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

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

FREE STATE PROVINCE

VOTE NO. 3
ANNUAL REPORT
2024/2025 FINANCIAL YEAR

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PART A
GENERAL INFORMATION

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

1. DEPARTMENT GENERAL INFORMATION

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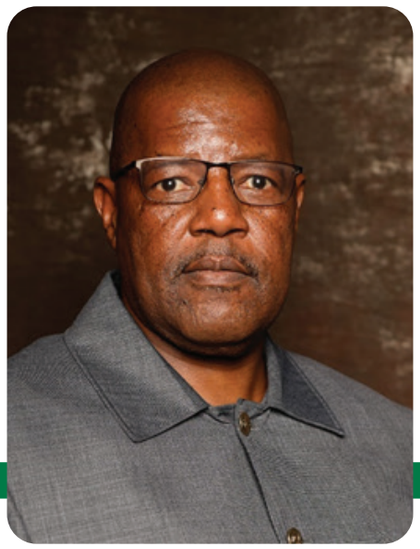
2. LIST OF ABBREVIATIONS/ACRONYMS

Acronyms	Description
AIDS	Acquired Immune Deficiency Syndrome
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
DESTEA	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

The Free State Department of Economic Development and Tourism continues to intensify efforts towards fulfilling the commitments made through the Strategic Plan and the Annual Performance Plan. Our department's strategic focus is to stimulate economic growth and development geared towards creating sustainable employment, economic transformation, eradicate poverty, and inequality in the province.

This is in keeping with the key priorities of the seventh administration under our leadership role:

- Driving inclusive growth and job creation,
- Reducing poverty and the high cost of living,
- Building a capable, ethical and developmental state.

In realising the said priorities, the department has directed its efforts on improving the competitiveness of the Province by attracting investments, establishing Textiles Manufacturing Cluster in QWAQWA, investing in infrastructure, promoting tourism as destination of choice, and assisting MSMEs.

It is for this reason that, as the department, we have used our Industrial Parks to attract investments, fostering technological learning and innovation including job creation. Industrial Parks have the potential to generate comparative and competitive advantages and to attract innovative businesses leading to create employment and grow the economy.

Through Textiles Manufacturing Cluster, we wish to see our emerging producers graduate into large-scale producers, using shared services and economies of scale whose products found on shelves of large retailers across the country and elsewhere in the continent.

Some of the enterprises that we have supported both financially and non-financially reside at our Industrial Parks.

As we rebuild our economy, it was essential to be driven by the need to accelerate and promote tourism awareness across the Province hence we have marketed the Free State as holiday destination through hosting activations to highlight the hidden gems and unique attractions.

We also leveraged from the mega events and activities to drive brand awareness as well as engaging travellers to gain insight about the province's tourism sector offerings.

Furthermore, the department hosted impactful and interactive engagement sessions around the province with key strategic stakeholders to forge partnerships leading to realise strategic objectives of the department. In our quest to support MSMEs in creating sustainable entrepreneurs, the department has collaborated with government entities, Tertiary institution/s such as Motheo TVET College for incubation program intended for young entrepreneurs including private sector, amongst others Coca Cola.

In building, a capable department and strengthen the organizational environment to serve the people of the Free State, we are at the final stage to complete the skills development audit. This audit outcome will assist the department to be optimally responsive and address gaps in our service delivery model to improve economic development and investment in the province.

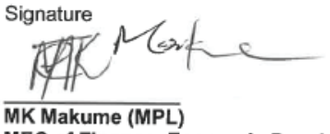
Government operates within limited resources, therefore this process will determine where and how other employees should be placed and on which relevant areas of operations. Where possible more duties and responsibilities of the employee/s will be added. This move will allow the department to perform its functions more effectively and efficiently.

The declining performance of our entities continues to be a major challenge in realising our mandate and improve the economic outlook of the province. To this end, we have advertised the post of the CEO for FDC and will ensure that the processes get necessary attention so that the FSGLTA CEO post is also advertised.

In conclusion, the department will continue to implement interventions that will assist in reconstruction and recovering the inclusive economy in order to eradicate poverty and create jobs.

I am confident that this Annual Report will contribute towards good governance and transparency practises in the Department.

Signature



MK Makume (MPL)
MEC of Finance, Economic Development and Tourism

31 May 2025

4. REPORT BY THE ACCOUNTING OFFICER

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

The department's mandate is anchored on the following core broad mandates:

- Economic development and growth,
- Support of micro, small, micro, and medium enterprises (MSME) in the province,
- Consumer protection and business regulation,
- Trade and investment promotion,
- Tourism development and marketing,
- Environmental quality management and conservation of biodiversity.

The department is arranged in four (4) programmes designed to enable the department to deliver on its mandate, these are: Programme 1 (Administration), Programme 2 (Environmental Management and Conservation), Programme 3 (Economic and Small Business Development), and Programme 4 (Tourism Development and Support). In addition, the department has the following entities that serve as service delivery arms:

- Free State Development Corporation (FDC), a schedule 3D PFMA entity responsible for the management of industrial parks, trade and investment promotion, as well as MSME support.
- The FDC is a Special Economic Zone (SEZ) licensee and through its subsidiary, the Maluti-a-Phofung SEZ, is driving industrialization in the eastern Free State.
- The regulation of gambling, racing, and liquor is carried out by the Free State Gambling, Liquor and Tourism Authority (FSGLTA, a schedule 3C PFMA entity) on behalf of the department and province. This entity also has a mandate of being a tourism destination marketing organization (DMO) on behalf of the department and province.

The department continues to experience a very high vacancy rate, this is due in part, to insufficient cost of employees' budget. The department has completed the work on re-engineering the organizational structure in order to decrease vacancies and improve efficiencies. The department has over the years experienced high vacancy rates in its Protected Areas. The department has prioritized these vacancies for filling in the 2025/26 and 2027/27 financial years. In general, our current priority is to ensure that we have enough technical expertise to deal with economic development, environmental compliance and enforcement, and conservation in line with the department's mandate.

The department will continue with its business process modernization efforts to achieve operational efficiency. The current systems modernization priorities are e-liquor license, which will be rolled out later in the financial a year, as well as e-business registration platform. The department has already introduced the e-Permit system for Biodiversity permits, Customer Care, and Consumer Complaints systems. On legislative matters, the FSGLTA Act of 2010 was amended to be able to deal with gaps in the liquor application processes. The act will be amended again in order to explore new revenue opportunities within gambling ecosystem.

The regulations associated with Free State Business Regulations, Licencing, and Support Act have been finalized. Once promulgated, this act will, amongst others, ensure that the business environment is properly regulated without necessarily creating red-tape as well as to ensure localization of production of the most consumed commodities.

The internal control environment has improved markedly across the department. The department has worked tirelessly to strengthen internal controls in order improve its audit opinion to unqualified with no findings in the 2024/25 financial year. The department is also strengthening its oversight capacity and efforts to ensure that governance at entities is improved.

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

Departmental receipts	2023/2024			2024/2025		
	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 including capital assets	26, 908	23, 411	3, 497	27, 671	24, 855	2, 816
Fines penalties and forfeits	640	805	(165)	675	845	(170)
Interest dividends and rent on land	130	117	13	24	77	(53)
Financial transactions in assets and liabilities	326	739	(413)	391	1,099	(708)
Total	**28, 004**	**25, 072**	**2, 932**	**28, 761**	**26, 876**	**1, 885**

Revenue Tariffs

Departmental revenue tariffs have been kept constant due to the state of our facilities. Any increase without the necessary renovations would likely result in a loss of clientele because the emergence of private facilities has increased competition with Departmental resorts.

Under collection

Sales of Goods & Services: Although the department has under collected on Sales of Goods & Services, the department managed to sell game through the annual game auction and direct sales of game meat to the public. The revenue collection from the sale of game amounted to R 14, 6 million.

Revenue collection from resorts is less than expected due to the poor state of accommodation facilities. Several facilities were not fully operational due to the need for maintenance (e.g. Sterkfontein resort operated at partial capacity after being totally closed for renovations while Koppies resort campsite remained closed after vandalism of the facilities).

Over collection

Fines penalties and forfeits: The over collection is due to the successful recovery of fines from companies/ individuals prosecuted for contravention of Sec 24G of the National Environmental Management Act.

Interest

Successful recovery of interest-bearing debts resulted in over-collection.

Financial Transactions in Assets & Liabilities: The over collection is due to revenue from "unallocated credits", which is an item that is used to allocate revenue that we cannot verify with certainty.

- **Programme Expenditure**

Programme Name	2023/2024			2024/2025		
	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	206 802	206 523	279	205 988	204 987	1 001
Environmental Affairs	193 062	188 501	4 561	208 640	203 087	5 553
Economic Development	233 970	228 609	5 361	248 884	243 717	5 167
Tourism	14 263	14 016	247	20 621	20 065	556
TOTAL	**648 097**	**637 649**	**10 448**	**684 133**	**671 856**	**12 277**

- **Virements / Roll overs**

Rollovers requested:

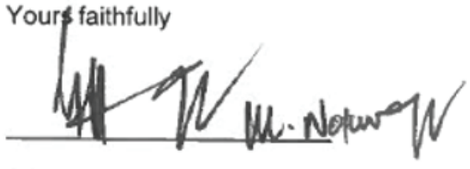
Earmarked funding/IEA/REA	Amount Requested for Roll-over (R)
Infrastructure Enhancement Allocation	409
Equitable Share	4 928
Total	**5 337**

Virements:

Programme	Amount (R'000)
Administration	1 400
Environmental Affairs	(1 400)
Economic Development	0
Tourism	0

- **Strategic focus over the short to medium term**
  - Future plans of the department are explained in the 2025/26 Annual Performance Plan.
- **Public Private Partnerships**
  - The department currently do not have any PPP's, however, it intends to explore PPP opportunities for various economic development initiatives.
- **Discontinued activities / activities to be discontinued**
  - None
- **New or proposed activities**
  - Continued support of enterprises.
  - Support and expansion of infant industries.
  - Focus on establishing value chains in sectors where the FS has both comparative and competitive advantages.
- **Supply chain management**
  - The department did not enter into any unsolicited bids during the financial year under review
  - The department ensured that there were controls in place to mitigate the risk of incurring unauthorized, irregular, fruitless and wasteful expenditure during the financial year under review
  - The challenges in SCM were addressed by ensuring that the staff is properly trained and the SCM policy reviewed to ensure that it addresses all the deficiencies identified by the AGSA.
- **Gifts and Donations received in kind from non-related parties**
  - The Department did not receive gifts or donations in kind during the current financial year.
- **Events after the reporting date**
  - The function of Environmental Affairs did not move to the Department of Agriculture and Rural Development during the financial year under review. Both departments are working on finalizing the movement which is earmarked for the 1st April 2026.
- **Exemptions and deviations received from the National Treasury**
  - There were no exceptions or deviations received from the National Treasury during the financial year under review.
- **Appreciation**
  - I thank the Executive Council of the Province led by the Honorable Premier Letsoha-Mathae for their leadership, the MEC MK Makume for strategic guidance and support, Senior Management of the Department, and staff in general for their support and dedication to serve.

