, written responses receive the necessary priority and attention to ensure that it is factually correct and complete.	100%
	Accounting Officer must Respond to the PSC within the timeframes required by the PSC	Ensure that the Department responds to the Public Service Commission (PSC) within the timeframes required	There is currently no investigations by PSC that required responses. The Department will ensure that it responds to all the future investigations of the PSC within the timeframes required.	90%

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Qualified audit opinion	2016/17	<ul style="list-style-type: none"> Irregular expenditure investigated Misclassifications corrected Expenditure reclassified

10. INTERNAL CONTROL UNIT

Internal Control functions are performed in individual sections of the Financial Management Chief Directorate. For the Financial Accounting directorate the Internal Control function is performed in terms of the verification and safekeeping of financial transaction documentation, and ensuring the availability of credible and verifiable supporting documentation for internal and external audit purposes.



11. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of internal audit

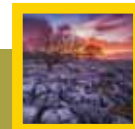
Internal audit unit is independent of management and reports administratively to the Accounting Officer and functionally to the Audit Committee. A three year risk based rolling strategic and annual plans were prepared by the Internal Audit Directorate and approved by the Audit Committee. The Audit Committee is of the opinion that the control environment needs improvement to provide reasonable assurance that risks are appropriately managed and that applicable legislation is adhered to. Management has implemented corrective actions were possible to ensure controls are in place and operating as intended.

Summary of audit work done

Internal audit has completed 20 audits for 2017/18 financial year due to an increase in the staff complement of the unit.

The following internal audit work was completed during the year under review:

- 2016/17 Draft Annual Financial Statements
- 2017/18 Interim Financial Statements
- 2017/2018 Annual Performance Plan
- 2017/18 Quarterly Targets
- Recruitment
- Follow up audit on Fleet Management
- Follow up audit on Asset Management
- Follow up audit on Service Centres
- MPAT
- Risk Management
- Follow up audit on Revenue Management
- Payroll Management
- Contract Management
- Transfers to public and private entities
- Leave Management



The following were areas of concern:

- Investigation on irregular expenditure
- Incorrect evidence on reported quarterly targets achieved.
- Non implementation of internal controls.

Management is currently working towards resolving the above areas of concern.

Key activities of the audit committee

The Audit Committee's scope of work is determined by the requirements of **Treasury Regulation 3.1.10**. Accordingly, and in line with this section, the Committee's objectives was to assess and advise, among other things, on the following matters:

- Effectiveness of internal control system
- Activities and effectiveness activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations;
- Risk areas of the Department's operations as covered in the scope of internal and external audits;
- Adequacy, reliability and accuracy of the financial information provided to Management and other users of such information; and
- Any accounting and auditing concerns identified as a result of internal and external audits;
- The Department's compliance with legal and regulatory provisions.



12. AUDIT COMMITTEE REPORT

Audit Committee Members and Attendance

The Audit Committee consists of the following members listed hereunder and met 5 times as per its approved terms of reference.

Names	Qualifications	Internal or External	If Internal, position in the department	Date appointed	Date resigned	No of meetings attended
W Rooifontein (Chairperson)	B Comm (Honours)	External	Director	1 July 2017	None	05
H Mohane	MSc (Agricultural Economics) Mcom (Economics)	External	Managing Director	1 July 2017	None	05
NB Dyeyi	B Proc	External	Magistrate	1 July 2017	None	05

AUDIT COMMITTEE REPORT

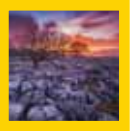
We are pleased to present our report for the financial year ended 31 March 2018.

Audit Committee Responsibility

The Committee reports that it has operated and performed its oversight responsibilities independently and objectively in compliance with section 38 (1) (a) of the PFMA and Treasury Regulations 3.1. The Audit Committee has adopted appropriate formal terms of reference in its Audit Committee Charter. The Committee has also regulated its affairs in compliance with the Charter and has discharged its responsibilities as contained therein. The Audit Committee is an advisory Committee of the Department operating with an independent and objective overview role.

The Effectiveness of Internal Control

The system of internal control applied by the Department over risk management is effective, efficient and transparent. However, deficiencies were noted in controls in certain areas as reported by the Internal Auditors.



