



**destea**

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

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

**Annual Performance Plan  
2019/20**

**Free State Province**



## FOREWORD

In the past year, we made an undertaking that the Department is committed to ensuring that considerable progress is made in the creation of jobs through implementation of various programmes and projects like;

- Flower Festival
- Township revitalization programmes
- Industrial parks
- Black Industrialist programme
- Global Investors Trade Bridge
- Township enterprise development
- Resorts and reserves infrastructure enhancement
- Innovative environmental management programmes
- Cleaning of towns

We have successfully implemented some of the above projects and are very proud to indicate the majority of these were achieved except the Global Investment Trade Bridge, which will take place in April 2019.

During his 2019 State of the Nation Address, the President of the Republic of South Africa, His Excellency, Mr. Cyril Ramaphosa reflected on five priorities which will serve as the core business of Government in 2019 as follows,

“Firstly, we must accelerate inclusive economic growth and create jobs. Secondly, our history demands that we should improve the education system and develop the skills that we need now and into the future. Thirdly, we are duty bound to improve the conditions of life for all South Africans, especially the poor. Fourthly, we have no choice but to step up the fight against corruption and state capture. Fifthly, we need to strengthen the capacity of the state to address the needs of the people”.

In the year ahead, 2019/2020, the Department will pay much attention to ensuring that the above five priorities are realised. The Department will put more emphasis on Integrated Economic Development with more impetus on the Special Economic Zone (SEZ) and the support for the Small, Medium and Micro Enterprises. The Department will integrate the Global Trade Bridge with an Investment Summit which will lobby for investment in the Maluti a Phofung SEZ and Industrial Parks. One of the major emphasis on this initiative will be trade and investment promotion.

To enhance the Integrated Economic Development, the Department will also undertake a study to reflect on the progress and impact which has been made through Departmental funding incentives to support economically viable and sustainable enterprises for the development, growth and transformation of the provincial economy (SMMEs and Cooperatives).

The Report of the Portfolio Committee on Tourism on oversight visit to Free State Province, dated 1 June 2017 raised major concerns on Tourism in the Province. It highlighted some strategic concerns which must be addressed as a matter of urgency. “The Committee was generally concerned about the state of affairs in the province.



The Report of the Portfolio Committee on Tourism on oversight visit to Free State Province, dated 1 June 2017 raised major concerns on Tourism in the Province. It highlighted some strategic concerns which must be addressed as a matter of urgency. "The Committee was generally concerned about the state of affairs in the province. The stakeholder engagements held in various locations within the province indicated that the sector is not well coordinated and there are capacity constraints at both provincial and municipality levels to drive inclusive tourism growth". Among these concerns are the following matters:

- Lack of a guiding Provincial Tourism Masterplan to provide a comprehensive strategic direction.
- The province has a huge untapped potential that is stifled by fragmented planning and coordination of tourism activities.
- There is a poor working relationship amongst the spheres of government and between the public sector and private sector in the province.
- The province is also not aligned to some national tourism imperatives, such as Universal Accessibility despite clear national guidelines.
- Tourism is pitched at a directorate level in the province despite the Budget Structure agreed to with all provinces, that tourism should be at a chief directorate level in provinces.

The Free State Gambling and Tourism Authority, with the Tourism Directorate will develop a Programme of Action to address the above challenges. The Department has re-established the Provincial Tourism Forum and the Provincial Tourism Council (chaired by the MEC) to deal with Tourism development in an integrated manner.

Sustenance of a safe, healthy and clean environment remains one of the pillars of the Department. We will identify Municipalities who need support with establishing the licensed landfill sites. This exercise will be coupled with an audit and report on the illegal dumping sites in the Province, but also with the implementation of the Cleaning of Towns Campaign informed by the report on the illegal dumping site. We will assist the Municipalities by providing capacity to deal with the matters of healthy, safe and clean environment.

Our Biodiversity economy will be guided by a strategy and an implementation plan which will reported in the Executive Management as means to address environmental management fraternity. The wildlife economy transformation, in particular, will target the previously disadvantaged communities in the game ranchers programme. The programme of maintenance and renovations of nature reserves and resorts to ensure protection of the natural resources of the Free State and promote Ecotourism will be prioritised.



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**MS. L.P MAHASA, MPL**

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



## OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEA) under the guidance of the honourable MEC L.P Mahasa.
- Was prepared in line with the current Strategic Plan of the DESTEA.
- Accurately reflects the performance targets which the DESTEA will endeavour to achieve given the resources made available in the budget for 2019/20.


**Mr D. Hagen**  
Head of Planning

Signature: 

**Mr L. Kalane**  
Chief Financial Officer

Signature: 

**Dr M. Nokwequ**  
Accounting Officer

Signature: 

**Ms. L.P. Mahasa**  
Executive Authority

Signature: 

Date:





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## ACRONYMS

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

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

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## PART A: Strategic Overview

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

### 1. Situational Analysis

#### Situational Analysis

The main focus and mandate of the Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEA) is to champion economic development activities in the Free State.