Yours faithfully



ACCOUNTING OFFICER

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

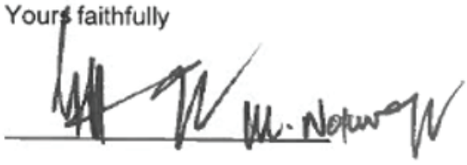
ANNUAL REPORT FOR THE 2024 / 2025 FINANCIAL YEAR

I hereby acknowledge that the annual report of DESTEA have been submitted to the Auditor-General for auditing in terms of section 40(1)(c) of the PFMA.

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 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 F) 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 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 2025.

Yours faithfully



ACCOUNTING OFFICER

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 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.”

6.3 Values

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

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
2. Tourism
3. Casinos, racing, gambling and wagering
4. Consumer protection
5. Environment
6. Industrial promotion
7. Nature conservation
8. Provincial public enterprises
9. Liquor licences and control of undertakings that sell liquor to the public
10. 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.

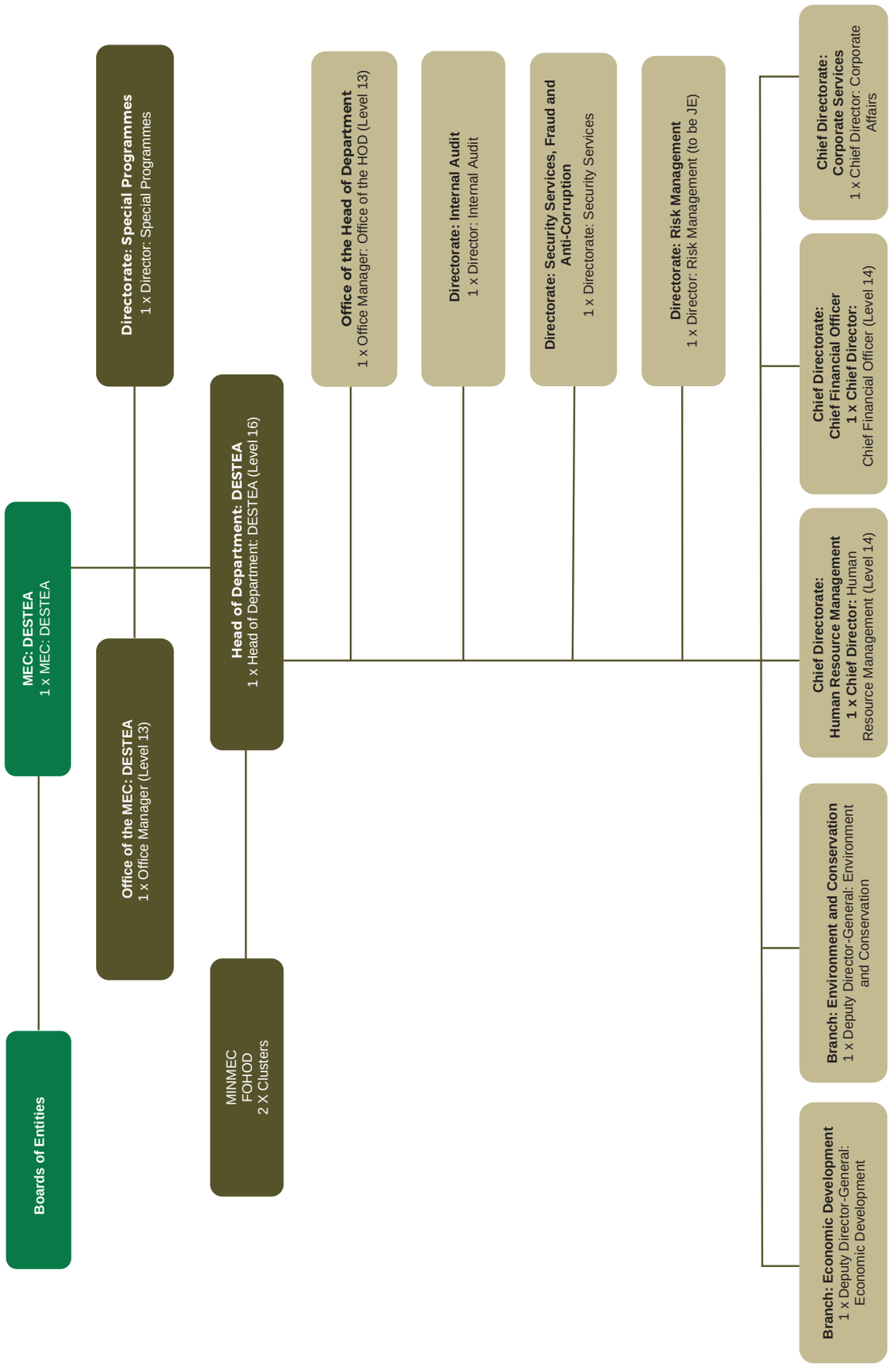
Programme Name and Core Function	Legal Mandate	Implications
Economic Development: SMME Development	• National Small Business Act, 1996 (Act No. 102 of 1996) and Amendments • Business Act 1991, (Act No. 71 of 1991)	Promote policy objectives, facilitate strategy implementation and align programmes to encourage SMME development in the Province.
	• 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	• 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	• 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	• National Credit Act 34 of 2005	Business compliance monitoring and redress.
Economic Development: Liquor Administration	• Liquor Act 1989, (Act No. 27 0f 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	• Legal Metrology Act, 2009 • Credit Agreement Act, 1980 (Act No. 75 of 1980)	Ensure compliance with trade metrology and credit agreement regulations.
Economic Development: Industrial Development	• National Industrial Policy Framework, 2007	To improve growth and employment conditions in the manufacturing and services sectors of the economy.
Economic Development: Industrial Development	• Industrial Policy Action Plan, 2018	To achieve structural economic transformation through encouraging the development, growth and competitiveness of the manufacturing (Vale-Added) sector
Environmental Affairs: Protected Areas Management Biodiversity Management	• National Environmental Management Act, 1998(Act No.107 of 1998) and Amendments	Regulatory framework for the management and protection of environmental resources and coordination.

Programme Name and Core Function	Legal Mandate	Implications
Compliance and Enforcement	• Free State Nature Conservation Ordinance , 1969 (Ordinance No. 8 of 1969)	Regulates conservation matters which are specific to the Free State Province
	• Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004) as amended and including all pertinent regulations: TOPS and AIS specifically	Regulates and sets out the mechanisms for managing and conserving South Africa's biodiversity, its components and institution
	• National Environmental Management: Protected Areas Act, 2003 (Act No.57 of 2003) as amended and including the regulations thereto	Regulates matters pertaining to protected areas.
	• 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.
	• Game Theft Act, 1991 (Act No. 105 of 1991)	Providing a framework for the implications of game theft.
	• National Water Act, 1998 (Act No. 36 of 1998) • Veld and Forest Fire Act, 1998 (Act No. 101 of 1998) • Conservation of Agricultural Resources Act, 1983 (Act No. 43 of 1983) • Meat Safety Act (Act No 40 of 2000) • Promotion of Administrative Justice Act (Act3 of 2000)	Providing a regulating framework on water usage in the Province. Provide a regulatory framework for the prevention and combat of veldt and forest fires. Ensuring the conservation of vital agricultural resources in the Province. Provides measures to promote meat safety and safety of animal products and maintain standards relating thereto Ensuring procedurally fair administrative actions, providing people the right to request reasons for administrative actions and decisions and to have such actions reviewed in court

Programme Name and Core Function	Legal Mandate	Implications
Environmental Protection	• National Environmental Management: Waste Act, 2008 (Act No.59 of 2008)	Regulates waste management; provides for national norms and standards for regulating the management of waste by all spheres of government; and provides for the licensing and control of waste management activities.
	• National Environmental Management: Air Quality Act, 2004 (Act No. 39 of 2005) • National Strategy for Sustainable Development, 2014	Regulates air quality. 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)
	• Environment Sector Human Resource Strategy 2009 - 2014 • Environment Sector Strategy, 2009 • Financial and Fiscal Commission 2020/21 Annual Submission for the Division of Revenue: Reporting Local Government Public Finances • Environment Sector Priorities 2019/20 – 2023/24	Promotion of skills development and capacity building within the Environment Sector involving tertiary institutions and other education, research organisations / institutions Policy guidelines and targets perspective for the environment sector development paradigm Promotion of good financial and administrative governance in municipalities Attainment of Sixth Administration Priorities through the Environment Sector Priorities
Tourism	• The Tourism Act, 2014 (Act No 3 of 2014)	To promote the practise of responsible tourism for the benefit of the Republic and for the enjoyment of all its residents and foreign visitors To provide legal and operational framework for

Programme Name and Core Function	Legal Mandate	Implications
	• Free State Tourism Authority Act, 2005 (Act No. 3 of 2005) • Free State Gambling Liquor & Tourism Authority (FSGLTA) Act 4 of 2017 as amended	tourism promotion and development in the Province. To provide for the incorporation of the former Free State Tourism Authority

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

The information furnished in this section should correlate with information provided in the related party transactions disclosure note to the financial statements and the information on the entities.