Although issues raised by the Auditor-General involving internal controls were responded to, management still need to ensure the elimination of these matters, paying particular attention to those raised repeatedly in previous financial periods, and the Audit Committee has reviewed the management Commentss in this regards and made recommendations to further improve management control mechanisms.

From the various reports of the Internal Auditors it was noted that no further matters were reported that indicates material deficiencies in the system of internal control or any deviations. Accordingly, we can report that the system of internal control for the period under review was efficient and effective.

In-Year Management and Monthly/Quarterly Report

Quarterly financial as well as non- financial reports were discussed at quarterly meetings and submitted to Provincial Treasury as required by the PFMA. These reports were reviewed by the Audit Committee and recommendations were implemented to improve the usefulness of the reports.

Evaluation of Financial Statements

We reviewed and discussed the following

- The draft annual financial statements and information on the predetermined objectives to be included in the in the Annual report and
- Compliance with legal and regulatory provisions and have made certain recommendations.

Auditor General's Report

The Audit Committee has discussed the Auditor General's (AG's) report. The Audit Committee concurs and accepts AG's conclusions and the annual financial statements and is of the opinion that the financial statements must be read together with the report of the AG.

Mr W Rooifontein

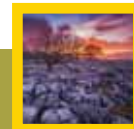
Chairperson of the Audit Committee

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



PART D:

HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

Provide Commentsary on the following:

Organisational structure

The Department of Economic, Small Business Development of Tourism and Environment Affairs reviewed its organisational structure in an effort to have a lean and mean structure. Before embarking on that process, the current organisational structure consisted of about **1674**. About **295** posts were abolished and the proposed organizational structure will consist of **1379** posts. The proposed organizational structure has being submitted to the Office of the Premier and to the Department of Public Service and Administration to indicate if they concur with the Department.

The following posts were job evaluated during the 2017/2018 financial year:

POST	JE OUTCOME
Deputy Director: Development and Funding	11
Deputy Director: OD	11
Deputy Director: Consumer Investigations	11
Assistant Director: OD	9
Assistant Director: Tourism Support Programmes	9
Assistant Director: Consumer Investigation	9
Organisational Development Practitioner	7
Tourism Officer: Tourism Strategy Development	7
Tourism Officer: Tourism Policy Compliance	7
Tourism Officer: Rural Tourism and Product Development	7
Tourism Officer: Tourism Support Programmes	7

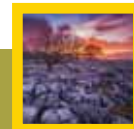


Tourism Officer: Tourism Policy Research & Development (benchmark 3 posts)	7
Assistant Director: Development & Funding	10
Assistant Director: Tourism Policy Monitoring & Evaluation	9
Assistant Director: Tourism Policy and Strategy Development	9
Assistant Director: Tourism Policy Monitoring & Evaluation	9
Eco-Tourism Clerk/Protected Areas Clerk (Reserves/Resorts)	5
Reserve Assistant/Resort Assistant (Reserves/Resorts/Nursery)	3
Game Capturer	5
Culling Assistant	5
Permit Officer: Permit Office	7

- **The status of human resources in the department.**

As at 31 March 2018, the Department had a workforce of 692, this was inclusive of 675 permanent employees and 17 contract workers. In addition to the above, the department had 2 categories of employment contracts namely; Interns and Security Learners. The Department had 9 graduate interns and 19 Security Learners. Of the 9 Interns, 7 were recruited permanently in the department and the 2 remaining Interns were unsuccessful. All the 19 Security Learners were recruited permanently in the department with effect from 01 April 2018. The highest percentage of vacancy rate is as a result of unfunded vacancies in terms of the actual structure as the department recently finalised left of its approved structure on persal. However, the department has undertaken the process to abolish unfunded vacancies on Persal and after this exercise, 877 posts instead of 1674 will be left on Persal. This will translate to 185 posts that have been prioritised for filling over the MTEF period (2018-2020) and the vacancy rate will decrease to 21.1% as on 01 April 2018. As of 31 March 2018, one department vacancy rate was standing at 41,34%.

