

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



**destea**

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

## **Strategic Plan For Financial Years 2020/21 - 2025/26**

# **Free State Province**

- Infrastructure Development
- Green Economy
- Digital Economy
- Agro-processing
- Retail and Services
- Industrialization and manufacturing

As part of our commitment to enhance efficiencies, focus will also be on the state agencies accountable to the department, the Free State Development Corporation (FDC) and Free State Gambling Liquor Tourism Authority (FSGLTA). In this regard we intend to review the shareholder compacts to enable us to improve governance and above all the impact made by these state institutions. The boards and management of these institutions will therefore take individual and collective responsibility for any governance lapse or inefficiencies.

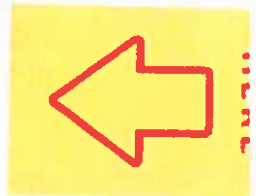
In addition we will endeavour to improve our audit outcomes by putting in operation the "clean audit" through implementing the Auditor General's remedial actions at all times.

In conclusion, I would like to invite all stakeholders and the officials of the department to join hands and work together positively towards realizing the dream of reducing unemployment, inequality and poverty in the Province.



**Hon. M Mohale**

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



## Official Sign-Off

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEa) under the guidance of the honourable MEC M Mohale.
- Takes into account all relevant policies, legislation and other mandates for which DESTEa is responsible.
- Accurately reflects the impacts and outcomes which DESTEa will endeavour to achieve over the period 2020/21 to 2025/2026.

**Ms N. Nkoe**

**Acting Head of Environmental Affairs**

Signature: \_\_\_\_\_

**Ms P. Ngqeza**

**Acting Head of Economic Development, Small Business Development and Tourism**

Signature: \_\_\_\_\_

**Mr D. Hagen**

**Head of Strategic Planning**

Signature: \_\_\_\_\_

**Mr L. Kalane**

**Chief Financial Officer**

Signature: \_\_\_\_\_

**Dr M. Nokwequ**

**Accounting Officer**

Signature: \_\_\_\_\_

**Mr. M. Mohale**

**Executive Authority**

Date: 10/03/2020

Signature: \_\_\_\_\_



## **Acronyms**

<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>COGTA</b>	<b>Cooperative Governance and Traditional Affairs</b>
<b>DARD</b>	<b>Department of Agriculture and Rural Development</b>
<b>DEFF</b>	<b>Department of Environment, Fisheries and Forestry</b>
<b>DFI</b>	<b>Development Finance Institution</b>
<b>DSBD</b>	<b>Department of Small Business Development</b>
<b>DESTEAT</b>	<b>Department of Economic, Small Business Development, Tourism and Environmental Affairs</b>
<b>DM</b>	<b>District Municipality</b>
<b>DMP</b>	<b>Demand Management Plan</b>
<b>DTI</b>	<b>Department of Trade and Industry</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>FSGLTA</b>	<b>Free State Gambling, Liquor and Tourism Authority</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>

## Part A: Our Mandate

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

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

*Everyone has the right*

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

### 2. Legislative mandates

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

Programme Name and Core Function	Legal Mandate	Implications
<b>Economic Development: SMME Development</b>	<ul style="list-style-type: none"> <li>National Small Business Act, 1996 (Act No. 102 of 1996) and Amendments</li> <li>Business Act 1991, (Act No. 71 of 1991)</li> <li>Broad Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)</li> </ul>	<p>Promote policy objectives, facilitate strategy implementation and align programmes to encourage SMME development in the Province.</p> <p>Promoting Broad Based Economic Empowerment in the Province.</p>
<b>Economic Development: Gambling &amp; Betting Administration</b>	<ul style="list-style-type: none"> <li>Free State Gambling and Liquor Act</li> </ul>	<p>The Act replaces Free State Gambling and Racing Act, 1996 (Act No. 6 of 1996)</p>