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 (incorporating the Maluti a Phofung SEZ)	Free State Development Corporation Amendment Act 4 of 2010	Transfer Payment	• 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	• 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 pride reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 125 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

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

Problem Statement	Data
The Free State province exhibits poor economic growth	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. The economic growth rate in Free State declined from 0.15% in 2023 to -0.13% in 2024. South Africa achieved a growth rate of 0.6% in 2024. The province had a total Gross Domestic Product (GDP) of R 356 billion in 2024 and in terms of total contribution towards South Africa ranked eighth amongst the nine provinces. The economic growth in Free State peaked in 2021 at 4.26%. Free State contributed 5% to South Africa's GDP of R7.34 trillion in 2024. Gauteng on the contrary contributed 34%, followed by Kwa-Zulu Natal with 16% and Western Cape with 14%. The province with the lowest contribution to the national GDP was the Northern Cape at 2%. The remaining provinces contributed: Mpumalanga (8%), Eastern Cape (8%), Limpopo (8%) and North West (6%). The Free State's contribution to the national economy in 2024 (4.9%) was very similar compared to its contribution of 4.9%

Problem Statement	Data
	in 2014. This contribution is however lower than the peak of 5.0% in 2020 The greatest contributor to the provincial economy in 2024 is the Mangaung Metropolitan Municipality (MMM) with a share of 39% or R 139.2 billion, increasing from R 81.1 billion in 2014. The economy with the lowest contribution is Xhariep with a share of 3% or R 10.9 billion growing from R6.68 billion in 2014. Fezile Dabi, Thabo Mofutsanyana and Lejweleputswa recorded contributions of R 88.8 billion (25%), R 67.3 billion (19%) and R 50.2 billion (14%) respectively. It is expected that Free State Province's GDP will grow at an average annual rate of 1.85% from 2024 to 2029. In 2029, Free State's forecasted GDP will be an estimated R 243 billion (constant 2010 prices) or 4.7% of the total GDP of South Africa.
Problem Statement	**Data**
Unemployment in the Free State province is high	The FSGDS aims at reducing the unemployment rate from 32% in 2012 to 6% by 2030. Free State ranked the third highest amongst the provinces in terms of the official unemployment rate of 37.9% in Q1: 2025. This is 5.0 percentage points higher than the national official unemployment rate of 32.9%. Western Cape recorded the lowest (19.6%) and North West the highest (40.4%). The expanded unemployment rate for the province stood at 44.8% for Q1: 2025. The official unemployment rate as well as the expanded unemployment rate in Free State, however, recorded decreases annually of -0.1 percentage points from 38.0% to 37.9% (Q1 2024 to Q1 2025) and -0.3 percentage points from 45.1% to 44.8% (Q1 2024 to Q1 2025) respectively. There was 460 000 people unemployed in Free State in Q1 2025, which is an increase of 5 000 compared to Q1 2024. The youth 15-24 years, recorded an unemployment rate of 68.2% in Q4 2024, whilst the age group 25-34 years stood at 46.9% for the same period. Sectors affected the most by losses in employment in Q1 2025 (year-on-year) were Trade (-15 000), Agriculture (-14 000), Transport (-7 000) and Private households (-1 000). Finance and Construction recorded increases in employment of 25 000 and 18 000 respectively. Free State recorded 880 000 people in Q1: 2025 who were not in employment, education or training. This figure represents a decrease of -3.2% year-on-year when comparing Q1 2025 with Q1 2024.

Problem Statement	Data
	When comparing unemployment rates among regions within Free State, Lejweleputswa District Municipality recorded the highest unemployment rate of 55.8% in 2024, which has increased from 41.8% in 2014 Mangaung Metropolitan Municipality had the lowest unemployment rate of 25.4% in 2024, which decreased from 26.0% in 2014. Fezile Dabi, Thabo Mofutsanyana and Xhariep in 2024 recorded unemployment rates of 36.4% (33.4% in 2014), 32.9% (33.5% in 2014) and 30.7% (27.2% in 2014) respectively.
Problem Statement	**Data**
The structure of the Provincial economy limits job creation	The Free State Growth and Development Strategy (FSGDS), which is under review, identifies agriculture, mining, manufacturing, transport and tourism as the key drivers that will ensure inclusive economic growth and sustainable job creation. The Provincial Economic Development Approach (PEDA) argues that investing in these productive sectors will serve as a catalyst to services sectors and thereby stimulate economic growth and job creation in the whole economy. Taking the above-mentioned into account it can be stated that in 2024, the Community services sector was the largest within Free State accounting for R 91 billion or 28.4% of the total Gross Value Added (GVA) in the provincial economy. Secondly, the Finance sector at 19.7%, followed by the Trade sector with 13.1%. The Construction sector contributed the least to the economy with a contribution of R 5.44 billion or 1.70% of the total GVA. Over a ten-year period, 2014 to 2024, the GVA in the finance sector had the highest average annual growth rate in Free State at 1.74%, followed by the transport sector averaging at 1.61% per year. The mining sector had an average annual growth rate of -2.53%, while the construction sector had the lowest average annual growth of -3.92%. In 2024, the tertiary sector (trade, transport, finance and the community services) contributed the most to the GVA within the province at 67.9%, followed by the secondary sector (manufacturing, electricity and construction) with a total of 17.4%, while the primary sector (agriculture and mining) contributed the least at 14.6%. The Finance sector is expected to grow fastest at an average of 2.87% annually from R 46.2 billion in 2024 to R 53.2 billion in 2029. The Community services sector is estimated to be the largest sector within the province in 2029, with a total share of 30.7% of the total GVA (as measured in current prices), growing at an average annual rate of 1.7%. The sector that is estimated to grow the slowest is the Mining sector with an average annual growth rate of -2.07%.

Problem Statement	Data
	Agriculture is expected to grow at an average of 1.11% annually from R10.9 bn in 2024 to R11.5 bn in 2029 and manufacturing at an average of 1.34% annually from R19.2 bn in 2024 to R20.5 billion in 2029. The majority of the province's workforce in Q1 2025 was employed in Community & Social Services (201 000), followed by Trade (148 000). The Finance sector experienced the highest gains in employment year-on-year, recording 25 000 more jobs, followed by Construction with 18 000 jobs. The highest losses in employment, year-on-year, were recorded in Trade (-15 000) and Agriculture (-14 000). The National Development Plan (NDP) identified "*skewed ownership and control"* as some of the structural challenges that negatively affecting the momentum and the imperative of socio-economic transformation in South Africa. This poses a barrier to business entry and expansion in key markets, which are essential for employment creation. - Free State is not different in this regard - Addressing the structural transformation of the provincial economy and the levels of concentration in the provincial economy is thus essential. The province have to change ownership patters in line with the demographics of the country.
Problem Statement	**Data**
Economic activity is concentrated in specific areas resulting in low levels of economic activity in the rest of the province	Mangaung Metropolitan Municipality (MMM) is regarded as the powerhouse in the province. Various economic activities, i.e. agriculture, government services, finance, trade, manufacturing are contributing to the local economy. Mining is centred in Lejweleputswa District Municipality (LDM), whilst the chemical and related industries Is prominent in Fezile Dabi District Municipality (FDM). Agriculture and related industries are based in Thabo Mofutsanyana District Municipality (TMDM), as well as Xhariep District Municipality (XDM). The greatest contributor to the provincial economy in 2024 is MMM with a share of 39.06% or R 139.2 bn, increasing from R 81.1 billion in 2014. Fezile Dabi, Thabo Mofutsanyane and Lejweleputswa recorded contributions of 88.8 billion (25%), 67.3 billion (19%) and 50.2 billion (14%) respectively. Xhariep contributed the least with a contribution of 3% or R10.9 billion. Mangaung had the highest average annual economic growth, averaging 0.69% between 2014 and 2024, when compared to the rest of the regions within the Free State. TMDM had the second highest average annual growth rate of 0.48%. LDM had the lowest average annual growth rate of -1.98% between 2014 and 2024. FDM and XDM recorded average annual growth rates of 0.39% and -0.10% respectively.

Problem Statement	Data
	It is forecasted, from 2024 to 2029, that FDM will achieve the highest average annual growth rate of 2.42%. MMM is expected to achieve the second highest, averaging 1.91%. LDM is expected to achieve the lowest average annual growth rate of 0.66%. TMDM and XDM are expected to achieve average annual growth rates of 1.84% and 1.58% respectively. 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.
Problem Statement	**Data**
Increasing environmental concerns	Environmental concerns that need to be addressed are climate change and land use and biodiversity conservation. 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. 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.
Problem Statement	**Data**
Inadequate state capacity	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. According to the Auditor-General report, the vacancy levels at senior management level in the Free State were the highest in the country. The development of appropriate human resources and human resource capacity to support governance are two of the most challenging areas in the province. A real attempt to attract the best skills to the provincial and local government sphere is required.