The table below outlines the main problem statements and planned critical outputs to help address the identified challenges experienced in growing and developing the provincial economy:

#### Economic, Small Business Development and Tourism

Problem Statement	Key Departmental Response
<p>The Free State Growth and Development Strategy (FSGDS) aims at increasing the provincial economic growth rate from 2.5% in 2011 to 7 % in 2030.</p> <p>In 2017, the Free State Province achieved an annual growth rate of 2.90% which is a significantly higher growth rate than that of the country as a whole, where the 2017 GDP growth rate was 1.30%. Contrary to the short-term growth rate of 2017, the longer-term average growth rate for Free State (1.42%) is slightly lower than that of South Africa (1.76%). The economic growth in Free State peaked in 2007 at 3.71%.</p>	<p>Various initiatives needs to be embarked upon to grow the economy of the province:</p> <ul style="list-style-type: none"> <li>• Continue to drive and prioritize the productive sectors of the provincial economy as per the Provincial Economic Development Strategy (PEDS).</li> <li>• Development of a targeted programme to support small scale miners as part of supporting and broadening participation of the previously disadvantaged individuals in the sector.</li> <li>• Partnering with key stakeholders, including mining houses to implement projects in order to diversify economic activities within the distressed mining towns.</li> <li>• Nurture partnerships with the private sector (big businesses) to increase their participation in development and mentoring of small businesses as well as reinvestment in the province.</li> <li>• Continue to support and develop youth oriented programmes within key sectors such as mining, agro-processing and manufacturing. Two</li> </ul>

	<p>programmes are targeted for 2019/20.</p> <ul style="list-style-type: none"> <li>• Financial and non-financial support of township and rural enterprises as part of ensuring the growth and sustainability of the economic sector.</li> <li>• SMME Hub development</li> </ul> <p><b>Free State Development Corporation (FDC) and MAP SEZ</b></p> <ul style="list-style-type: none"> <li>• The FDC will continue to attract investment</li> <li>• To continue to attract commercial and industrial tenants</li> <li>• Revitalisation of the Botshabelo and Phuthaditjhaba Industrial Parks</li> </ul> <p><b>Free State Gambling, Liquor and Tourism Authority (FSGLTA)</b></p> <ul style="list-style-type: none"> <li>• The rolling out and approval of Limited Payout Machines (LPM's)</li> <li>• Issuing of Bookmakers licenses.</li> <li>• Issuing of liquor and gambling licenses</li> <li>• Tourism promotion</li> </ul>
<p><b>Problem Statement</b></p>	<p><b>Key Departmental Response</b></p>
<p>The FSGDS aims at reducing the unemployment rate from 32% in 2012 to 6% by 2030</p> <p>In the third quarter of 2018 Free State's official unemployment rate increased by 4.5 percentage points to 36.3% as compared to the third quarter 2017. The expanded unemployment rate, which includes people who have stopped seeking work, rose by 3.0 percentage points to 41.5% compared to the third quarter 2017.</p> <p>Approximately 3.2 million (31%) people out of 10.3 million young people aged 15-24 years were not in employment, education or training (NEET) in South</p>	<p>DESTEA has tailor made SMME support programmes with the focus on females and youth to stimulate the priority sectors:</p> <ul style="list-style-type: none"> <li>• <b>Risk Sharing Facility</b> DESTEA in collaboration with Development Finance Institutions (DFIs) will continue to assist SMMEs with financial and non-financial support. Small to medium businesses that require cash injection to become black industrialists will be supported through the Risk Sharing Programme.</li> <li>• <b>Tabalaza</b></li> </ul>

<p>Africa. The overall NEET rate increased by 0.8 of a percentage point to 31, 1% in Q3:2018 compared to Q3:2017.</p> <p>The Free State Province reported the lowest NEET rate for persons aged between 15 and 24 at 29.0% for Q3 2018.</p>	<p>The programme creates a platform that links businesses with potential investors/venture capitalists for support and investment purposes. It targets youth businesses in the Free State.</p> <ul style="list-style-type: none"> <li>• <b>Agro-processing Development Support programme:</b> The purpose of the programme is to address the challenges that underpins development across the sector, with the aim of enabling farmers and entrepreneurs intending to process their primary produce or expand their current processing plants to access funding.</li> <li>• Job creation initiatives through the EPWP.</li> <li>• Inward and outward trade missions.</li> </ul>
<p><b>Problem Statement</b></p>	<p><b>Key Departmental Response</b></p>
<p>The province aims at increasing the number of bed nights spend by domestic tourists compared to international tourists.</p> <p>Over a ten year period, from 2007 to 2017, the number of bed nights spent by domestic tourists has decreased at an average annual rate of -7.67%, while in the same period the international tourists had an average annual increase of 16.63%. The total number of bed nights spent by tourists increased at an average annual growth rate of 3.62% from 10.5 million in 2007 to 15 million in 2017.</p>	<ul style="list-style-type: none"> <li>• On the demand side, to effectively market the Free State Province to attract domestic tourists as well as to increase the number of international tourists. On the supply-side, to prioritise the enhancement of tourism infrastructure, the developing and improving of skills, the inculcation of the culture of service excellence and to enhance the provision of world class visitor experiences.</li> <li>• To bring significant changes in the tourism sector in the province, the following long-term programmes needs to be implemented in collaboration with the envisaged opportunities:</li> <li>• A government support programme for tourism development and growth.</li> <li>• Improving of tourism marketing</li> </ul>