Programme Name and Core Function	Legal Mandate	Implications
	<ul style="list-style-type: none"> <li>National Environmental Management: Air Quality Act, 2004 (Act No. 39 of 2005)</li> <li>Veldt and Forest Fire Act, 1998 (Act No. 101 of 1998)</li> <li>Conservation of Agricultural Resources Act, 1983 (Act No. 43 of 1983)</li> <li>Animal Protection Act, 1962 (Act No.71 of 1962)</li> <li>National Strategy for Sustainable Development, 2014</li> <li>Environment Sector Human Resource Strategy 2009 - 2014</li> <li>Environment Sector Strategy, 2009</li> <li>Financial and Fiscal Commission 2010/21 Annual Submission for the Division of Revenue: Reporting Local Government Public Finances</li> <li>Environment Sector Priorities 2019/20 – 2023/24</li> </ul>	<p>control of waste management activities. Regulates air quality.</p> <p>Provide a regulatory framework for the prevention and combat of veldt and forest fires. Ensuring the conservation of vital agricultural resources in the Province.</p> <p>Ensuring the protection of various animal species in the Province</p> <p>Promotion and attainment of Environment Sector effective and efficient management support by DEA and Provinces in relation to sustainable development (social, economic and environmental cooperation)</p> <p>Promotion of skills development and capacity building within the Environment Sector involving tertiary institutions and other education, research organisations / institutions</p> <p>Policy guidelines and targets perspective for the environment sector development paradigm</p> <p>Promotion of good financial and administrative governance in municipalities</p> <p>Attainment of Sixth Administration Priorities through the Environment Sector Priorities</p>

Programme Name and Core Function	Mandate	Implications
<b>Protected Areas Management</b>	<ul style="list-style-type: none"> <li>Private Nature Reserve Policy</li> <li>NDP/MTSF</li> </ul>	and administration, as well as monitoring and evaluation of protected areas.
<b>Integrated Environmental Management</b>	<ul style="list-style-type: none"> <li>Integrated Pollution and Waste Management Policy, (IP &amp; WM 2004)</li> <li>Biodiversity White Paper</li> <li>Various regulations in terms of some of the above legislation i.e. Environmental Impact Assessment (EIA) Regulations.</li> <li>NDP/MTSF</li> </ul>	Implementation and regulation of legislation related to environmental protection and management.
<b>TOURISM</b>	<ul style="list-style-type: none"> <li>National Tourism Sector Strategy</li> </ul>	Significant growth of sustainable Tourism economy in South Africa

### 3. Institutional Policies and Strategies over the five year planning period

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

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

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

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

#### 4. Relevant Court Rulings

Case Name	Issue	Outcome
1. <b>Ph Safaris Cc T/A Choice Africa Safaris Vs Deste</b>	<p>This is an urgent application to compel the Department to issue the applicant with a Rhino hunt permit. The applicant applied for the permit on the 23 February 2018.</p> <p>The application was set – down on the 5 March 2018 at Free State High Court. The Department issued the permit before appearance in court, and the Applicant withdrawn the matter.</p>	<p><b>Status: Finalised</b> The application was withdrawn accordingly.</p> <p>The department tendered costs of the application.</p>
2. <b>Mbogo Wildlife Ranch Cc Vs Deste And Minister Of Environmental Affairs</b>	<p>This is an urgent application to compel the Department to issue the Applicant: Mr François Schutte of farm Jakhalskop in Theunissen with the renewal permits for breeding:</p> <ul style="list-style-type: none"> <li>(a) 16 Cheetah;</li> <li>(b) 12 Lions; and</li> <li>(c) 1 Serval.</li> </ul> <p>The Department is opposed the matter on the basis that:</p> <ul style="list-style-type: none"> <li>(a) The applicant has sold one of the lions confiscated by the Department thereby violating the conditions of the confiscation; and</li> <li>(b) There is pending criminal case against the Applicant relating to the lions confiscated by the Department.</li> </ul>	<p><b>Status: Finalised</b></p> <p>The matter was set- down for hearing on the 10 May 2018 at High Court Bloemfontein.</p> <p>On the 31 May 2018 the High court delivered the judgement and dismissed Applicants application with costs.</p>
3. <b>M Dukwana Vs Premier And Mec: Deste</b>	<p>This is an <i>Anton Piller</i> application against the Premier and MEC: DESTE for preservation and seizure of evidence/information: for instance:-</p> <ul style="list-style-type: none"> <li>a) Cell phone records of the official mobile phone during the applicant's tenure as MEC (2009— 2012);</li> </ul>	<p><b>Status: Finalised</b></p> <p>On the 1 October 2018, the applicant successful obtain Anton Piller order by way of an ex parte application from Free State High Court.</p> <p>On return date the interim order was discharged.</p>