Problem Statement	Data
High poverty levels, income inequality and low incomes	Poverty remains a huge socio-economic challenge facing the province. The FSGDS aims to reduce the number of people living in poverty to 0% in 2030. The number of people living in poverty in 2024, using the upper poverty line definition, across Free State has increased from 1.66 million in 2014 to 1.94 million in 2024 (62.26% of the population). At the end of September 2024, there were 1 061 218 social grants paid to beneficiaries in Free State (34.9% of the Province's population)[1]. Five provinces, namely Free State, Gauteng, Mpumalanga, Western Cape and North West had an increase in social grants while other regions had a decrease in social grants. The regions with the highest proportion of social grants to population (Census) are Limpopo (42.9%), followed by Eastern Cape (40.4%), Northern Cape (39.8%), Free State (34.9%) and KwaZulu-Natal (34.6%). Thabo Mofutsanyane has the highest percentage of people living in poverty, with 76.4% followed by Lejweleputswa with 69%. The lowest percentage of people living in poverty is Mangaung Metro with 50.0%. Xhariep and Fezile Dabi recorded poverty levels of 59.9% and 55.4% respectively. According to the FSGDS, the Free State province aims to reduce its Gini coefficient to 0.3 in 2030. Available statistics shows that the Gini-coefficient in the province decreased from 0.617 in 2014 to 0.604 in 2024 over a ten-year period. The Gini coefficient for the Asian population group increased the most amongst the population groups with an average annual growth rate of 0.10% over the ten-year period. The White population group decreased the most with an average annual growth rate of -0.55%. The African and Coloured population groups recorded average annual growth rates of 0.08% and -0.36% respectively. LDM recorded the highest Gini coefficient, with an index value of 0.604 in 2024. The lowest is recorded in XDM with an index value of 0.59. MMM, FDM and TMDM recorded index values of 0.60, 0.60 and 0.59. The per capita income for this province (R 87,500) in 2024 is higher than that of the South Africa, which is R 84,700. Western Cape has the highest per capita income with a total of R 115,000, followed by Gauteng with R 111,000, whereas Limpopo had the lowest per capita income of R 54,900. The White population group in 2024 had the highest per capita income, with R 391 000 followed by the Asian population group (R 200 000). The Coloured and the African

[1] *Social Assistance Report, September 2024 , p11*

Problem Statement	Data
	population groups had a per capita income of R 98 700 and R 58 400 respectively.
Problem Statement	**Data**
The Free State province is currently not achieving its tourism goals given its attractive tourism resource base and offerings.	The outbreak of the COVID-19 pandemic had a significant impact on the South African tourism industry. The situation has since improved. Negative growth rates in international tourist arrivals, however, were observed in Free State in 2024. The province recorded 142 854 arrivals in Q3 2024 compared to the 248 853 arrivals in Q1 2024. Furthermore, the provincial share of tourist arrivals decreased from 10.5% in Q1 2024 to 7.1% in Q3 2024. Total Tourist Foreign Direct Spend (TTFDS) for Q3 2024 amounts to R0.28bn compared to the R0.56bn in Q1 2024. Decreases is also recorded in the bed nights spend from R2.9m in Q1 2024 to R1.8m in Q3 2024, as well as the length of stay from 14.4 days in Q2 2024 to 12.8 days in Q3 2024.[2] Free State had a total tourism spending of R 24.7 billion in 2023 with an average annual growth rate of 8.9% since 2013 (R 10.5 billion). The Leisure / Holiday, relative to the other tourism types, recorded the highest average annual growth rate from 2013 (468 000) to 2023 (1.09 million) at 8.80%. The number of trips by tourists visiting Free State from other regions in South Africa has increased at an average annual rate of 1.14% from 2013 (1.91 million) to 2023 (2.14 million). In 2023, Free State had a tourism spend per capita of R 7,980 and an average annual growth rate of 8.18%. This province ranked third amongst all the regions in South Africa in terms of tourism spend per capita. Western Cape ranked first with a total per capita spending of R 11 400 followed by Gauteng with R 8 600. The province that ranked lowest in terms of tourism spend per capita is Limpopo with a total of R 5 590. Interventions such as collaborating with private investors to develop high-end tourism facilities are to be embarked upon to increase future growth in the tourism sector.

[2] *Provincial Tourist Arrivals Report, 2024*

Policy Environment

The mandate of the Department emanates from national and provincial policies as well as legislative frameworks, as described in our 2020 – 2025 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 2023/24 Annual Performance Plan. The main relevant 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

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.

There were no changes to the Strategic Plan during the 2023/24 financial year.

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 and township revitalization.

2.2 Service Delivery Improvement Plan

Department received a feedback from DPSA on the 23 September 2024 to submit draft of oncoming SDIP cycle by due date and engage with DPSA integrated team to assist the department to capture information correctly. The SDIP was submitted on the 01 April 2025, as such, the report on the SDIP, will be covered in the 2025/26 Report.

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**	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 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

Personnel

As at 31 March 2025, the Department had a workforce of 603, this is inclusive of 598 permanent employees and 5 contract workers. The current vacancy rate is standing at 18.51%, which is higher than the benchmark of 10%.

The total number of employees who left the department is 28, which translates into 4.64% of the total workforce. The figure is lower than the national benchmark of 8%. It can also be indicated that the figure has gone down as compared to last year when the department was standing at 6.04%. Of the 28 officials who left the department, 7 resigned, 10 left due to normal/compulsory retirements, 1 left due to early retirement, 1 ill-health retirement, 3 were as a result of death, 5 officials contracts expired and 1 dismissed.

The majority of employees who left the department are due normal/compulsory retirements, followed by resignation and lastly contract expiry. The significantly high number of attrition is of concern because the department is unable fill posts or to retain its employees, especially those that are leaving voluntarily (resignations and or retirements). As a result, the department is unable to reduce its vacancy rate.

Twenty five (25) grievances were lodged during the 2024/25 financial year, and of the 13 (thirteen) grievances lodged were resolved within 30 days which translates to 52%. All the grievances were resolved and finalised during the period in review.

Twenty six (26) misconduct cases were handled during the 2024/25 financial year. Nineteen (19) cases were finalised during the year in review, and the same translates to 73%. Seven (7) cases are outstanding and at the verge of being finalised.

The actors, which contributed to the misconduct cases not being finalised within 90 days, were as follows:

- Non-availability of presiding officers or alleged offenders;
- Postponement of disciplinary hearings;
- Long investigations due to the non-availability of external people to be interviewed.
- Veracity of documents needed by alleged transgressors through points in limine, which delays the process.
- Resignation of both the employee representative from the trade union and the Chairperson from the Public Service with the part-heard case.

2.4 Key policy developments and legislative changes

There were no 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.

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. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

In order for the Department to fulfil its mandate, it has committed to achieving the following impacts and outcomes:

Impact 1	A transformed economy
Outcomes	• Increased tourism market share • Reduced illicit economic activity and corruption • Transformed economic structure. • Increased private sector investment. • Sustainable job creation. • Improved economic growth

Impact 2	Sustainable environmental management
Outcomes	• Improved investment and growth in the Biodiversity Economy • Effective bio-diversity management • Reduced provincial waste disposal to landfills • Reduced greenhouse gas emissions • Effective mitigation of climate change in vulnerable sectors (agriculture, forestry health, water, human settlements, biodiversity)

Impact 3	A capable, ethical and developmental organization
Outcomes	• Functional and integrated organization • Ethical,capable and professional workforce • Improved governance

Impact: A transformed economy

Outcome	Outcome Indicator	2024/2025 Target	Actual achievement as at 31 October 2024	Reasons for deviation
1. Improved economic growth	i. Rate of economic growth (Gross Domestic Product) GDP	1.5%	Annual growth rate in 2023 - 0.12%	Contraction in mining, manufacturing, electricity, construction and trade.
2. Sustainable job creation.	i. Official unemployment rate	27.8% 331 000 unemployed	Q2: 2024 37.6% 449 000 people unemployed[1]	Job losses in trade, construction, mining, community services and transport.
3. Increased private sector investment.	i. Rate of investment as % of GDP	FDI 3.4% as a percentage of GDP	Investment in SA 13.4% of GDP in Mar 2024 Total trade in FS as % of GDP 8.3% in 2023	Total trade increased from 2013 to 2023 at an average annual growth rate of 8.53%
	ii. Foreign direct investment in FS	R10.9 billion in FS or increased FDI by 30% from R8.4bn baseline	Total Trade in Free State R28.5 billion in 2023	Exports increased at an average annual rate of 2.84%, with the highest level of exports of R 11.3 billion in 2023.

3 Statistics SA, QLFS Q2: 2024

4. Transformed economic structure	i. % of FS businesses owned by black entrepreneurs	50% of land black owned, 20% black ownership of mines 30% of black owned tourism facilities	30% of land black owned[2] 13% black ownership of mines[3] 18% of black owned tourism facilities	No reliable data available.
	ii. FS competitiveness outlook	Free State competitiveness ranked seventh out of nine regional economies contributing to National GDP	FS with R 343 billion in 2023 ranked eighth amongst the nine regional economies	This ranking compared to other regions of Free State remained the same since 2013.
5. Reduced illicit economic activity and corruption	i. FS consumer confidence results	South Africa's Consumer Confidence Index (CCI) data at 25.00% points	*Consumer Confidence* in SA increased to -12 points in the Q2 2024 from -15 points in Q1 2024 Annual CPI slowed to 4,6% in July from 5,1% in June 2024.	Lower annual rates were recorded for several product groups, most notably food & non-alcoholic beverages (NAB), transport, and housing & utilities
6. Increased tourism market share	i. Percentage growth in tourism contribution towards provincial GDP	5.8% of GDP	Tourism spending as a percentage of GDP in 2023 was 7.09%.	Tourists visiting FS from other regions in SA has increased at an average annual rate of 1.11% from 2013 (1.88 million) to 2023 (2.1 million).