The age profile of the Department is not of a major concern in terms of critical occupation, however, measures needs to be put in place in order to address anticipated retirement in programmes such as Environmental Branch were it will be losing majority of its employees. Of the 692 employees, 190 (27.5%) are between the ages of 18 and 35 years (youth), 87 (12.6%) are between the ages of 36 and 39, 198 (28.6%) are between the ages of 40 and 49, 181 (26.15%) are between the ages of 50 and 59, 36 (5.2%) are between the ages of 60 and 65. One hundred and nine (109) of these employees will be retiring in the next 5-10 years through normal and/or compulsory retirement. Of this number, 86 (78.9%) are from Environmental Management Branch, 15 (13.76%) from Administration and 8 (1.1%) are from Economic Development. Four (4) of these employees are on sms and mms levels.



- **Human resource priorities for the year under review and the impact of these.**

With the introduction of Balance Score Card, re-engineering process of the structure as well as the relocation to new offices wherein employees are occupying open plan than closed offices, this resulted in massive change within the department. As a result of these changes, the department deemed it necessary to train its employees on change management in order to be able to adapt and adjust with the new changes.

As an ongoing process to capacitate and develop its employees, the department rolled out 14 training programmes. The training provided were able to equip employees with knowledge and skills thereby enhancing productivity in terms of service delivery. Furthermore, 30 employee were awarded part-time bursaries to study over a period of time in order to increase a pool of qualified employees in the department for employability.

In filling of funded posts, the department was able to reduce its vacancy rate even though it's still at its highest. More people were employed within different units which assisted in increasing service delivery. However, more still needs to be done as the vacancy rate is still above the norm, which is 10% as per MPAT requirement.

In achieving the set employment equity target, one of the commitment made by the Honourable MEC, Dr Benny Malakoane in his 2017/18 budget vote was that the department will improve on its employment equity within the department by employment of people from designated groups. For the year under review, of the 149 posts filled, 26 of these posts were on SMS (5), MMS (8) and Junior Management (13). Sixty five percent (65%) of these posts are filled by women and 60% at SMS level. As at 31 March 2018, the department made progress in terms of these targets as follows: 88% for blacks, 42.48% for women, and 1.44% (as compared to 1.15% for the 2016/17 financial year for people with disabilities. There was progress for women at SMS level from 33.33% to 40.62% which is about 7.29% increase. The department is still experiencing challenges in terms of employment of persons with disabilities but has come up with strategies to improve the situation in the new financial year when posts are advertised. The department lost 2 employees with disabilities as a result of ill-health retirement and transfer of function.

- **Workforce planning and key strategies to attract and recruit a skilled and capable workforce.**

In attracting skilled and capable workforce, SMS member undergo technical exercise during the interviews where after they undergo competency assessment to identify potential or gaps in a candidate. Identified gaps are then included in the SMS member's Performance Development Plan to address these gaps.



- **Employee performance management**

For the period of 2017/18, majority of employees have entered into performance agreement. Of the 32 SMS members that were in service, 31 (96.9%) entered into performance agreement by the 31 May 2017. The reason for non-submission of one SMS member was due to the fact that he was on suspension. Currently, the department has a backlog in terms of payment of SMS outcome for the 3 past financial years. Payment for the 2016/17 for both SMS and employees on salary levels 2-12 were only approved for payment in May 2018.

From 2018/19 performance cycle, the Department of Public Service and Administration (DPSA) has introduced new directives with regard to the implementation of the Performance Management and Development System (PMDS) for all levels within the Public Service with a view of improving efficiency in the implementation of the new system. Trainings on the new system was provided but more workshops will be rolled out to ensure that all employees are able to implement these new directives.

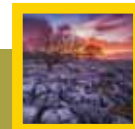
- **Employee Health and Wellness Programmes (EHWP)**

The department have since implemented the EHWP to ensure the health and wellbeing of employees. Through this Programme, HIV Testing Services, Health Risk Assessments and different educational awareness campaigns were conducted that include commemorating different health calendar days. Affected employees were supported and infected employees were referred to different health institutions for enrolment in the Disease Management Programme (DMP). Employees and their families were provided with counselling. Furthermore, The Occupational Health and Safety inspections were conducted to ensure the minimisation and where possible, the elimination of health hazards. Again, the EHWP also implemented the Sports and Recreation Activities. Employees were encouraged to participate in different sporting codes during wellness days. Interdepartmental Sporting tournaments also marked the financial year it lobbied interest of employees with regard to sports and recreation. The EHWP also established relationships with different stakeholders to form a positive partnership that brought services to the employees.