## Part B: Our Strategic Focus

### 5. Vision

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

### 6. Mission

*"To lead environmentally sustainable economic growth and transformation for the benefit of the Free State province and its citizens, through coordination, integration and mobilization of opportunities, efforts and resources."*

### 7. Values

- Excellence
- Focussed
- Responsive
- Innovative
- Decency
- Conscientiousness

### 8. Situational Analysis

#### 8.1. External Environment Analysis

##### a) 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.

**c) Demographic or other data used to inform planning for the five year period.**

The table below outlines the main problem statements and the current status quo in the provincial economy:

<b>Problem Statement</b>	<b>Data</b>
The Free State province exhibits poor economic growth	<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>The Free State Province had a total Gross Domestic Product (GDP) of R 246 billion (in current prices) and in terms of total contribution towards South Africa the Free State Province ranked eighth relative to all the regional economies to the total South Africa GDP. The Province recorded a decline in its annual growth rate (-0.13%) in 2018. In contrast, South Africa achieved a growth rate of 0.79% in 2018.</p> <p>Fezile Dabi had the highest average annual economic growth, averaging 1.82% between 2008 and 2018, when compared to the rest of the regions within the Free State. Xhariep had the second highest average annual growth rate of 1.79%. Lejweleputswa recorded a decline in its average annual growth rate (down 1.01%) between 2008 and 2018.</p> <p>The greatest contributor to the Free State Province economy is the Mangaung Metropolitan Municipality with a share of 39.96% or R 98.1 billion, increasing from R 47.5 billion in 2008. The economy with the lowest contribution is the Xhariep District Municipality with R 8.37 billion growing from R 4.37 billion in 2008.</p> <p>The Free State's contribution to the national economy is 5% in 2019; this is lower than its contribution of 5.4% in 2009.</p> <p>It is forecast that the Provincial economy will grow by 0.8% in 2023 compared to South Africa's growth of 1.5%.</p>
<b>Problem Statement</b>	<b>Data</b>
Unemployment in the Free State province is high	<p>The FSGDS aims at reducing the unemployment rate from 32% in 2012 to 6% by 2030</p>

	<p>Mofutsanyana District Municipality recorded an average annual growth rate of 0.22% between 2008 and 2018, below the provincial average of 0.97%</p> <p>Mangaung has slightly performed above the provincial and national economy but the trend still follows the same course, since the Metro's economy has averaged 2.4%. Metsimaholo LM which is considered economic hub of Fezile Dabi District Municipality entered into recession in 2013 until 2017 where growth in the municipality was estimated at 0.6%. Matjhabeng recorded positive growth rates from 2013 to 2015 due to the strong influence of the mining sector.</p> <p>Means of production, such as plant, machinery and equipment; land and labour, are enabling environment factors that are necessary for the production of economic value. Of key importance is the legislative and policy framework, economic and social infrastructure as well as investment and export promotion.</p>
<b>Problem Statement</b>	<b>Data</b>
Increasing environmental concerns	<p>Environmental concerns that need to be addressed are climate change and land use and biodiversity conservation.</p> <p>Climate projection for Southern Africa shows that the greatest increase in mean temperature will possibly occur over the central interior where the Free State is located. The arid and semi-arid regions and the western interior are very likely to experience an increase of 2 to 3°C in maximum temperature.</p> <p>The dominant land use in the Free State is agriculture which accounts for 90% of the total area of the province. There is also significant urbanisation taking place.</p>
<b>Problem Statement</b>	<b>Data</b>
Lack of state capacity	<p>There is a need to manage continuity and change at leadership and senior management. The lack of structured training and development programmes for staff and councillors on finance, economics, technical and project management etc., have in most cases weakened governance mechanisms.</p>

The Free State province is currently not achieving its tourism goals given its attractive tourism resource base and offerings.

Data on day trip expenditure for South Africa in 2019 increased from R19,4 billion in Quarter 1 (January to March 2019) to R19,8 billion in Quarter 2 (April – June 2019), whilst overnight expenditure increased from R16,2 billion in Quarter 1 to R17,6 billion in Quarter 2.