Impact: Sustainable environmental management

4 Aggregate of African (11%), Coloured (13%) and Indian (5%) ownership as per 2017 DRDLR Land Audit Report
5 Computed from DMRE Database of Licensees; BBBEE level of 30% to 100% used as a proxy for Black Ownership

Outcome	Outcome Indicator	2024/2025 Target	Actual achievement as at 31 October 2024	Reasons for deviation
1. Effective mitigation of climate change in vulnerable sectors (agriculture, forestry health, water, human settlements, biodiversity)	Number of climate change adaptation plans for vulnerable sectors implemented.	1 strategy and 5 plans implementation	3 climate change response interventions implemented 4 interventions implemented to promote the use of renewable energy in FS	n/a
2. Reduced greenhouse gas emissions	Number of municipalities with the capacity to implement climate change programmes	10 municipalities	4 municipalities supported	n/a
	Number of municipalities with access to climate change funding/financing (green climate fund, climate adaptation fund)	5 municipalities	Zero	n/azz
3. Reduced provincial waste disposal to landfills	Number of municipal with landfills operating illegally.	15 % reduction in municipal landfills operating illegally	17%	Zero illegal
	Waste generation tonnage	4 156 921.35 tons (25% reduction)	5,106,953.7 tons (4,3% reduction)	Zero
4. Effective bio-diversity management	Protected species poaching occurrences	50% reduction in incidents	60% reduction	n/a
	Hectares in the FS conservation estate	1 000 033ha (5% increase)	961 035 (0.13 % increase)	n/a
5. Improved investment and growth in the Biodiversity Economy	Number of black game farmers	125 black game farmers	60 black game farmers	n/a
	Percentage wildlife production units	6.5% increase in wildlife production units to 10%	0% increase	n/a

Impact: A capable, ethical and developmental organization

Outcome	Outcome Indicator	2024/2025 Target	Actual achievement as at 31 October 2024	Reasons for deviation
1. Functional and integrated organization	Organizational integration levels	Expected depth of integration = Level 4 (Collaboration)	Observed integration = Level 2 (Awareness)	n/a
2. Ethical,capable and professional workforce	Occurrence of corruption cases in the department	Zero cases	6 Cases	n/a
3. Improved governance	Annual audit outcomes	Unqualified Audit Opinion	Unqualified	n/a

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	• Continues support to new and existing SMME's through relief and recovery incentives. • Trade and investment promotion via Free State Development Corporation. • Education and support to client on Consumer Right. • Strengthened partnerships with DFIs. • Continues tourism promotion and marketing.
Chapter 5: Environmental sustainability	Outcome 10: Protect and enhance our environmental assets and national resources	• Expansion of land under conservation. • Upgrade of certain resorts and reserves. • Continues enforcement of environmental legislation. • Promotion of waste recycling. • Promotion of green cities and municipalities.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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

This programme contributed to the following priorities:

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

Outcomes	Cluster Outputs	Output Indicators	Sub-Programme	Actual Achievement 2022/2023	Actual Achievement 2023/2024	Planned Target 2024/2025	Achievement 2024/2025	Deviation from planned target 2024/2025	Reasons for Deviations
Functional and integrated Department	Integration ensured	Number of consolidated procurement plans developed	SCM	1	1	1	1	0	n/a
		Number of service integration surveys concluded	Corporate Services	-	1	1	1	0	n/a
		Number of entity oversight sessions concluded	SPME	-	-	4	4	0	n/a
		Number of consolidated asset registers developed	Fleet, Facilities and Asset Management	1	1	1	1	0	n/a
	Improved departmental communication and public opinion awareness	Number of communication strategies implemented	Communication and ICT	-	1	1	1	0	n/a
Ethical, capable and professional -workforce	Ethical culture created	Number of campaigns on ethics conducted	Security and Anti-fraud	24	8	4	8	+4	Due to several managers from outlying offices who had to be re-trained on the disclosure system.
		Number of fraud and anti-corruption campaigns conducted	Security and Anti-fraud	10	8	4	4	0	n/a

Outcomes	Cluster Outputs	Output Indicators	Sub-Programme	Actual Achievement 2022/2023	Actual Achievement 2023/2024	Planned Target 2024/2025	Achievement 2024/2025	Deviation from planned target 2024/2025	Reasons for Deviations
		Number of reports on Financial Disclosure developed	Security and Anti-fraud	2	2	2	2	0	n/a
		Number of case investigations conducted	Security and Anti-fraud	-	-	3	3	0	n/a
		Number of identified fraud and corruption cases referred to SAPS	Security and Anti-fraud	-	-	3	0	-3	Demand driven.
		Number of life style audits conducted	Security and Anti-fraud	-	-	1	1	0	n/a
	Competent workforce created	Number of programmes/projects assessed with recommendations	SPME	9	48	50	50	0	n/a
		Footnote[6]	Corporate Services	-	1	0	0	0	n/a
		Percentage of valid invoices paid within 30 days	SCM	100%	100%	100%	100%	0%	n/a

[6] Number of skills audits conducted to optimise workforce productivity: Awaiting the relevant finalization of the National Framework

Outcomes	Cluster Outputs	Output Indicators	Sub-Programme	Actual Achievement 2022/2023	Actual Achievement 2023/2024	Planned Target 2024/2025	Achievement 2024/2025	Deviation from planned target 2024/2025	Reasons for Deviations
		Percentage procurement allocated to female suppliers	SCM	-	34%	40%	36%	-4%	Insufficient targeting of women.
		Number of training programmes conducted to ensure competent workforce	Corporate Services	9	21	8	18	+10	Due to collaborations with internal & external stakeholders.
Improved governance	Business continuity ensured	Number of modernization plans approved	Communication and ICT	-	1	1	1	0	n/a
		Number of predetermined objective verifications completed	SPME	-	-	4	4	0	n/a
		Number of departmental business processes modernized	Communication and ICT	2	1	2	2	0	n/a
		% of DESTEA offices with fully functional network connectivity	Communication and ICT	-	25%	60%	54%	-6%	Budget constraints and SITA delays.

Outcomes	Cluster Outputs	Output Indicators	Sub-Programme	Actual Achievement 2022/2023	Actual Achievement 2023/2024	Planned Target 2024/2025	Achievement 2024/2025	Deviation from planned target 2024/2025	Reasons for Deviations
		Number of Strategic risk register aligned to the Department's strategic outcomes	Risk Management	1	1	1	1	0	n/a
		Number of strategic documents developed	Internal Audit	3	3	3	3	0	n/a
		Number of OHS audits completed	Corporate Services	-	-	1	2	+1	The 2nd report was derived from inspections done by OHS representatives from different components.
	Occupational health, wellness and mainstreaming of priority groups supported	Number of HIV Testing Services (HTS) campaigns conducted	Corporate Services	2	2	2	2	0	n/a
		Number of Health Risk Assessment (HRA) Campaigns conducted	Corporate Services	2	2	2	2	0	n/a

Strategies to overcome areas of underperformance:

- Improved procurement process targeting females
- Improved organization wide IT connectivity

Linking performance with budgets

Sub- Programme Name	2023/24			2024/25		
	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	12 718	12 166	552	9 163	8 471	692
Management Services	46 789	48 637	(1 848)	46 327	45 715	612
Financial Management	90 711	90 589	122	95 302	97 958	(2 656)
Corporate Services	56 584	55 131	1 453	55 196	52 843	2 353
TOTAL	**206 802**	**206 523**	**279**	**205 988**	**204 987**	**1 001**

4.2 Programme 2: Environmental Affairs

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	1. Environmental Policy Planning and Coordination 2. Compliance and Enforcement 3. Environmental Quality Management 4. Biodiversity Management 5. Environmental Empowerment Services

This programme contributed to the following priorities:

- **NDP:**
  - 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.

Outcomes	Cluster Outputs	Output Indicators	Sub-Programme	Actual Achievement 2022/2023	Actual Achievement 2023/2024	Planned Target 2024/2025	Achievement 2024/2025	Deviation from planned target 2024/2025	Reasons for Deviations
Effective mitigation of climate change in vulnerable sectors (agriculture, forestry, health, water, human settlements, biodiversity	Climate change programmes and adaptation measures implemented	Number of interventions to promote the use of renewable energy in FS	Environmental Policy Planning and Coordination	1	2	1	1	0	n/a
		Number of climate change response interventions implemented	Environmental Policy Planning and Coordination	2	3	2	4	+2	Due to additional invitations received from Vaal Central Water and DARDEA.
	Development of environmental research projects	Number of environmental research projects completed	Environmental Policy Planning and Coordination	3	4	3	5	+2	Due to collaboration with external stakeholders.
	Development and implementation of environmental management Instruments, planning tools and environmental sector programmes	Number of inter-governmental sector programmes implemented	Environmental Policy Planning and Coordination	2	3	2	2	0	n/a
	Instruments, planning tools and environmental sector programmes	***Footnote***[7]	Environmental Policy Planning and Coordination	-	1	-	-	-	-
		Number of functional environmental information management systems maintained	Environmental Policy Planning and Coordination	2	2	2	2	0	n/a

[7] Number of provincial Climate Change Response and Adaptation Strategies revised target is zero because it was revised in 2023-24 financial year.

Outcomes	Cluster Outputs	Output Indicators	Sub-Programme	Actual Achievement 2022/2023	Actual Achievement 2023/2024	Planned Target 2024/2025	Achievement 2024/2025	Deviation from planned target 2024/2025	Reasons for Deviations
		Number of legislated tools developed	Environmental Policy Planning and Coordination	0	2	1	1	0	n/a
	Promote more effective programmes on environmental awareness	Number of schools participating in Environmental Programmes	Environmental Empowerment Service	209	137	120	123	+3	The programme became very popular in schools after last year awards and many schools joined the programme.
		Number of environmental awareness activities conducted	Environmental Empowerment Service	113	131	80	211	+131	Due to invitations received and limited space at available venues, smaller groups had to be assisted. Therefore, more activities were conducted.
	Strengthen human capital pipeline within the environmental sector	Number of environmental capacity building activities conducted	Environmental Empowerment Service	30	35	35	45	+10	Due to invitations received.
Reduction of GHG emissions	Environmental authorization permits issued within legislated timeframes (AEL's)	Percentage of complete Atmospheric Emission Licenses (AELs) issued within legislated timeframes	Environmental Quality Management	NAR (No applications received)	NAR (No applications received)	100% of received applications	NAR (No applications received)	-100%	There were no opportunities to demonstrate.