	<ul style="list-style-type: none"> <li>• Expansion of tourism products and product range</li> <li>• To increase and build human capacity for tourism development and service excellence</li> <li>• Increase marketing and promotion of the Free State as the preferred tourism destination</li> <li>• Signing of a Memorandum of Understanding (MOU) with South African Tourism (SAT) and South African National Parks (SANParks) with focus on promoting of domestic tourism.</li> <li>• Hosting of annual events in the province to attract both domestic and international tourists.</li> <li>• The revision of the Free State Tourism Master Plan.</li> <li>• Assistance to municipalities with the development of Municipal Tourism Plans.</li> </ul>
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### Environmental factors

Problem Statement	Key Departmental Response
<p>Within the context of the FSGDS, specific areas will have to be managed carefully as the physical environment provides the platform for development. In this regard, the following needs to be prioritised:</p> <ul style="list-style-type: none"> <li>▪ Less and better managed waste;</li> <li>▪ Air quality in certain areas remains a concern;</li> <li>▪ Improve the availability, quality and management of water;</li> <li>▪ Mitigate the causes and effects of climate change.</li> </ul> <p>Free State is committed to implement and monitor legislation and policies in the areas of Air Quality, Biodiversity, Climate Change, Compliance Monitoring, Environmental Impact, Protected Areas,</p>	<p>Management of environmental and conservation factors is critical in developing and growing the provincial economy hence the following:</p> <ul style="list-style-type: none"> <li>• The development and roll-out of the e-Permit system.</li> <li>• To continue celebrating the Cleanest and Greenest Municipality Awards Competition.</li> <li>• Cleaning of Free State Towns will continue to include all towns in the province.</li> <li>• Continue to train waste pickers on issues relating to social enterprise development and recycling.</li> <li>• The creation of positive awareness in good environmental management practices through the Eco-Schools Programme and Enviro-Quiz Competition.</li> </ul>



<p>Pollution Control, Protected Areas and Waste Management.</p>	<ul style="list-style-type: none"> <li>• The approval of Environmental Impact Assessments.</li> <li>• Ensure legislative compliance and enforcement.</li> <li>• Creating environmental awareness and building relevant capacity.</li> </ul> <p>Other factors to be considered is to:</p> <ul style="list-style-type: none"> <li>• Increase the participation of HDI's in the Biodiversity economy</li> <li>• Enhance partnerships with private sector partners to increase the participation of SMMEs in Green economy.</li> <li>• Upgrade investment and continued maintenance of Free State Resorts.</li> <li>• Continued impetus on programmes of cleaning towns and waste management programmes in Municipalities to protect the environment for sustainable economic growth.</li> <li>• Strengthening of environmental compliance and enforcement matters.</li> <li>• Support to black game farmers, including industry transformation.</li> </ul>
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## 1.2 Performance Delivery Environment

### 1.3 Policy Environment

The mandate of the Department emanates from national and provincial policies as well as legislative frameworks, as described in our 2018 – 2020 Strategic Plan. In addition to the policies and legislation mention in the Strategic Plan of the Department, the Presidency has developed a National Development Plan (NDP) Vision 2030. This plan, which maps out the direction South Africa should take to achieve Vision 2030, has been considered when developing the 2019/20 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, the 2019 Manifesto of the Ruling Party, and the Provincial Programme of Action has also been encapsulated in the content of this plan.

#### 1.4. Demand for services

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

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

#### 1.5. MPAT 1.7 and 1.8 Results

Management performance Area	Performance Area	Standard	Year	DESTEA Scores	Improvement Initiatives
Strategic Management	Strategic Planning	Annual Performance Plans	2017	3	
			2018	4	
	Monitoring	Integration of performance monitoring and strategic management	2017	4	
			2018	4	
Governance and Accountability	Ethics	Assessment of policies and systems to ensure professional ethics	2017	4	
			2018	4	
		Assessment of financial disclosure	2017	2.5	Monitoring of financial disclosure is conducted on quarterly basis.
			2018	3	

Management performance Area	Performance Area	Standard	Year	DESTEA Scores	Improvement Initiatives	
		Anti-Corruption and ethics management	2017	4		
			2018	4		
	Risk Management	Assessment of risk management arrangements	2017	1	Risk Management to be conducted on quarterly basis	
			2018	4		
	ICT	Corporate Governance of ICT	2017	4		
			2018	4		
<b>Human Resource Management</b>	Human Resource Strategy and Planning	Human Resource Planning	2017	4		
			2018	4		
	Human Resource Planning	Organizational Design and Implementation	2017	2		
			2018	4		
	Human Resource Practices and Administration	Application of recruitment and retention practices	2017	4		
			2018	4		
	Management of Performance	Implantation of level 1-12 performance management system	2017	3		
			2018	4		
		SMS Performance	SMS Performance	2017	2.5	Monitoring of SMS finalization of performance agreement for 2018-19 is being conducted regularly
				2018	2.5	
	Employee Relations	Management of disciplinary cases	2017	2.5		
			2018	4		
<b>Financial Management</b>	Supply Chain Management	Demand Management	2017	3		
			2018	4		
			2017	4		

Management performance Area	Performance Area	Standard	Year	DESTEA Scores	Improvement Initiatives
		Acquisition Management	2018	4	
		Movable Asset Management	2017	4	
			2018	4	
	Expenditure Management	Payment of Suppliers	2017	2	
			2018	4	
		Management of unauthorized, Irregular, Fruitless and Wasteful Expenditure	2017	3	
			2018	3	