The main destination for day trips in Q1: 2019 was Limpopo (26.3%), followed by Gauteng (19.9%) and Western Cape (15.8%). Free State (3.4%) had the least number of day trips travellers in Quarter 1. An increase of 0.6 percentage points in the number of day trips is recorded in Quarter 2 (from 3.4 % to 4.0%). Statistics furthermore indicates that Free State was the second least popular destination in both Quarters 1 and 2 2019 after the Northern Cape.

d) Trend analysis based on annual reports

Programme	Sub-Programme	Total Number of Indicators per Sub-Programme	% Indicators where <u>Targets were Achieved or Exceeded</u> per Sub-programme	% Indicators where <u>Targets were Achieved or Exceeded</u> per Programme	% Indicators where <u>Targets were Achieved or Exceeded</u> : DESTEA	Previous year performance (2017/18)
Administration	Internal Audit	4	100%			
	Risk Management	5	80%			
	SPR	21	100%			
	Security Services and Anti-Corruption	4	100%			
	Communication	7	100%			
	Information Technology and Knowledge management	3	100%			
	Legal Services and Labour Relations	9	78%			
	Management Accounting	3	100%			
	Financial Accounting	2	100%			

### e) Findings of internal or external research used to inform the strategy of the department

Several studies were commissioned to date and the following recommendations resulted from the reports:

Research commissioned	Findings
The State and Ownership patterns of the Food and Beverages Processing subsector (agro-processing) in the Free State and the linkages with other economic sectors in the province	<p>Free State agricultural production has the potential to grow substantially with a new vision around the production of new alternative products to add to the value-adding process. Particularly in economically depressed, rural areas, certain new production and agro-processing activities can provide the stimulus for new life in some rural towns.</p> <p>The report highlight value-adding opportunities in field crops, horticultural crops, livestock and forestry.</p>
Study on the Hair Salon Industry as a contributor to the growth of the economy of the Free State	<ul style="list-style-type: none"> <li>▪ An incentive scheme for training and skills development</li> <li>▪ An incubation programme for emerging operators</li> <li>▪ Policy interventions to encourage investment in the manufacturing of hair care products and accessories</li> <li>▪ A revolving apprenticeship model of accelerating hair salon entrepreneurship</li> <li>▪ Standardization of the informal hair salon operations.</li> </ul>
Study on the State and Ownership Patterns of the Hospitality Industry (Tourism Sector) in the Free State and the linkages with other economic sectors in the Province	<ul style="list-style-type: none"> <li>▪ Institutional incentives that are currently available in the sector should be marketed to sector participants to increase their awareness of the various offerings</li> <li>▪ Provincial tourism policy with a direct impact on tourism should be reviewed</li> <li>▪ Measurements to curb the informal tourist accommodation sector must be undertaken, i.e. such as the formalisation of Airbnb's</li> <li>▪ Transformation of the hospitality sector is to be prioritised in line with relevant national and provincial policies</li> <li>▪ The tourism sector's various linkages should be supported to make the most of the sector's knock-of economic effects.</li> </ul>
Revenue Collection: Resorts and Reserves Comparative Study	<ul style="list-style-type: none"> <li>▪ Improvement of the procurement turnaround time particularly for the consumables for the resorts/reserves.</li> </ul>

	<p>One of the factors contributing to the high rate of youth unemployment is the low level of education. Data shows that 60% of the Free State population aged 20 and above do not have a matric qualification, while only 11.25% have diploma or higher.</p> <p>Statistic SA recorded that 79% of learners in public schools in the Free State do not pay school fees. It is furthermore recorded that 4.5 % of children with special needs aged 7 - 15 is not enrolled in education institutions. Available statistics also shows that 68.7% of learners in schools in the province are receiving social grants.</p>
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### g) Global Risks

According to the data in the World Economic Forum's annual Global Risks Report, the 2020 top five risks to the global economy, in terms of their **likelihood** and **potential impact** are as follows:

Top Global Risks (by "Likelihood")		Top Global Risks (by "Impact")	
#1	Extreme weather	#1	Climate action failure
#2	Climate action failure	#2	Weapons of mass destruction
#3	Natural disasters	#3	Biodiversity loss
#4	Biodiversity loss	#4	Extreme weather
#5	Human made environmental disasters	#5	Water crises

Environmental concerns are a frequent talking point drawn upon by politicians and scientists alike, and for good reason. Irrespective of economic or social status, climate change has the potential to affect us all.