Outcomes	Cluster Outputs	Output Indicators	Sub-Programme	Actual Achievement 2022/2023	Actual Achievement 2023/2024	Planned Target 2024/2025	Achievement 2024/2025	Deviation from planned target 2024/2025	Reasons for Deviations
	Provincial air quality managed	Number of air quality management plans developed	Environmental Quality Management	-	0	1	0	-1	Vetting & finalization of the SLA was delayed. The appointed service provider could not start the scope of work without the SLA.
		Footnote[8]	Environmental Quality Management	-	-	-	-	-	-
		Footnote[9]	Environmental Quality Management	-	-	-	-	-	-
Reduced waste disposal to landfill sites	Waste management applied	Number of waste landfill sites environmentally audited	Environmental Quality Management	30	30	30	30	0	n/a
		Number of separations at source programmes implemented	Environmental Quality Management	-	1	1	1	0	n/a
		Percentage of complete waste license applications finalized within legislated timeframes	Environmental Quality Management	75%	NAR (No applications received)	100%	NAR (No applications received)	-100%	There were no opportunities to demonstrate.

[8] Number of government owned ambient air quality monitoring stations meeting minimum data requirements and reporting to the SAAQIS target is zero. The departmental AQMP is still to be finalized.
[9] Number of transition plans developed / adopted for high carbon emitting sectors target is zero for 2024/25, as it will only be revised in 2025/26.

Outcomes	Cluster Outputs	Output Indicators	Sub-Programme	Actual Achievement 2022/2023	Actual Achievement 2023/2024	Planned Target 2024/2025	Achievement 2024/2025	Deviation from planned target 2024/2025	Reasons for Deviations
Effective bio-diversity management	Completed criminal investigations handed to the NPA	Number of completed criminal investigations handed to the NPA for prosecution	Compliance and Enforcement	9	6	4	8	+4	Demand driven
	Administrative enforcement notices complied with	Number of administrative enforcement notices issued for non-compliance with environmental management legislation	Compliance and Enforcement	14	12	12	13	+1	Demand driven
	Compliance to legal obligations in respect of licensed facilities inspected	Number of compliance inspections conducted	Compliance and Enforcement	556	590	300	731	+431	Demand driven
		Number of sections 24G application finalized	Environmental Quality Management	10	4	4	4	0	n/a
	Environmental authorization permits issued within legislated timeframes	Percentage of complete Environmental Impact Assessment (EIA) applications finalized within legislated timeframes	Environmental Quality Management	93%	100%	90%	100%	+10%	Good quality reports from external consultants enhanced the speedy review and finalization of assessments.
		Percentage of complete biodiversity management permits issued within legislated timeframes	Biodiversity Management	98%	95.2%	90%	93.6%	+3.6%	Due to improved management of the permit system.

Outcomes	Cluster Outputs	Output Indicators	Sub-Programme	Actual Achievement 2022/2023	Actual Achievement 2023/2024	Planned Target 2024/2025	Achievement 2024/2025	Deviation from planned target 2024/2025	Reasons for Deviations
	Increase in conservation areas	***Footnote[10]***	Biodiversity Management	955413 (+1500)	1224	-	-	-	-
	Management and protection programmes of conservation areas implemented	Percentage of area of state managed protected areas assessed with a METT score above 67%	Biodiversity Management	92%	85%	70%	0	-70%	The Chief User has retired. The new nominated Chief User is awaiting training from DFFE as the custodian of the system, which has already been requested from DFFE.
		Number of hectares cleared of invasive alien species	Biodiversity Management	-	5154 ha	6500	5983ha	-517ha	Due to late appointment of additional human resources.
Improved investment and growth in the Biodiversity Economy	Increase in contribution of biodiversity jobs to economic growth and development in support of Operation Phakisa	Number of biodiversity economy initiatives implemented	Biodiversity Management	1	2	2	2	0	n/a
Sustainable Job Creation	Create jobs through environmental public employment programmes	Number of work opportunities created through environment sector public employment programmes	Environmental Empowerment Service	386	352	400	444	+44	Due to the extension of contracts from the previous financial year.

[10] Number of hectares under the conservation estate target is zero due to the current austerity measures.

Strategies to overcome areas of underperformance:

- Strengthened provincial air quality management.

Performance in relation to Standardized Outputs and Output Indicators for Sectors with concurrent functions:

Output Indicators	Planned Target 2024/2025	Achievement 2024/2025	Deviation from planned target 2024/2025
Number of inter-governmental sector programmes implemented	2	2	n/a
Number of legislated tools developed	1	1	n/a
Number of environmental research projects completed	3	5	+2
Number of functional environmental information management systems maintained	2	2	n/a
Number of climate change response interventions implemented	2	4	+2
Number of administrative enforcement notices issued for non-compliance with environmental management legislation	12	13	+1
Number of completed criminal investigations handed to the NPA for prosecution	4	8	+4

Output Indicators	Planned Target 2024/2025	Achievement 2024/2025	Deviation from planned target 2024/2025
Number of compliance inspections conducted	300	731	+431
Percentage of complete Environmental Impact Assessment (EIA) applications finalized within legislated timeframes	90%	100%	+10%
Percentage of complete Atmospheric Emission Licenses (AELs) issued within legislated timeframes	100%	NAR (No applications received)	-100%
Percentage of complete Waste License applications finalized within legislated time-frames	100%	NAR (No applications received)	-100%
Percentage of area of state managed protected areas assessed with a METT score above 67%	70%	0	-70%
Percentage of complete biodiversity management permits issued within legislated timeframes	90%	93.6%	+3.6%
Number of Biodiversity Economy initiatives implemented	2	2	n/a
Number of work opportunities created through environment sector public employment programmes	400	444	+44
Number of environmental awareness activities conducted	80	211	+131

Output Indicators	Planned Target 2024/2025	Achievement 2024/2025	Deviation from planned target 2024/2025
Number of environmental capacity building activities conducted	35	45	+10

Linking performance with budgets

	2023/24			2024/25		
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	3 699	3 532	167	3 679	3 285	394
Compliance and Enforcement	19 041	18 363	678	17 890	18 548	(658)
Environmental quality Management	20 682	20 321	361	21 954	21 729	225
Biodiversity Management	137 371	134 324	3 047	152 881	146 979	5 902
Environmental Empowerment Services	12 269	11 961	308	12 236	12 546	(310)
Total	**193 062**	**188 501**	**4 561**	**208 640**	**203 087**	**5 553**

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

Outcomes	Cluster Outputs	Output Indicators	Sub-Programme	Actual Achievement 2022/2023	Actual Achievement 2023/2024	Planned Target 2024/2025	Achievement 2024/2025	Deviation from planned target 2024/2025	Reasons for Deviations
Improved economic growth	Adequate entrepreneurial support provided	Number of enterprises provided with business support through strategic partnerships	SBD (Enterprise)	669	500	800	1246	+446	Due to partnerships with external stakeholders and a high demand for entrepreneurial skills training.
		Number of research colloquiums convened with stakeholders	ERP	2	3	2	2	0	n/a

Outcomes	Cluster Outputs	Output Indicators	Sub-Programme	Actual Achievement 2022/2023	Actual Achievement 2023/2024	Planned Target 2024/2025	Achievement 2024/2025	Deviation from planned target 2024/2025	Reasons for Deviations
	Provincial natural resources efficiently utilized	Number of value chains supported	IED	6	6	8	8	0	n/a
		Number of market intelligence reports completed	ERP	-	-	2	2	0	n/a
	Capital formation supported (land, buildings, equipment, electricity, transportation, connectivity)	Number of manufacturing SMME's mainstreamed into industry	IED	-	-	2	2	0	n/a
		Number of advisories on capital formation to other entities/departments on research outcomes compiled	ERP	-	-	2	2	0	n/a
	Research, innovation and technological development supported	Number of opportunities supported in innovation	IED	-	3	3	3	0	n/a
		Number of advisories on innovation and technology to other entities/departments on research outcomes compiled	ERP	-	-	10	9	-1	Due to human resource challenges.

Outcomes	Cluster Outputs	Output Indicators	Sub-Programme	Actual Achievement 2022/2023	Actual Achievement 2023/2024	Planned Target 2024/2025	Achievement 2024/2025	Deviation from planned target 2024/2025	Reasons for Deviations
	Free trade promoted	Number of assessment reports on existing trade agreements and provincial MOU's completed	ERP	-	-	1	1	0	n/a
		Number of actions plans developed for participation in trade agreements	IED (Development Support)	-	-	1	1	0	n/a
		Number of enterprises identified to participate in ACFTA	IED (Development Support)	-	7	5	10	+5	Due to partnerships with stakeholders.
	Infrastructure development guided	Number of municipalities IDP alignment initiatives concluded	ERP	16	15	7	8	+1	Due to collaboration with COGTA and SALGA.
	Reduced economic concentrations	Number of compliance inspections related to Competition Commission decisions concluded	SBD (Consumer)	-	4	2	2	0	n/a
	Industrialization, localization and exports promoted	Number of procurement localization initiatives completed	ERP	2	3	1	1	0	n/a

Outcomes	Cluster Outputs	Output Indicators	Sub-Programme	Actual Achievement 2022/2023	Actual Achievement 2023/2024	Planned Target 2024/2025	Achievement 2024/2025	Deviation from planned target 2024/2025	Reasons for Deviations
		Number of enterprises linked with mainstream businesses after supplier development programme participation	IED (Dev Support)	-	-	5	0	-5	Due to insufficient linking information provided by stakeholders.
	Improved enterprise competitiveness and productivity	Number of clusters facilitated	IED	-	0	1	1	0	n/a
		Number of enterprises participating in productivity programmes	IED	-	-	5	3	-2	Due to some enterprises not meeting Productivity SA's qualification criteria.
Sustainable Job Creation	Holistic enterprise growth path support provided	Number of enterprises assisted with access to markets	IED (Dev Support)	158	170	150	155	+5	Due to collaboration with DFI's.
	Regulatory burdens reduced	Number of ease of doing business interventions completed	ERP	-	1	1	1	0	n/a
Increased private sector investment	Investment accelerated	Number of catalytic projects facilitated	Stakeholder Management	5	2	4	5	+1	The SERITI GREEN project was split into two separate projects by the parent company.