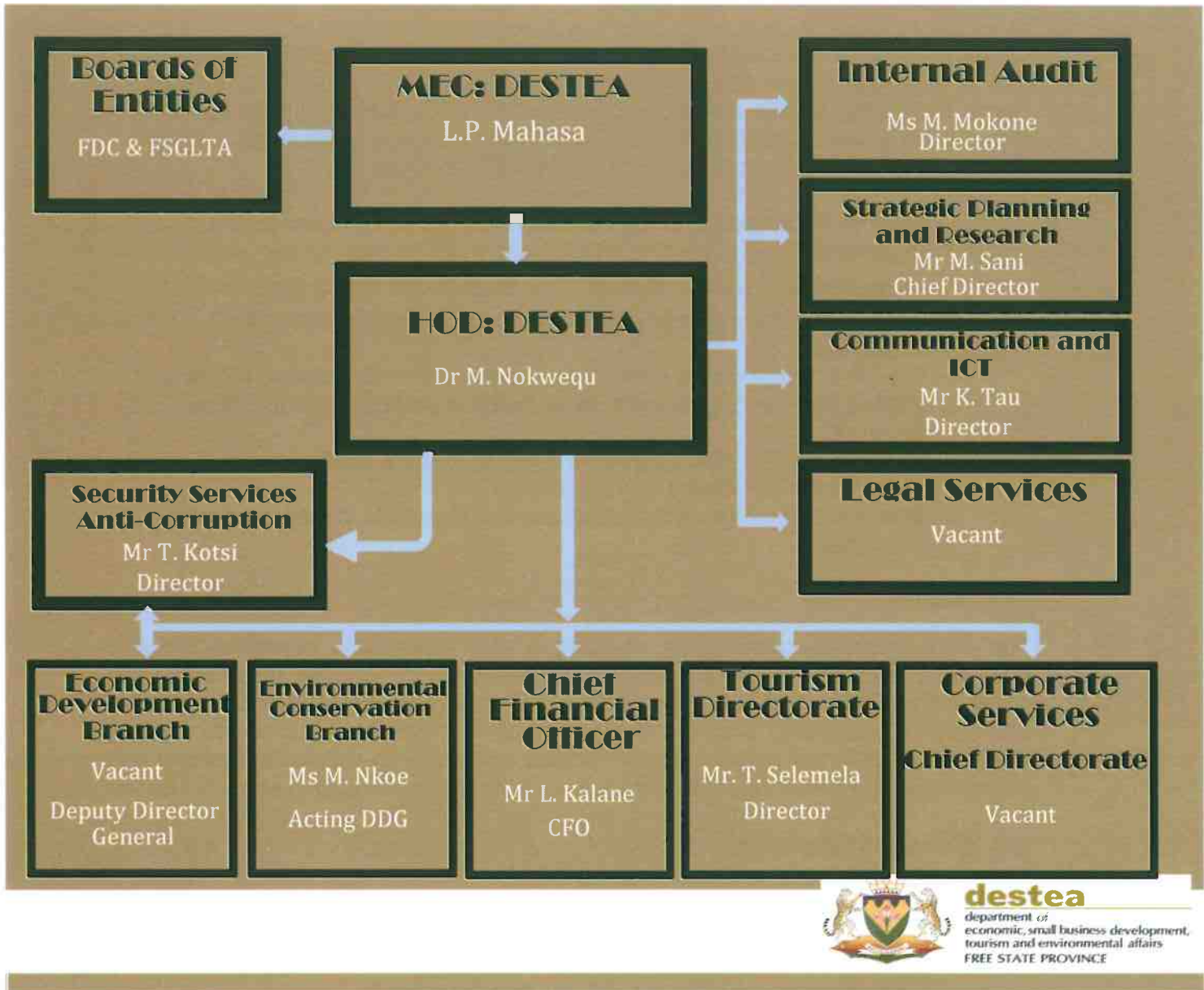
## 1.1. Organisational Environment

### 1.1.1. Programme structure

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

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

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



## **1.2.2 Personnel and Capacity to deliver services**

The department is still substantially understaffed in certain critical areas, such as Economic Development and Environmental Affairs. This understaffing impacts negatively on the service delivery imperatives of the department. In an effort to mitigate this situation and improve service delivery, the department will give more attention to the following core areas for the 2019/20 financial year:

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

## **1.2.3 Budget**

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

## **1.2.4 Challenges experienced**

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

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

## **1.2.5 Top ten risks**

The main identified risks of the department are as follows:

- Communication program not aligned to departmental mandate and core business;
- Failure to utilise the allocated budget effectively (Over/ under spending);
- Loss of revenue;
- Injury on duty due to unhealthy working environment;

- Unhealthy employees;
- Double dipping of SMME's supported/assisted by the department and data management;
- Outbreak of zoonotic diseases affecting game;
- Decline in Management Effective Tracking Tool (METT- SA) scores;

## **2. REVISION TO LEGISLATIVE AND OTHER MANDATES**

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

The department has not had any specific mandate changes.

## **3. OVERVIEW OF 2017 BUDGET AND MTEF ESTIMATES**

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Below is an overview of the departmental expenditure since 2015/16 financial year to 2018/19 and the estimated budget for 2019/20 to 2021/22. A trend analysis is also provided in section 3.2.