While public urgency surrounding climate action has been growing, it can be difficult to comprehend the potential extent of economic disruption that environmental risks pose

The world is at a social, environmental and economic tipping point. Subdued growth, rising inequalities and accelerating climate change provide the context for a backlash against capitalism, globalization, technology, and elites. There is gridlock in the international governance system and escalating trade and geopolitical tensions are fuelling uncertainty. This holds back investment and increases the risk of supply shocks: disruptions to global supply chains, sudden price spikes or interruptions in the availability of key resources.



## 8.2. Internal Environment Analysis

### Financial and Governance Matters:

Despite receiving qualified audit outcomes during the past years, DESTEA has made huge inroads into reducing the number of findings contained in the final audit reports. Through the implementation of comprehensive audit action plans, strengthened oversight, resolving financial classification concerns and asset register deficiencies, and consequence management, the Department is striving towards a clean audit.

### Human Resource Matters:

The department has an approved organisational structure of 1647 posts which are aligned to departmental mandates. The structure is aligned with both national and provincial mandate to ensure that it delivers on these mandate. Even though the structure has 1647 posts, 804 posts are funded and the remaining are unfunded, which had to be abolished from PERSAL until such time funds are made available. The department is operating at a high vacancy rate such that certain deliverable programmes are not adequately achieved.

Reprioritisation is being done to increase manpower so as to bring about increased productivity and improved service delivery. The current workforce comprises of 682 employees and of this number, 153 (22.43%) are between the ages of 18 and 35 years (youth), 284 (41.62%) women and 10 (1.47%) people with disabilities.

### Stakeholder Matters:

The following key stakeholders will have a decisive impact on the attainment of the impacts and outcomes stated later in this document:

- FS Municipalities and Mangaung Metro
- COGTA
- Public Works
- Provincial Treasury
- DEFF
- DSBD
- DTI
- DFI's
- FS DARD
- FDC
- FSGLTA

### **9.1. c Explanation of Planned Performance over the Five Year Planning Period**

The Outcomes stated above will primarily contribute towards Government Priority 1: Economic transformation and job creation, and to a lesser extent to Government Priority 7: A better Africa and World.

The main rationale for the above identified Outcomes are as follows:

- Statistics have shown that economic growth in the province is at a very low level, and connected with this, it is evident that unemployment is at a historic high, especially amongst youths in the province.
- Research has indicated structural issues relating to unbalanced ownership patterns based on the population demographics, inequality higher than the national average and certain sectors being highly monopolized.

The real effect of the above has translated into high levels of poverty, especially in rural areas.

Both local and foreign direct investments have declined over the past years, even leading to capital outflows in some cases.

Through the achievement of the above outcomes over the next five years, the department will not only align with the NDP, MTSF and other political and provincial priorities, but will also transform the provincial economy through the main enablers of investment and structural reform, to reduce poverty, inequality, joblessness, illicit economic activities and will achieve higher economic growth overall.

## 9.2. c Explanation of Planned Performance over the Five Year Planning Period

The Outcomes stated above will primarily contribute towards Government Priority 4: Spatial integration, human settlements and local government, and to a lesser extent to Government Priority 1: Economic transformation and job creation.

The main rationale for the above identified Outcomes are as follows:

- Climate change is posing a real threat to the province, both on economic and biodiversity levels.
- Waste management at municipal level has digressed over the past years and has a negative effect on both the local economy and the biodiversity.
- Vulnerable communities are experiencing worsening effects of various forms of pollution and climate change.
- The biodiversity economy is not being optimized and developed to be part of the mainstream economy.

Through the achievement of the above outcomes over the next five years, the department will not only align with the NDP, MTSF and other political and provincial priorities, but will also seek to ensure sustainable environmental management and green economy growth, both areas having a considerable impact on economic growth projections and job creation opportunities.

## 9.3. a Measuring the Impact

<b>Impact statement</b>	<b>A capable, ethical and developmental organization</b>
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## 9.3. b Measuring Outcomes

<b>Outcome</b>	<b>Outcome Indicator</b>	<b>Baseline</b>	<b>Five Year Target</b>
1. Functional and integrated organization	Organizational integration levels	Observed integration = Level 1 (Awareness)	Expected depth of integration = Level 4 (Collaboration)
2. Ethical, capable and professional workforce	Occurrence of corruption cases in the department	14 cases	Zero cases
3. Improved governance	Annual audit outcomes	Qualified	Clean Audit

## 9.3. c Explanation of Planned Performance over the Five Year Planning Period

The Outcomes stated above will primarily contribute towards Government Priority 6: A capable, ethical and developmental state.