Outcomes	Cluster Outputs	Output Indicators	Sub-Programme	Actual Achievement 2022/2023	Actual Achievement 2023/2024	Planned Target 2024/2025	Achievement 2024/2025	Deviation from planned target 2024/2025	Reasons for Deviations
Transformed economic structure	Financial support facilitated	Number of enterprises assisted with funding	IED	-	-	60	88	+28	Due to collaboration with Coca-Cola Beverages South Africa (CCBSA).
Reduced illicit economic activity and corruption	FS consumers protected against illicit activities and corruption	Number of consumer awareness / educational / buy local sessions conducted	SBD (Consumer)	29	31	15	55	+40	Due to invitations received.
		Number of consumer complaints resolved within 90 days	SBD (Consumer)	-	-	50	21	-29	Resources had to be reprioritised to inspections due to food borne illness inspections.
	Improved compliance with the Consumer Protection Act	Number of pro-active inspections conducted on business compliance with various industry standards	SBD (Consumer)	242	183	120	239	+119	Due to invitations from external stakeholders and the prevalence of food borne illness identified in the province.

Before July 2024:

Outcomes	Cluster Outputs	Output Indicators	Sub-Programme	Actual Achievement 2022/2023	Actual Achievement 2023/2024	Planned Target 2024/2025	Achievement 2024/2025	Deviation from planned target 2024/2025	Reasons for Deviations
Transformed economic structure	Empowerment transactions concluded	Number of share acquisition transactions by PDIs facilitated	IED (Dev Support)	-	-	1	0	-1	Lack of human resources. The contracts of officials tasked to deliver against this indicator expired before the work could be completed.

Strategies to overcome areas of underperformance:

- Improved enterprise productivity.
- Strengthened processes to improve the timeframes of consumer complaints resolution.
- Strengthen communication with external stakeholders to improve the linking of enterprises with mainstream businesses.
- Increase human recourse for Economic Research

Linking performance with budgets

Sub- Programme Name	2023/24			2024/25		
	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	48 472	43 344	5 128	77 286	78 259	(973)
Economic Research and Planning	116 448	116 323	125	116 750	115 482	1 268
Small Business Development	69 050	68 942	108	54 848	49 976	4 872
Total	**233 970**	**228 609**	**5 361**	**248 884**	**243 717**	**5 167**

4.4. Programme 4: Tourism

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

Sub-programmes:

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

This programme contributed to the following priorities:

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

Outcomes	Cluster Outputs	Output Indicators	Sub-Programme	Actual Achievement 2022/2023	Actual Achievement 2023/2024	Planned Target 2024/2025	Achievement 2024/2025	Deviation from planned target 2024/2025	Reasons for Deviations
Increased tourism market share	Tourism sector development initiatives rolled-out from the Free State Tourism Sector Strategy 2020/30	Number of tourism sector initiatives rolled-out based on the Free State Tourism Sector Strategy 2020/30	Tourism Planning	4	4	4	5	+1	Due to a visit from the Deputy Minister for Tourism Community Engagement meeting.
	Niche markets supported	Number of niche market interventions implemented	Tourism Growth and Development	8	7	8	8	0	n/a
	Regional tourism promotion activities concluded	Number of programmes / projects implemented with strategic partners	Tourism Growth and Development	4	4	4	4	0	n/a
	Tourism enterprise support concluded	Number of tourism enterprises supported	Tourism Growth and Development	10	15	150	163	+13	Due to partnership with stakeholders.
Improved economic growth	Tourism Safety Initiative implemented	Number of safety initiatives rolled out	Tourism Growth and Development	8	4	4	4	0	n/a

Outcomes	Cluster Outputs	Output Indicators	Sub-Programme	Actual Achievement 2022/2023	Actual Achievement 2023/2024	Planned Target 2024/2025	Achievement 2024/2025	Deviation from planned target 2024/2025	Reasons for Deviations
Transformed economic structure	Community-based tourism initiatives supported. ***Footnote***[11]	Number of community-based tourism initiatives supported	Tourism Sector Transformation	6	4	4	4	0	n/a
	Service Excellence in the FS Tourism industry promoted	Number of service excellence awareness sessions facilitated	Tourism Sector Transformation	2	3	3	3	0	n/a
	Woman in tourism supported	Number of projects designed and implemented to support Women in Tourism	Tourism Sector Transformation	-	4	4	4	0	n/a
	An inclusive tourism sector promoted	Number of market access opportunities created for tourism enterprises in the province	Tourism Growth and Development	9	6	10	10	0	n/a
	Tourism specific training provided	Number of training sessions conducted	Tourism Sector Transformation	-	4	3	3	0	n/a

[11] Community based tourism is part of Tourism Development. Tourism is Government led, private sector driven and community based.

Strategies to overcome areas of underperformance:

- n/a

Linking performance with budgets

2023/24				2024/25		
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	8 159	7 922	237	7 246	7 060	186
Tourism Growth and Development	4 093	4 091	2	10 339	10 816	(477)
Transformation of Tourism Sector	2 011	2 003	8	3 036	2 189	847
Total	**14 263**	**14 016**	**247**	**20 621**	**20 065**	**556**

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	Key Outputs of the public entity	Amount transferred to the public entity (R)	Amount spent by the public entity (R)	Achievements of the public entity
Free State Gambling, Liquor and Tourism Authority	• Improved Gaming licensee's compliance • Reduced level of non-compliance • Strategic partnership established • Provincial Tourism Sector Implementation Plan developed. • Tourism sector engagements platforms established.	103 755	103 755	• Revenue, compliance and social investment audits were conducted throughout the year and quarterly monitoring & evaluation reports were submitted to DESTEA// Treasury. • Compliance inspections and enforcement operations with stakeholders like SAPS were regularly conducted and quarterly monitoring & evaluation reports were submitted to DESTEA//Treasury. No strategic partnership was established. • The Tourism Sector Implementation Plan was not developed. • Official establishment of the Free State Tour Operators Forum to enable the sector to formulate affordable domestic tour packages.

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity (R)	Amount spent by the public entity (R)	Achievements of the public entity
Free State Development Corporation (incl. MAPSEZ)	• Investment attracted into the Province • SMME support	56 000	56 000	• FDC - R 193m (excluding VAT) • SEZ concluded leases with four investors namely, NNTA Investments, Rovno Foods, Clan Leslie Estates and Walk of Life. Their investment values are R 37m, R 400k, R 21m and R 330m respectively. • 330 jobs created through investor operations. •77 created through projects at SEZ e.g. repairs of street lights.
Total		**159 755**	**159 755**	

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
Non-profit Institutions	Non-profit Institutions	Supporting the NPI's in advancing their mandates	Yes	319	319	-
Households	Households	Payment of injury on duties, leave gratuities and gifts and cash donations	Yes	3 030	3 030	-
Private Enterprises	Private Enterprises	SMME's support	Yes	19 268	19 268	-
Departmental Agencies and Accounts	Departmental Agencies and Accounts	Payment of TV Licenses	Yes	45	45	-
Total				**22 662**	**22 662**	

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	2 256	2 254
Total Conditional Grant	**2 256**	**2 254**
Earmarked Funds		
Investment Summit		
Infrastructure Enhance Allocation	48 824	44 662
Enterprise Support	44 647	39 982
Eco-Tourism Growth and Development	2 000	1 923
Waste Management	4 000	3 586
Maluti SEZ (FDC)	40 000	40 000
Grand Total	**139 471**	**130 153**

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 2024 to 31 March 2025.

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	444
Amount per amended DORA (R'000)	R2 256
Amount received (R'000)	R2 256
Reasons if amount as per DORA was not received	n/a
Amount spent by the department (R'000)	R2 254
Reasons for the funds unspent by the entity	n/a
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

8.1. Capital investment, maintenance and asset management plan

8.1.1. Asset Management Plan

The User Assets Management Plan for the new financial year will be finalized in June 2025.

8.1.2. Infrastructure Projects

	2023/2024			2024/2025		
Infrastructure projects	**Final Appropria-tion**	**Actual Expenditure**	**(Over)/Under Expenditure**	**Final Appropria-tion**	**Actual Expendi-ture**	**(Over)/Under Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Upgrades and additions	5 204	4 530	674	-	-	-
Maintenance and repairs	31 812	28 432	3 380	48 824	44 662	4 162
Total	**37 016**	**32 962**	**4 054**	**48 824**	**44 662**	**4 162**

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.

8.1.4. Progress made on the maintenance of infrastructure

8.1.4.1. General maintenance

The department intended to renovate and maintain identified facilities in order to be able to compete with other private facilities. As explained in the table above, expenditure was incurred on upgrades, refurbishment and general maintenance at resorts and reserves across the province.

8.1.4.2. Major maintenance projects

The following major maintenance projects are receiving attention:

- Refurbishment of the chalets and staff houses at the resorts and reserves is ongoing with the main focus being of the flagship resorts and reserves which attracts high number of tourists.
- The refurbishment of water supply and reticulation systems at the different resorts and reserves

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

An amount of R95 859 of damages and losses were written off.

Departmental asset holding

The following changes in the departmental asset holding were observed:

Classification	Opening	Additions	Disposal	Adjust-ment	Closing	Effect
Major Assets	36 210 000	3 147 000	-3 899 000	-	35 458 000	-752 000
Minor Assets	23 138 000	188 000	-2 945 000	-	20 381 000	-2 757 000
TOTAL	**R 59 348 000**	**R 3 335 000**	**R -6 844 000**	**-**	**R 55 839 000**	**R-3 509 000**

Disposals

The following tables explains disposals and relevant asset values:

Institution name	Total amount
1. Head Office	576 650.57
2. Reserves and Resorts	389 951.14
TOTAL AMOUNT	**960 564.56**

8.1.6. Current status of capital assets

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

- Good: 85%, i.e. R37 522 400 out of R44 144 000
- Fair: 10%, i.e. R 4 414 400 out of R44 144 000
- Poor: 5%, i.e. R 2 207 200 out of R44 144 000

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

- The department's 2025/26 risk management policy and strategy were approved by the Risk Management Committee on the 27 March 2025.
- Some 2025/26 Draft Risk Registers were approved on 28 March 2025 and the remaining ones to be approved before end of the first Quarter 2025/26. The risk management unit monitored the implementation of mitigation strategies on quarterly basis. Emerging risk which were identified were reported to both management and risk management committee on quarterly basis
- The Risk owners with the assistance of Risk Champions were also monitoring and reporting on progress made in implementing their risk management strategies on monthly and quarterly basis.
- Risk Management's Chairpersons report is compiled on quarterly basis and presented to the Audit Committee to brief them on the progress made in implementation of risk management strategies
- Some risk were mitigated however, there is still slow implementation of mitigation strategies.