**3.1. Expenditure Estimates**

Programmes	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
	Audited Outcomes			Voted (Main appropriation)	Adjusted Appropriation	Revised Estimate	Medium Term Estimates		
Administration	138,489	134,744	141,056	160,448	175,058	176,930	59,028	65,506	70,609
Environmental Affairs	140,834	139,488	137,858	163,770	170,363	167,649	06,966	90,278	96,015
Economic Development	176,605	113,353	201,075	295,583	226,183	229,325	54,843	94,605	07,808
Tourism	7,486	75,491	8,937	12,130	9,130	11,330	10,088	10,959	10,549
<b>Total payments and estimates</b>	<b>463,414</b>	<b>463,076</b>	<b>88,926</b>	<b>631,931</b>	<b>580,734</b>	<b>585,234</b>	<b>30,925</b>	<b>61,348</b>	<b>84,981</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>308,357</b>	<b>318,540</b>	<b>50,538</b>	<b>444,966</b>	<b>422,193</b>	<b>423,710</b>	<b>46,234</b>	<b>58,613</b>	<b>73,822</b>
Compensation of employees	213,471	218,930	235,249	245,847	273,145	271,615	85,011	90,018	304,959
Goods and services	94,886	99,610	115,289	199,119	149,048	152,095	61,223	68,595	68,863
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>131,646</b>	<b>128,677</b>	<b>28,906</b>	<b>159,645</b>	<b>141,701</b>	<b>142,899</b>	<b>67,645</b>	<b>73,480</b>	<b>80,021</b>
Provinces and municipalities		149							



Programmes	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22	
	Audited Outcomes			Voted (Main appropriation)	Adjusted Appropriation	Revised Estimate	Medium Term Estimates		
Departmental agencies and accounts	104,664	117,134	112,809	112,533	109,033	109,033	17,979	24,482	28,328
Universities and Technicon's	1,905								
Foreign governments and international organisations									
Public corporations and private enterprises	22,600	10,200	14,465	45,833	32,000	32,076	49,516	48,998	51,693
Non-profit institutions					67	67	100		
Households	2,477	1,194	1,632	1,279	601	1,723	50		
<b>Payments for capital assets</b>	<b>23,170</b>	<b>15,452</b>	<b>9,441</b>	<b>27,320</b>	<b>16,840</b>	<b>18,603</b>	<b>17,046</b>	<b>29,255</b>	<b>31,138</b>
Buildings and other fixed structures	14,207	13,124	3,892	21,498	7,000	6,100	14,500	24,498	25,845
Machinery and equipment	8,963	2,328	5,549	5,502	9,077	11,760	2,296	4,757	5,293
Heritage assets	-								
Specialised military assets									
Biological assets									
Software and other intangible assets				320	763	743	250		
<b>Payments for financial assets</b>	<b>241</b>	<b>407</b>	<b>41</b>			<b>22</b>			
<b>Total economic classification</b>	<b>463,414</b>	<b>463,076</b>	<b>88,926</b>	<b>631,931</b>	<b>580,734</b>	<b>585,234</b>	<b>30,925</b>	<b>61,348</b>	<b>84,981</b>

### **3.2. Relating expenditure trends to strategic outcome oriented goals**

- The Department spent R463 076 in 2016/17 and R505 050 in 2017/18 respectively. This expenditure trend is in line with the departments' performance against its identified goals during the same periods.
- From the figures above it is clear that the budget allocation, especially the allocations to goods and services, infrastructure and machinery and equipment, will enable the department to achieve its targets as set out in this plan.
- The main cost drivers in Programme 1 are compensation of employees, centralized services (photocopy machine leases, IT support, etc.) and the main cost drivers are compensation of employees, travel and subsistence and provision for the filling of critical vacancies that will allow the programme to achieve its objectives. The MTEF allocations are sufficient to allow the programme to achieve its objectives.
- The main cost drivers in Programme 2 are compensation of employees, the environmental programmes and environmental infrastructure projects. The overspending was mainly on compensation of employees. The MTEF allocations are sufficient to allow the programme to achieve its objectives.
- The main cost drivers in Programme 3 are compensation of employees, travel and subsistence costs. The increase in the allocation is to fund earmarked projects and to provide support Small Medium Enterprise's. The MTEF allocations are sufficient to allow the programme to achieve its objectives.
- The main cost drivers in Programme 4 are compensation of employees, travel and subsistence costs. To promote and development of tourism in the Province. The MTEF allocations are sufficient to allow the programme to achieve its objectives.
- *Irregular expenditure:*  
To address the ineffective SCM functions and the audit findings of non-compliance with Treasury regulations, a root -cause analysis had been conducted in 2018/19. The causes identified included a lack of effective policies, processes and procedures to deal with

SCM, Irregular expenditure and broad based economic empowerment. In order to deal with the irregular expenditure, the investigation committee was appointed to investigate, oversee and recommend condonation where applicable.

## **PART B: Programmes and Sub-programme Plans**

### **4. STRATEGIC OBJECTIVES AND TARGETS**

This section will outline indicators and performance targets for each strategic objective identified in Part 2 of the revised 2018-20 Strategic Plan.

For each Programme the following are outlined:

1. The aim of the programme;
2. Cross Cutting strategic objective annual targets for 2019/20 to 2021/22;
3. Performance indicators and annual targets for 2019/20 to 2021/22;
4. Quarterly targets for 2019/20.