- **Highlights/ achievements and challenges faced by the department, as well as future human resource plans /goals:**

- **Highlight/ achievements:**

- The department was able to fill 149 of advertised posts during the 2017/18 financial year.
 - Appointment of the Deputy Director: EHWP as well as Deputy Director: Labour



Relations was an achievement for these components as these posts have been vacate for more than 5 years.

- Sports and Recreation activities made an impact in encouraging the physical excercises. Interdepartmental games were held, and the relationships were established between the KwaZulu-Natal Economic Development, Tourism and Environmental Affairs, North West Department of Environmental Affairs and the Northern Cape Department of Economic Development, Tourism and Environmental Affairs.
- The departmental choir took part in the provincial interdepartmental choir competition and was appraised with a piano.
- Hosting of Long Service Awards ceremony on the 26 September 2017 wherein 77 long serving employees were recognised.

○ **Challenges faced by the department:**

- The delay in appointing the service provider to render a comprehensive Employee Health and Wellness Programme hampers service delivery. Services that are needed include amongst others, a multilingual counselling service that is accessible to employees and their families on 24 hours basis.
- Limited availability of GG transport compromises effective service delivery, especially for SHWP employers.
- Medical Surveillance services are also not available to ensure proper placement and wellbeing of employees.
- Delay in responding to injury on duty cases by Department of Labour which compromises the services provided to employees as it affects the payment of service providers.
- Difficulty in recruiting people living with disabilities.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. Personnel related expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- amount spent on personnel
- amount spent on salaries, overtime, homeowner's allowances and medical aid.



Table 3.1.1 Personnel expenditure by programme for the period 1 April 2017 and 31 March 2018

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel Expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	141,056	80 558	1 855	-	57	369.53
Environmental Affairs	137,858	103 226	348	-	75	284.37
Economic Development	201,075	43 662	329	-	22	459.6
Tourism	8,937	7 803	-	-	87	487.69
TOTAL	488,926	235,249	2,532	-	48	339.96

Table 3.1.2 Personnel costs by salary band for the period 1 April 2017 and 31 March 2018

Salary band	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee
Contract (Levels 1-2)	240	0.10	1	2 400.00
Contract (Levels 13-16)	3286	1.30	4	821.50
Contract (Levels 3-5)	2335	0.90	7	333.57
Contract (Levels 6-8)	1648	0.70	6	274.67
Contract (Levels 9-12)	1099	0.40	3	366.33
Contract Other	1583	0.60	21	75.38
Highly skilled production (Levels 6-8)	61 842	24.70	179	3421.34
Highly skilled supervision (Levels 9-12)	69 324	27.90	120	577.70
Lower skilled (Levels 1-2)	11 544	4.60	47	245.62
Senior management (Levels 13-16)	31 256	12.60	28	1 116.29
Skilled (Levels 3-5)	54 536	22.00	302	180.50
Other	6 747	3.00	17	396.88
Total	235 249	91.8	693	339.46

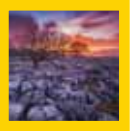
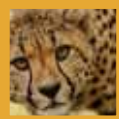


Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2017 and 31 March 2018

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
ADMINISTRATION	73 421	91.00	1 063	1.20	2 480	2.80	4 094	4.70
ECONOMIC DEVELOPMENT	39 276	90.00	43	0.10	1 124	2.60	1 345	3.10
ENVIRONMENTAL AFFAIRS	81 628	79.00	1 779	1.60	4 214	3.80	7 392	6.70
TOURISM	7 037	90.00	0	0.00	196	2.40	357	4.10
TOTAL	201 363	86.00	2 885	0.73	8 014	2.9	13 188	4.65

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2017 and 31 March 2018

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Contract (Levels 1-2)	240	100.00	0	0.00	0.00	0.00	0	0.00
Contract (Levels 3-5)	2 307	98.80	27	1.20	0.00	0.00	0	0.00
Contract (Levels 6-8)	1 643	99.60	0	0.00	1.00	0.10	0	0.00
Contract (Levels 9-12)	998	88.20	0	0.00	0.00	0.00	0.00	0.00
Contract (Levels >= 13)	2 985	86.40	0	0.00	23.00	0.70	0.00	0.00
Contract Other	1 553	97.30	30	1.90	0.00	0.00	0.00	0.00
Lower skilled (Levels 1-2)	8 160	68.10	149	1.20	976.00	8.10	1 237	10.30
Skilled (Levels 3-5)	39 385	70.80	1 128	2.00	3 327	6.00	5 864	10.50
Highly skilled production (Levels 6-8)	48 415	77.60	884	1.40	2 020	3.20	3 871	6.20
Highly skilled supervision (Levels 9-12)	58 392	80.90	668	0.90	1 238	1.70	2 075	2.90
Senior management (Levels >= 13)	27 881	83.30	0	0.00	429.00	1.30	117	0.30
Periodical Remuneration	8 620	81.70	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	201 363	86.00	2 885	0.73	8 014	2.9	13 188	4.65