5. Reduced illicit economic activity and corruption	Fraud and corruption	Conducting awareness sessions related to fraud and anti-corruption
	Lack of commitment by stakeholders	Enforce implementation of partnership with external stakeholders e.g. Law Enforcement Agencies
6. Increased tourism market share	Inflexible structures disallowing black participation in the tourism value chain	Monitor and manage compliance to B-BBEE

## Impact 2: Sustainable environmental management

Outcome	Key Risk	Risk Mitigation
1. Effective mitigation of Climate Change in vulnerable sectors (agriculture, forestry health, water, human settlements, biodiversity)	Declining natural resources	Preserve natural resources
2. Reduced greenhouse gas emissions	Significant physical effect to the environment such as severe drought and floods	Preserve natural resources
3. Reduced provincial waste disposal to landfills	Increased quantity of waste taken to the Landfill site	Training of Waste pickers (Recycling)
4. Effective bio-diversity management	Degradation of natural eco-systems	Preserve natural resources
5. Improved investment and growth in the Biodiversity Economy	Decline in game market	Game management within the reserves

## Impact 3: A capable, ethical and developmental state

Outcome	Key Risk	Risk Mitigation
1. Functional and integrated organization	Non- existence of strategies Non-compliance with sourcing strategy	Draft the strategies Monitor the implementation of sourcing strategy
2. Ethical, capable and professional workforce	Increase in unethical behaviour due to lack of consequence management Skills audit not conducted	Conduct training on ethical behaviour Training and development to be conducted according to the Skills Audit Report.
3. Improved governance	Lack of capacity to roll out Business Continuity Management Non-filling of critical posts	Identify and cost critical posts. Submit to Finance to allocate funds for filling of the identified posts.

	<ul style="list-style-type: none"><li>• Diversity of ownership in the industry,</li><li>• An ethos of social responsibility in the industry, local tourism and economic growth;</li><li>• Implement national norms and standards in the gambling industry as determine by National Gambling Act: ensure that gambling activities are effectively regulated, licenced, controlled and policed;</li><li>• Members of the public who participate in any licenced gambling activity are protected against over-stimulation of the latent demand for gambling; and the licencing of gambling activities is transparent, fair and equitable;</li><li>• Generate revenue for the Province.</li><li>• Develop sustainable tourism within the province.</li><li>• Promote major tourism related events.</li><li>• Promote the development and marketing of tourism products.</li></ul>	
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## Part D: Technical Indicator Description (TID)

<b>Indicator Title</b>	<b>Rate of economic growth (GDP)</b>
<b>Definition</b>	Increase rate of Free State economic growth
<b>Source of data</b>	Statistics South Africa/IHS Markit Regional eXplorer
<b>Method of Calculation / Assessment</b>	Quantitative; GDP: $GDP = C + I + G + (X - M)$ or GDP = private consumption + gross investment + government investment + government spending + (exports – imports)
<b>Assumptions</b>	Improved global economic trends; Improved agency grading; Improved investor sentiment
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation</b>	Provincial
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Higher than 3.2%
<b>Indicator Responsibility</b>	DDG Economic and Small Business Development

<b>Indicator Title</b>	<b>Official unemployment rate</b>
<b>Definition</b>	Reduce the percentage of unemployed workers in the total labour force of the Free State Province
<b>Source of data</b>	Statistics South Africa Quarterly Labour Force Survey
<b>Method of Calculation / Assessment</b>	Quantitative (official unemployment rate)
<b>Assumptions</b>	Improved global economic trends, higher demand and higher investment rates
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation</b>	Provincial
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Below 23%
<b>Indicator Responsibility</b>	DDG Economic and Small Business Development



<b>Indicator Title</b>	<b>% of FS businesses owned by black entrepreneurs</b>
<b>Definition</b>	Increase the percentage of FS businesses owned by black entrepreneurs
<b>Source of data</b>	DESTEAs databases, Department of Mineral Resources, FS DARD
<b>Method of Calculation / Assessment</b>	Quantitative
<b>Assumptions</b>	Relevant support programmes in place, funding allocated by Provincial Treasury
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation</b>	Provincial
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Higher
<b>Indicator Responsibility</b>	DDG Economic and Small Business Development