#### 4.1. Programme 1: Administration

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

##### 4.1.1 SUB-PROGRAMME: MANAGEMENT SERVICES

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

##### 4.1.1.1 Programme performance objectives, indicators and annual targets for 2019-22

Strategic objective	Activities	Programme Performance Indicator	Audited/Actual performance	Estimated performance	Medium-term targets			Strategic Plan Target	
					2017/18	2018/19	2019/20		2020/21
Improve prosperity	<b>INTERNAL AUDIT</b>								
	1.1	Increase market (Develop three year and annual internal audit plan indicating number and types of audits to be performed.)	Number of internal audit plans developed.	1	1	1	1	1	3
	1.2	Improve FS brand image (Review internal audit charter.)	Number of internal audit charters reviewed.	1	1	1	1	1	3
Customer Satisfaction	1.3	Strengthen strategic partnerships (Facilitate the annual review of the audit committee charter.)	Number of audit committee charter reviews facilitated.	1	1	1	1	1	3
<b>SPECIAL PROGRAMMES</b>									

Ensure overall corporate compliance	1.4	Accelerate implementation & enforce accountability (Submit Gender Equality Strategic Framework Plan)	Number of gender Equality Strategic Framework Plans developed	1	1	1	1	1	1	3	
	1.5	Accelerate implementation & enforce accountability (Submit Gender Equality Strategic Framework Report)	Number of Gender Equality Strategic Framework Reports developed	1	1	1	1	1	1	3	
	1.6	Accelerate implementation & enforce accountability (Submit Job Access Strategic Framework Plan)	Number of Job Access Strategic Framework Plans developed	1	1	1	1	1	1	3	
	1.7	Develop Job Access Strategic Framework Reports	Number of Job Access Strategic Framework Reports developed	1	1	1	1	1	1	3	
	1.8	Accelerate implementation & enforce accountability (Develop Youth Development implementation plans)	Number of Youth Development Implementation Plans developed	1	1	1	1	1	1	3	
	1.9	Accelerate implementation & enforce accountability (Develop Youth Development Reports)	Number of Youth Development Reports developed	4	2	2	2	2	2	6	
	1.10	Accelerate implementation & enforce accountability (Develop HoD led Principle Reports)	Number of HoD led Principle Reports developed	Not applicable	Not applicable	1	1	1	1	3	
	<b>RISK MANAGEMENT</b>										

<b>Ensure overall corporate compliance</b>	<b>1.11</b>	Strengthen risk & regulatory compliance (Annual review of Risk Registers)	Number of reviews conducted on risk registers.	1	1	1	1	1	1	3
	<b>1.12</b>	Strengthen risk & regulatory compliance (Monitoring of corrective measures)	Number of monitoring reports developed.	4	4	4	4	4	4	12
	<b>1.13</b>	Strengthen risk & regulatory compliance (Update the Risk Register based on the identified emerging risks)	Number of emerging risk register/status reports compiled	4	4	4	4	4	4	12
	<b>1.14</b>	Strengthen risk & regulatory compliance (Conduct risk awareness campaigns)	Number of awareness campaigns conducted.	4	4	2	2	2	2	6
	<b>1.15</b>	Strengthen risk & regulatory compliance (Facilitation of Risk Management Committee meetings)	Number of Fraud and Risk Management Committee reports with recommendations produced.	Not applicable	4	4	4	4	4	12
<b>STRATEGIC PLANNING AND RESEARCH</b>										
<b>Continuous process improvement.</b>	<b>1.16</b>	Develop reports on PRAC recommendations informed by the stimulus and recovery plan	Number of PRAC reports with recommendations developed	Not applicable	4	4	4	4	4	12
	<b>1.17</b>	Develop Economic Intelligence Reports	Number of economic intelligence reports developed	Not applicable	2	4	4	4	4	12
<b>Promote collaboration and partnerships</b>	<b>1.18</b>	Convene Provincial Research Colloquium in collaboration with Provincial Treasury	Number of Provincial research colloquia convened	Not applicable	1	1	1	1	1	3



	<b>1.26</b>	Revision of the OMF/Service Delivery Improvement, Blocks to increase awareness on departmental services.	Number of Operational Management Framework blocks reviewed.	1	1	4	4	4	5	13
	<b>1.27</b>	Develop post-project analysis reports with improvement recommendations for executive management.	Number of post-project analysis reports developed.	1	1	1	1	1	3	
	<b>1.28</b>	Develop performance analysis dashboards to track and reflect performance trends over quarters.	Number of performance analysis dashboard reports developed.	Not applicable	Not applicable	4	4	4	12	
<b>Ensure overall corporate compliance</b>	<b>1.29</b>	Facilitate the compilation of a departmental annual report within stipulated time frames.	Number of departmental annual reports facilitated.	1 Annual report	1	1	1	1	3	
	<b>1.30</b>	Manage the job performance of SPME officials	Number of staff performance plans approved.	Not applicable	Not applicable	14	14	14	42	
	<b>1.31</b>	Assess the quality of DESTEA SMS performance agreements.	Number of SMS performance agreements assessed.	Not applicable	Not applicable	1	1	1	3	
<b>Recruit and develop workforce</b>	<b>1.32</b>	Assess the job performance of SPME officials	Number of performance quality assurance sessions conducted.	Not applicable	Not applicable	2	2	2	6	
<b>SECURITY SERVICES AND ANTI-CORRUPTION</b>										
<b>Improve prosperity</b>	<b>1.33</b>	Optimise investments (Conduct Security, Fraud & Anti-Corruption Awareness)	Number of security-awareness sessions conducted	4	4	4	4	4	12	