The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations

Table 3.2.1 Employment and vacancies by programme as on 31 March 2018

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	463	218	85,71	2
Environmental Affairs	901	363	59,71	0
Economic Development	265	95	64,15	0
Tourism	45	16	64,44	0
Total	1674	692	58,66	2

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2018

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	42	36	85,71	0
Skilled(3-5)	714	260	36,41	0
Highly skilled production (6-8)	422	168	39,81	0
Highly skilled supervision (9-12)	451	98	21,73	1
Senior management (13-16)	45	29	35,56	1
Total	1674	692	41,34	2

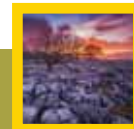


Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2018

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Top Management (15-16)	3	3	0	0
Senior Management (13-14)	42	29	31	1
Middle Management & Professionals (11-12)	126	42	66,66	1
Junior Management & Supervisors (8-10)	351	117	66,66	0
Administrative Office Workers & related (5-7)	555	255	54.05	0
Elementary & Semi Skilled (1-4)	597	246	58,86	0
Total	1674	692	58,66	2

3.2 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2018

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	0	0	0%	0	0
Salary Level 15	2	1	50	1	50
Salary Level 14	9	5	55.5	4	44.4
Salary Level 13	33	24	72.7	9	27
Total	45	33	78.82	14	30.4



Table 3.3.2 SMS post information as on 30 September 2017

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	0	0	0%	0	0
Salary Level 15	2	1	50	1	50
Salary Level 14	9	5	55.5	2	44.4
Salary Level 13	33	20	60,6	13	39
Total	45	28	62,22	16	36.36

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2017 and 31 March 2018

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	1	0	1
Salary Level 16	0	0	0
Salary Level 15	1	1	0
Salary Level 14	0	0	0
Salary Level 13	0	0	0
Total	2	1	1

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2017 and 31 March 2018

Reasons for vacancies not advertised within twelve months
Delay in getting approval for opening of Persal appointment function, as a result, recruitment process could not be finalised
Reasons for vacancies not filled within six months
Delay in getting approval for opening of Persal appointment function, as a result, recruitment process could not be finalised

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

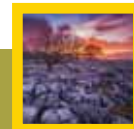


Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2017 and 31 March 2018

<i>Reasons for vacancies not advertised within six months</i>
None, as the process is outside departmental control

<i>Reasons for vacancies not filled within six months</i>
None, as the process is outside departmental control

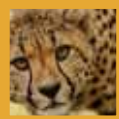
- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

3.3 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2017 and 31 March 2018

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	42	0	0	0	0	0	0
Skilled (Levels 3-5)	714	4	0,56	0	0	0	0
Highly skilled production (Levels 6-8)	422	7	1.65	0	0	0	0
Highly skilled supervision (Levels 9-12)	451	9	1.99	0	0	0	0



Senior Management Service Band A	33	0	0	0	0	0	0
Senior Management Service Band B	9	0	0	0	0	0	0
Senior Management Service Band C	2	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	1674	20	1,19	0	0	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2017 and 31 March 2018

Gender	African	Asian	Coloured	White	Total
Female	25	0	3	0	28
Male	61	0	1	4	66
Total	86	0	4	4	94

Employees with a disability	-
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2017 and 31 March 2018

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Deputy Director: Salaries	1	11	13	Retention of employee's salary
Deputy Director: Asset and Disposal	1	11	12	Retention in terms of Public Service Regulations
Assistant Director: Youth Development	1	10	12	Retention of employee's salary