<b>Indicator Title</b>	<b>FS competitiveness outlook</b>
<b>Definition</b>	Improve FS regional competitiveness in relation to all nine regional economies contributing to the National GDP
<b>Source of data</b>	Statistics South Africa and IHS Markit Regional eXplorer
<b>Method of Calculation / Assessment</b>	Quantitative
<b>Assumptions</b>	Lower production cost, reduced entry barriers, higher demand, availability of affordable basic services, increased technology adoption
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation</b>	Provincial
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Higher than 7 <sup>th</sup> place ranking
<b>Indicator Responsibility</b>	DDG Economic and Small Business Development

<b>Indicator Title</b>	<b>Number of municipalities with the capacity to implement climate change programmes</b>
<b>Definition</b>	Provide capacity building and skills transfers to develop an understanding of climate change impacts in relation to adaptation, mitigation and response models at municipal level
<b>Source of data</b>	DESTEA Environment Branch, FS GOGTA; FS Municipalities
<b>Method of Calculation / Assessment</b>	Quantitative
<b>Assumptions</b>	Availability of relevant and dedicated officials in FS municipalities; functional municipalities; support from FS COGTA
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation</b>	Provincial
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Higher than 80% of all FS municipalities
<b>Indicator Responsibility</b>	DDG Environmental Affairs

<b>Indicator Title</b>	<b>Number of climate change adaptation plans for vulnerable sectors implemented.</b>
<b>Definition</b>	Climate change adaptation plans developed for vulnerable sectors and implemented at provincial level
<b>Source of data</b>	DESTEA Environment Branch
<b>Method of Calculation / Assessment</b>	Quantitative
<b>Assumptions</b>	Effectiveness is dependent on reduction in greenhouse gasses, slowdown in global warming, efficiency of waste reduction and management initiatives
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation</b>	Provincial
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Higher
<b>Indicator Responsibility</b>	DDG Environmental Affairs

<b>Indicator Title</b>	<b>Waste generation tonnage</b>
<b>Definition</b>	Technical support and advice to municipalities in order to reduce tonnage of waste generated at municipal level
<b>Source of data</b>	DESTEA Environment Branch, FS GOGTA; FS Municipalities
<b>Method of Calculation / Assessment</b>	Qualitative
<b>Assumptions</b>	Improved waste management at municipality level, increased waste salvaging and recycling, increase public awareness, increase technology adoption
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Higher than 25% reduction
<b>Indicator Responsibility</b>	DDG Environmental Affairs

<b>Indicator Title</b>	<b>Protected species poaching occurrences</b>
<b>Definition</b>	Reduce poaching of protected fauna and flora in the province through legislative and administrative compliance and enforcement
<b>Source of data</b>	DESTEA Environment Branch; land owners; conservationists
<b>Method of Calculation / Assessment</b>	Qualitative
<b>Assumptions</b>	Effective resourcing (Human and financial) of DESTEA initiatives
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation</b>	Provincial
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Satisfactory
<b>Indicator Responsibility</b>	DDG Environmental Affairs



Indicator Title	Percentage wildlife production units
Definition	Increase wildlife production units (Defined as a piece of fenced, privately owned land, which is fully or partially stocked with wildlife) which can contribute to local economic various activities and provincial economic growth
Source of data	DESTE A Environment Branch; DEFF; Game Rancher Associations
Method of Calculation / Assessment	Qualitative
Assumptions	Availability of suitable land; participation of game farmers; wildlife economy investment increase
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation	Provincial
Reporting Cycle	Annually
Desired performance	Higher than 25% increase
Indicator Responsibility	DDG Environmental Affairs

Indicator Title	Organizational integration levels
Definition	The level of planning and operational integration within DESTE A and between DESTE A and the FDC and FSGLTA
Source of data	DESTE A Human Resource Directorate
Method of Calculation / Assessment	Qualitative and quantitative
Assumptions	Poor participation by different stakeholders
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation	N/A
Reporting Cycle	Annual
Desired performance	Higher
Indicator Responsibility	Head of Department