<b>Ensure overall corporate compliance</b>	<b>1.34</b>	Strengthen risk & regulatory compliance (Reviewed Policies, SOPs Developed)	Number of policies developed.	Not applicable	2	2	2	2	2	2	6
	<b>1.35</b>		Number of SOP's developed.	Not applicable	2	2	2	2	2	2	6
	<b>1.36</b>		Number of Cases Investigated.	Not applicable	2	2	2	2	2	2	6
	<b>1.37</b>	Strengthen risk & regulatory compliance (Facilitate the process of vetting.)	Number of reports on Z204 forms submitted to SSA.	Not applicable	2	2	2	2	2	2	6
	<b>1.38</b>		Number of Reports on Conflict of Interest developed	Not applicable	Not applicable	4	4	4	4	4	12
	<b>1.39</b>		Number of Reports on Financial Disclosures developed.	Not applicable	Not applicable	1	1	1	1	1	3
	<b>1.40</b>		Number of Awareness Sessions conducted on Ethics	Not applicable	Not applicable	2	2	2	2	2	6
<b>COMMUNICATION</b>											
<b>Improve corporate communications &amp; coordination</b>	<b>1.41</b>	Development of media engagement plans	Number of monthly activity plans developed	Not applicable	1	12	12	12	12	12	36
	<b>1.42</b>		Number of social media updates	12	5	144	144	144	144	144	432
	<b>1.43</b>		% of economically active population reached	Not applicable	90%	70%	70%	70%	70%	70%	70%
	<b>1.44</b>	Optimise investments (Market services and programmes and Management of campaign plans )	Number of campaigns executed.	4	4	4	4	4	4	4	12
	<b>1.45</b>	Improve FS brand image (Profile successes of DESTEAs through various media platforms)	Number of publication produced.	4	3	4	4	4	4	4	12

	1.46	Improve FS brand image (Implementation of developed communication plans for each project or programme)	Number of profiled programmes/projects on the communication Programme	4	4	16	20	20	56
<b>INFORMATION TECHNOLOGY AND KNOWLEDGE MANAGEMENT</b>									
Foster high performance culture	1.47	Foster learning & innovation (Develop e-Government initiatives)	Number of implemented ICT modernisation programmes/projects.	2	2	4	4	4	12
Ensure overall corporate compliance	1.48	Develop new business capabilities (Implement effective Corporate Governance of ICT framework)	Number of ICT Governance reports.	2	2	4	4	4	12
	1.49	Develop new business capabilities (Assess the effectiveness of the current ICT security)	Number of ICT services/resources usage reports.	4	4	4	4	4	12
Continuous process improvement	1.50	Strengthen & coordinate (Assess the effectiveness of the current ICT security)	Number of ICT Security Management reports	Not applicable	Not applicable	4	4	4	12
<b>LEGAL SERVICES AND LABOUR RELATIONS</b>									
Improve prosperity	1.51	Improve FS brand image (Manage DESTEA litigation actions)	Number of reports on litigation developed	4	4	4	4	4	12
	1.52	Improve FS brand image (Draft Contracts)	Number of contracts drafted	4	4	4	4	4	12

<b>Customer Satisfaction</b>	<b>1.53</b>	Improve FS brand image (Finalize misconduct cases within legislated timeframes)	Number of reports on misconduct cases developed	4	4	4	4	4	4	12
	<b>1.54</b>	Improve FS brand image ( Finalize grievances within legislated timeframes )	Number of reports on grievances developed	6	6	6	6	6	6	18
	<b>1.55</b>	Improve FS brand image (Finalize disputes)	Number of reports on disputes developed	4	4	4	4	4	4	12
<b>Ensure overall corporate compliance</b>	<b>1.56</b>	Strengthen access to services (Publish PAIA manual on DESTEA database)	Number of PAIA manual published	1	1	1	1	1	1	3
	<b>1.57</b>	Consistent service (Process requests)	Number of reports to SAHR in terms of section 32 of PAIA	1	1	1	1	1	1	3

**4.1.1.2 Quarterly targets for 2019-20**

Performance Indicators	Reporting period	Annual target 2019/20	Quarterly targets			
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
<b>INTERNAL AUDIT</b>						

Performance Indicators	Reporting period	Annual target 2019/20	Quarterly targets			
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
1.1 Number of internal audit plans developed.	Annually	1	1	-	-	-
1.2 Number of internal audit charters reviewed.	Annually	1	1	-	-	-
1.3 Number of audit committee charter review facilitated	Annually	1	1	-	-	-
<b>SPECIAL PROGRAMME</b>						
1.4 Number of gender Equality Strategic Framework Plans developed	Annually	1	-	-	-	1
1.5 Number of Gender Equality Strategic Framework Reports developed	Annually	1	-	-	-	1
1.6 Number of Job Access Strategic Framework Plans developed	Annually	1	-	-	-	1
1.7 Number of Job Access Strategic Framework Reports developed	Annually	1	-	-	-	1
1.8 Number of Youth Development Implementation Plans developed	Annually	1	-	-	-	1
1.9 Number of Youth Development Reports developed	Bi-Annually	2	-	1	-	1
1.10 Number of reports on HoD led principles developed	Annually	1	-	-	1	-
<b>RISK MANAGEMENT</b>						
1.11 Number of reviews conducted on risk registers	Annually	1	-	-	-	1