PMDS Practitioner	2	7	8	Transfer with the retention of salary (benchmark of previous post)
System Analyst	1	8	9	Retention in terms of Public Service Regulations
ASD: Lejweleputswa Service Centre	1	9	12	Transfer with the retention of salary
Property Admin Officer	1	7	8	Transfer with the retention of salary
Deputy Director: Tourism Product Development	1	11	13	Transfer with the retention of salary
Trade Advisor: Lejweleputswa Service Centre	1	7	12	Transfer with the retention of salary
Labour Relations Officer	2	7	8	Lowering of salary level as a result of benchmark
Trade Advisor: BBBE	1	7	8	Transfer with the retention of salary
Accounting Clerk	5	5	6	Lowering of salary level as a result of benchmark
Assistant Director: Physical & Information Security	1	9	12	Transfer with the retention of salary
Total number of employees whose salaries exceeded the level determined by job evaluation				19
Percentage of total employed				2.7%

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2017 and 31 March 2018

Gender	African	Asian	Coloured	White	Total
Female	10	0	0	0	10
Male	9	0	0	0	9
Total	19	0	0	0	19

Employees with a disability				
Employees with a disability	1	0	0	0
				1

Notes

- If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

Total number of Employees whose salaries exceeded the grades determine by job evaluation	19
--	----



3.5 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2017 and 31 March 2018

Salary Band	Number of employees at beginning of period-April 2017	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	234	24	9	3.8
Skilled (Levels3-5)	96	51	25	26
Highly skilled production (Levels 6-8)	211	42	15	14.2
Highly skilled supervision (Levels 9-12)	36	25	6	35.2
Senior Management Service Bands A	23	4	2	17
Senior Management Service Bands B	5	1	1	40
Senior Management Service Bands C	2	2	0	0
Senior Management Service Bands D	1	0	1	100
Contracts	34	0	34	100
Total	642	149	92	14.3

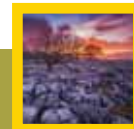


Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2017 and 31 March 2018

Critical Occupation	Number of employees at beginning of period-April 2017	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Top Management (15-16)	3	2	1	33
Senior Management (13-14)	27	5	2	7.4
Middle Management & Professionals (11-12)	35	7	1	2.9
Junior Management & Supervisors (8-10)	110	18	13	11.8
Administrative Office Workers & related (5-7)	186	42	22	11.8
Elementary & Semi Skilled (1-4)	281	75	53	18.7
TOTAL	642	149	92	14.3

The table below identifies the major reasons why staff left the department.

Table 3.5.3 Reasons why staff left the department for the period 1 April 2017 and 31 March 2018

Termination Type	Number	% of Total Resignations
Death	4	4.4
Resignation	14	15.2
Expiry of contract	34	37
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	2	2.2
Retirement	12	13
Transfer to other Public Service Departments	26	28.3
Other	0	0
Total	0	0
Total number of employees who left as a % of total employment	92	100

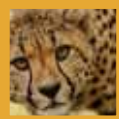
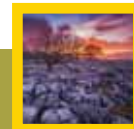


Table 3.5.4 Promotions by critical occupation for the period 1 April 2017 and 31 March 2018

Occupation	Employees 1 April 2017	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Top Management (15-16)	3	2	66	0	0
Senior Management (13-14)	27	2	7.4	0	0
Middle Management & Professionals (11-12)	35	3	8.6	0	0
Junior Management & Supervisors (8-10)	110	9	8.2	0	0
Administrative Office Workers & related (5-7)	186	5	2.7	0	0
Elementary & Semi Skilled (1-4)	281	4	1.4	0	0
TOTAL	642	25	3.9	0	0

Table 3.5.5 Promotions by salary band for the period 1 April 2017 and 31 March 2018

Salary Band	Employees 1 April 2017	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	207	0	0	0	0
Skilled (Levels 3-5)	96	7	7.3	0	0
Highly skilled production (Levels 6-8)	211	2	0.9	0	0
Highly skilled supervision (Levels 9-12)	98	12	12	0	0
Senior Management (Level 13-16)	30	4	13	0	0
Total	642	25	3.9	0	0



3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2018

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	36	2	0	7	27	1	1	0	74
Profession-als	1	0	0	4	3	0	0	1	9
Technicians and associ-ate profes-sionals	37	4	0	29	40	0	0	7	117
Clerks	116	4	0	6	119	1	0	8	254
Service and sales work-ers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and re-lated trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assem-blers	0	0	0	0	0	0	0	0	0
Elementary occupa-tions	148	6	0	1	79	4	0	0	238
Total	338	16	0	47	268	6	1	16	692
Employees with dis-abilities	7	0	0	1	2	0	0	0	10

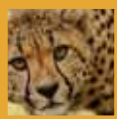


Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2018

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	6	0	0	0	1	0	1	0	8
Senior Management	11	0	0	2	11	0	0	0	24
Professionally qualified and experienced specialists and mid-management	18	2	0	5	15	1	0	1	42
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	39	4	0	33	42	0	0	8	126
Semi-skilled and discretionary decision making	116	4	0	6	119	1	0	8	254
Unskilled and defined decision making	148	6	0	1	83	4	0	0	238
Total	338	16	0	47	271	6	1	17	692
Employees with disabilities	7	0	0	1	2	0	0	0	10

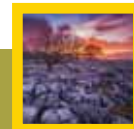
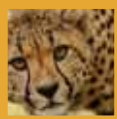


Table 3.6.3 Recruitment for the period 1 April 2016 and 31 March 2018

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	2	0	0	0	0	0	1	0	3
Senior Management	3	0	0	0	2	0	0	0	4
Professionally qualified and experienced specialists and mid-management	2	0	0	0	4	1	0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	8	0	0	1	8	0	0	0	17
Semi-skilled and discretionary decision making	18	2	0	0	29	0	0	0	49
Unskilled and defined decision making	39	2	0	0	28	0	0	0	69
Total	67	4	0	1	67	1	1	0	149
Employees with disabilities	1	0	0	1	0	0	0	0	2

Table 3.6.4 Promotions for the period 1 April 2017 and 31 March 2018

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	1	0	0	0	0	0	1	0	2
Senior Management	1	0	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management	2	0	0	0	1	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	4	0	0	1	4	0	0	0	9
Semi-skilled and discretionary decision making	4	0	0	0	1	0	0	0	5
Unskilled and defined decision making	2	0	0	0	2	0	0	0	4



Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Total	14	0	0	1	8	0	0	0	25
Employees with disabilities	0	0	0	1	0	0	0	0	1

Table 3.6.5 Terminations for the period 1 April 2017 and 31 March 2018

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	1	0	0	0	0	0	0	0	2
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0	1	5	0	0	0	9
Semi-skilled and discretionary decision making	10	0	0	1	9	1	0	1	22
Unskilled and defined decision making	21	0	0	1	12	0	0	0	34
Total	36	0		3	27	1		0	66
Employees with Disabilities	0	0	0	0	1	0	0	0	1

Table 3.6.6 Disciplinary action for the period 1 April 2017 and 31 March 2018

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Written warning	0	0	0	0	0	0	0	0	0
Final Written warning	1	0	0	1	0	0	0	0	2



Table 3.6.7 Skills development for the period 1 April 2017 to 31 March 2018

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	36	2	0	7	27	1	1	0	74
Professionals	1	0	0	4	3	0	0	1	9
Technicians and associate professionals	37	4	0	29	40	0	0	7	117
Clerks	121	4	0	6	123	1	0	8	263
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	148	6	0	1	79	4	0	0	238
Total	156	6	0	12	149	1	0	0	618
Employees with disabilities	0	0	0	0	0	0	0	0	0

3.7 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2018

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100
Salary Level 16	1	1	1	100
Salary Level 15	2	1	1	50
Salary Level 14	7	5	5	100
Salary Level 13	28	24	23	95.8
Total	38	32	31	96.9

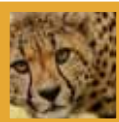


Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2018

Reasons
One SMS member was on suspension

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2018

Reasons
One SMS member was on suspension

3.8 Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2017 and 31 March 2018

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
Asian	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
Coloured	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
White	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
Total	0	0	0	0	0

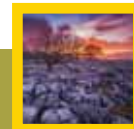


Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2017 to 31 March 2018

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (level 3-5)	0	0	0	0	0	0
Highly skilled production (level 6-8)	0	0	0	0	0	0
Highly skilled supervision (level 9-12)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2017 to 31 March 2018

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Legislators, senior officials and managers	0	0	0	0	0
Technicians and associate professionals	0	0	0	0	0
Administrative Office Workers	0	0	0	0	0
Elementary occupations	0	0	0	0	0
Total	0	0	0	0	0