Performance Indicators	Reporting period	Annual target 2019/20	Quarterly targets			
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
1.12 Number of monitoring reports developed.	Quarterly	4	1	1	1	1
1.13 Number of emerging risk register/status reports compiled.	Quarterly	4	1	1	1	1
1.14 Number of awareness campaigns conducted.	Bi-Annually	2	-	1	-	1
1.15 Number of Fraud and Risk Management Committee reports with recommendations produced.	Quarterly	4	1	1	1	1
<b>STRATEGIC PLANNING AND RESEARCH</b>						
1.16 Number of PRAC reports with recommendations developed	Quarterly	4	1	1	1	1
1.17 Number of economic intelligence reports developed	Quarterly	4	1	1	1	1
1.18 Number of Provincial research colloquia convened	Annually	1	-	1	-	-
1.19 Number of research documents developed	Annually	4	-	-	-	4
1.20 Approved Strategic and Annual Performance Plans developed.	Annually	2	-	-	-	2
1.21 Number of Frontline Service Delivery Monitoring reports compiled.	Quarterly	12	3	3	3	3
1.22 Number of SDIP Annual Reports compiled.	Annually	1	1	-	-	-
1.23 Number of surveys conducted on staff satisfaction.	Bi-Annually	2	-	1	-	1
1.24 Number of asset and financial management reports compiled.	Quarterly	12	3	3	3	3
1.25 Number of surveys conducted on customer satisfaction.	Annually	1	1	-	-	-

Performance Indicators	Reporting period	Annual target 2019/20	Quarterly targets			
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
1.26 Number of Operational Management Framework blocks reviewed.	Annually	4	-	-	-	4
1.27 Number of post-project analysis reports developed.	Annually	1	-	-	-	1
1.28 Number of performance analysis dashboard reports developed.	Quarterly	4	1	1	1	1
1.29 Number of departmental annual reports facilitated.	Annually	1	-	1	-	-
1.30 Number of staff performance plans approved.	Annually	14	-	-	-	14
1.31 Number of SMS performance agreements assessed.	Annually	1	1	-	-	-
1.32 Number of performance quality assurance sessions conducted.	Bi-annually	2	-	1	-	1
<b>SECURITY SERVICES AND ANTI-CORRUPTION</b>						
1.33 Number of security-awareness sessions conducted	Quarterly	4	1	1	1	1
1.34 Number of Policies Reviewed.	Quarterly	8	1	7	-	-
1.35 Number of SOP developed.	Annually	1	1	-	-	-
1.36 Number of Cases Investigated.	Quarterly	2	1	-	-	1
1.37 Number of reports on Z204 forms submitted to SSA.	Bi-Annually	2	-	1	-	1
1.38 Number of Reports on Conflict of Interest developed	Annually	1	-	1	-	-
1.39 Number of Reports on Financial Disclosures developed.	Bi-Annually	2	1	-	1	-
1.40 Number of Awareness Sessions conducted on Ethics	Quarterly	4	1	1	1	1
<b>COMMUNICATION</b>						
1.41 Number of monthly activity plans developed	Quarterly	12	3	3	3	3

Performance Indicators	Reporting period	Annual target 2019/20	Quarterly targets			
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
1.42	Number of social media updates	144	36	36	36	36
1.43	% of economically active population reached	70%	70%	70%	70%	70%
1.44	Number of campaigns executed	4	1	1	1	1
1.45	Number of publications produced.	4	1	1	1	1
1.46	Number of profiled programmes/projects on the communication programme.	16	5	5	3	3
<b>INFORMATION TECHNOLOGY AND KNOWLEDGE MANAGEMENT</b>						
1.47	Number of implemented ICT modernisation programmes/projects	4	1	1	1	1
1.48	Number of ICT Governance reports	4	1	1	1	1
1.49	Number of ICT services/resources usage reports	4	1	1	1	1
1.50	Number of ICT Security Management reports.	4	1	1	1	1
<b>LEGAL SERVICES AND LABOUR RELATIONS</b>						
1.51	Number of reports on litigation developed	4	1	1	1	1
1.52	Number of contracts drafted	4	1	1	1	1
1.53	Number of reports on misconduct cases developed	4	1	1	1	1
1.54	Number of reports on grievances developed	6	1	2	1	2
1.55	Number of reports on disputes developed	4	1	1	1	1

Performance Indicators	Reporting period	Annual target 2019/20	Quarterly targets			
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
1.56 Number of PAIA manuals published	Annually	1	-	1	-	-
1.57 Number of reports to SAHR in terms of section 32 of PAIA	Annually	1	1	-	-	-

#### 4.1.2 SUB-PROGRAMME: FINANCIAL MANAGEMENT

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

##### 4.1.2.1 Programme performance objectives, indicators and annual targets for 2019-22

Strategic objective	Activities	Programme Indicator	Performance	Audited/Actual performance	Estimated performance	Medium-term targets			Strategic Plan Target
				2017/18	2018/19	2019/20	2020/21	2021/22	2019-22
<b>MANAGEMENT ACCOUNTING</b>									
Ensure overall corporate compliance	1.1 Ensure overall corporate compliance (Ensure sufficient allocation of financial resources)	Number of credible budget statements submitted to treasury.		1	1	1	1	1	3
	1.2 Ensure overall corporate compliance (Ensure Compliance With Budget Processes Guidelines )	Number of credible adjustment budgets submitted to Treasury.		1	1	1	1	1	3