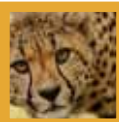


Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2017 to 31 March 2018

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	0	0	0	0	0
Band B	0	0	0	0	0	0
Band C	0	0	0	0	0	0
Band D	0	0	0	0	0	0
Total	0	0	0	0	0	0

3.9 The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

Table 3.9.1 Foreign workers by salary band for the period 1 April 2017 and 31 March 2018

Salary Band	01 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2017 and 31 March 2018

Major occupation	01 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% Change
None						

3.10. Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

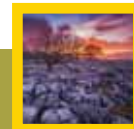
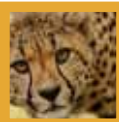


Table 3.10.1 Sick leave for the period 1 January 2017 to 31 December 2017

Salary Band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee days/number of employees	Estimated Cost (R'000)
Lower Skills (Level 1-2)	403	26.40	41	100	10	152
Skilled (levels 3-5)	1291	43.68	185	58.9	7	698
Highly skilled production (levels 6-8)	693	9.43	100	54.6	12.9	670
Highly skilled supervision (levels 9 -12)	534	12.24	73	59.8	7.3	105
Top and Senior management (levels 13-16)	84	77.85	13	40.6	15.5	348
Total	3005	33.92	419	60.5	52.7	1973

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2017 to 31 December 2017

Salary Band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	48	100	3	7.3	16	18
Skilled (Levels 3-5)	53	100	7	1.9	13	27
Highly skilled production (Levels 6-8)	129	100	4	2.1	3	117
Highly skilled supervision (Levels 9-12)	14	100	1	0.8	7	21
Senior management (Levels 13-16)	0	100	0	0	0	0
Total	244	100	15	2.1	6	183



The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.3 Annual Leave for the period 1 January 2017 to 31 December 2017

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	1 331	64	20.8
Skilled Levels 3-5)	6 609	269	24.6
Highly skilled production (Levels 6-8)	3 425	151	22.7
Highly skilled supervision (Levels 9-12)	2 461	108	22.8
Senior management (Levels 13-16)	510	25	20.4
Total	14 336	617	23.3

Table 3.10.4 Capped leave for the period 1 January 2017 to 31 December 2017

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2017
Lower skilled (Levels 1-2)	4.98	1	4.9	18.5
Skilled Levels 3-5)	26	5	5.2	23.4
Highly skilled production (Levels 6-8)	5	1	5	29.2
Highly skilled supervision (Levels 9-12)	1	1	1	50.3
Senior management (Levels 13-16)	0	0	0	32.3
Total	36.98	8	16.1	29.6

The following table summarise payments made to employees as a result of leave that was not taken.

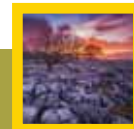


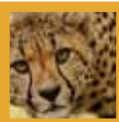
Table 3.10.5 Leave pay-outs for the period 1 April 2017 and 31 March 2018

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2014/15 due to non-utilisation of leave for the previous cycle	235	8	29
Capped leave pay-outs on termination of service for 2016/17	96	9	11
Current leave pay-out on termination of service for 2016/17	490	21	23
Total	821	38	21

3.11. HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
1. Game Capture	Education and awareness sessions First Aid training Condom distribution and demonstration Providing PPE Counselling and emotional support
2. Cleaners	Education and awareness sessions First Aid training Provide PPE Condom distribution and demonstration Counselling and emotional support
3. Employees residing at Resorts and Reserves	Education and awareness session First Aid training Provide PPE Condom distribution and demonstration Counselling and emotional support
4. Contraction and Maintenance Team	Education and awareness sessions First Aid training Provide PPE Condom distribution and demonstration Counselling and emotional support



5. EPWP Contractors	Education and awareness sessions Provide PPE First Aid training Condom distribution and demonstration Counselling and emotional support
6. Learnerships	Education and awareness sessions First Aid training Provide PPE Condom distribution and demonstration Counselling and emotional support

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Acting Director: OHRD
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		Five employees are appointed for the task Allocated budget was R1.1m
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		The EHWP implements the four pillars that includes Health and Productivity, HIV/AIDS Management, Wellness Management and Occupational Health and Safety.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		The EHWP committee was appointed
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		HIV Policies are in place, EE Act is also implemented