Risk Management Committee

- The contract of old Risk Management Committee ended 30 November 2024 and the new Chairperson appointed from1st March 2025 for a period of 3 years
- Risk Management Committee had (4) quarterly meeting. The purpose of the meeting was to ensure that risk are managed to the acceptable level and to advice the department accordingly.

3. FRAUD AND CORRUPTION

- The department's fraud prevention plan and the progress made in implementing the fraud prevention plan:
    - The fraud prevention through Fraud Prevention Strategy, Fraud Prevention Policy and Fraud Prevention plan is the department's way of preventing fraud from both internal and external stakeholders.
    - The department has received three (3) complains of fraud internally and none from National Anti-Corruption Hotline in the 2024-25 financial year. This is due to awareness campaigns conducted throughout the entire financial year. The directorate has added awareness through corporate communication to impart knowledge to all officials in the department.

- 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:
    - The unit installed safes on hidden areas on each floor, away from the CCTV Cameras and where there is less movement of people to allow the whistle blowers to throw-in any form of alerts.

- To encourage individuals to report fraud and corruption, physical and corporate communication awareness campaigns are being conducted.

  - The abovementioned stakeholders can send emails to the following officials or visit their offices113 St Andrew Street, Bloemfontein and even call the following contact numbers:

    - Mr AT Kotsi : kotsia@destea.gov.za
      Ground Floor : G-31
      051 400 4766 : 082 379 3545

    - Mr MW Montsitsi : montsitsim@destea.gov.za
      Fourth Floor : 4-17
      051 400 4717 : 082 808 5475

  - The Information received will be recorded and treated with utmost confidentiality to ensure the protection of WHISTLE BLOWERS.

  - Public Service Commission provides another platform where National Anti-Corruption Hotline number 0800 701 701 can be called by a whistle blower to report fraud and corruption related cases.

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

- Cases are reported to the Security, Fraud and Anti-Corruption Directorate and are investigated as per the mandate from the HOD and referred to other agencies, e.g. SAPS, when the need arises.

- The National Anti-Corruption Hotline cases received from the Premier's Office are investigated as per the mandate from the HOD.

4. MINIMISING CONFLICT OF INTEREST

All SMS, MMS, certain OSD, officials in Finance and SCM disclose on financial system annually. The intention is for government to monitor the conflict of interest in the public service. In addition to minimising conflict of interest by officials, lifestyle audit will be conducted by ethics officers in the department.

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.

Employees in the department are trained biannually on Public Service Code of Conduct Manual. 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

Government agencies play a crucial role in ensuring the welfare of individuals and their families, as indicated by governance practices. As such, governance issues are the ones that need to be addressed when it comes to Safety, Health, Environment, Risk, and Quality (SHERQ). To assist government departments in managing risks related to occupational health and safety, DESTEA has implemented the EHWP SHERQ Pillar. The purpose of the sub pillar of occupational health and safety is to guarantee that there are programs in place to mitigate against and control identified risks and hazards, as well as occupational health and safety (covering occupational hygiene). Health and safety representatives, committees, and adherence to occupational health and safety standards are the means by which it is put into practice.

DESTEA SHERQ management offers risk assessment, quality assurance through established disciplines, including but not limited to disaster management and emergency preparedness plan, as well as the implementation of risk management processes and the provision of good services. The department further ensured special facility designs and workplace are designed for optimal health and productivity of public servants and for safety of both employees and citizens. Natural, environmentally friendly lighting and ventilation systems are employed wherever feasible to reduce risks associated with using machinery, biological and environmental hazards. Special amenities, such as child care centres and breastfeeding areas, are available for women and children in the workplace.

The following risks were identified during the OHS inspections and have been addressed through the Occupational Health and Safety Act during the financial year:

- **Environmental Health hazards-** unsafe and insufficient water for drinking and washing, inadequate sanitation and hygiene
- **Violence and Harassment-** these are incidents involving work-related abuse, threats or assaults among health workers including physical, sexual, verbal and psychological abuse and workplace harassment
- **Physical hazards-** these are risks from within the environment that can harm one's body without necessarily touching it, e.g slips, trips, cuts, and other physical injuries from uneven surfaces and cluttered work environment.
- **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). Inspection of machinery is conducted biannually to check service dates and to replace damaged or worn out machines
- **Ergonomic hazards** e.g. working in cramp positions or spaces, poor lighting, poor ventilation, poor seating, or standing for long period (exposure to eye strain, backache, wrist strain and sore shoulders).

  Apart from the regular inspections conducted internally, the Department of Labour conducted inspection audits and served the DESTEA with prohibition and contravention notices for some of its institutions including Soetdoring Nature Reserve.

- **Compliance with the OHS requirements:**

  The department has established an Occupational Health and Safety (OHS) Committee to oversee health and safety matters in departmental institutions. The committee comprises of employees and managers who will ensure compliance until the end of year 2024. The challenge facing the committee and the department is the gap identified with regards to the delay in addressing health and safety hazards identified. Lack of Personal Protective Equipment in some institutions compromises health and safety of employees. Non-compliance resulted in the Department loosing revenue at Soetdoring Nature Reserve for a period of about a year to date. To ensure compliance, managers were requested to prioritise the health threatening hazards with the available limited budget.

7. PORTFOLIO COMMITTEES

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

- Job creation
- Environmental compliance
- Small business development
- Waste management concerns at municipal level

8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/ No)
4/2020 -1	**Asset Register Management**	The department should improve controls over the asset management through regular asset counts and reconciliations of physical count to asset registers. Management should prioritize the completion of investigations for assets reported as under investigation for the previous 2 years.	There are regular assets counts conducted by the department of which the Internal Audit unit re-perform the counts and alert the finance team for any discrepancies found The assets previously disclosed as under investigation were also investigated and those which were not been verified will be removed from the register.	**Yes**

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/ No)
4/2020 -2	**Training Workshops**	Management should implement training workshops on standard charts of accounts (SCOA) for staff responsible for capturing of transactions to ensure correct allocations of transactions. In addition, finance staff should be trained on the minimum documentation required prior the approval of project specific expenditure.	The compliance unit within SCM review the documents for compliance before orders are issued. The CFO further verify this process before signing the log forms. The documents are further reviewed by the CFO and Internal Control unit before payments are processed on the system.	**Yes**
4/2020 -3	**Preparation of Annual Financial Statements**	Management should improve controls over the preparation of the annual financial statements to ensure that the annual financial statements submitted for audit are free from misstatements.	-Sessions and review meetings are held with all affected parties to address the preparation of financial statements and audit related matters. -Preliminary Action list has been compiled and will be updated as soon as the Financial Year-end closure circular is provided by Treasury to the department. The Action List was implemented from April 2024. -The financial statements are also submitted to the Provincial Treasury, Internal Audit as well as the Audit Committee for review	**Yes**

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/ No)
4/2020 -4	**Irregular Expenditure**	The department should ensure that the root causes of irregular expenditure is investigated and corrected so that the department does not incur irregular expenditure in future. Irregular expenditure already incurred should be investigated for possible recovery, write off or condonation.	-Investigations of outstanding cases were conducted and the recommendations were submitted to the Accounting Officer and the Provincial Treasury for condoning -The department further sourced advise from the Provincial Treasury on how to handle the cases where there is no supporting documentation	**Yes**
4/2020 -5	**Consequence Management**	The department should implement appropriate consequence management to ensure that matters reported in the prior years do not re-occur in future.”	-Consequence management already applied on irregular expenditure cases as well as fraud identified on S&T claims Investigation of S&T Allowances: -Training on consequence management was provided to nominated officials of the department. Leadership training, arranged by NSG, was also conducted for Senior Management team of the department. The officials also attended training on: -Consequence management is implemented as investigations unfold.	**Yes**

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/ No)
4/2020 -6	**Revenue Collection**	The department should implement more rigorous processes for the collection of rental revenue for the lease of Phillip Saunders that is long overdue.	The matter has been referred to the State Attorneys as the Department has over the years been trying to recover the money.	**No**
4/2020 -7	**Earmarked Funding**	That the department must ensure that there are mechanisms in place to regulate and monitor the transferring of earmarked funds to its entities as appropriated by Provincial Treasury."	-Controls have been implemented and reviewed on a regular basis to ensure that funds transferred to the entities are used for the intended purposes. -The Department took a decision to no longer allocate earmarked funds to the entities. - The checklist has been implemented to regulate the transfer of funds to the entities of the department.	**Yes**
4/2020 -8	**Filling of Vacancies**	That the filling of vacancies of critical posts under Internal Audit Unit and that of Resorts are prioritized to enable the department to function optimally and increase collection of revenue."	-Due to the lack of budget resources, the department is unable to fill all the critical and vacant positions	**No**

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/ No)
4/2020 -9	**Investigations of Travel and Subsistence Allowance**	That the investigation is long overdue and the process must be finalized as a matter of urgency	-Internal Audit investigated the alleged fraud on Subsistence and Travelling allowance. The investigation was finalised. The officials who have contravened with travel and subsistence policies and procedures as well as the status of disciplinary processes thereof have been outlined in the disciplinary report.	**Yes**

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
n/a		

10. INTERNAL CONTROL UNIT

The function of Internal Control unit is to ensure that the Department has and maintains effective, efficient and transparent systems of internal controls through enforcing compliance with financial management policies and procedures. Internal Control unit is thus responsible for promoting effective functioning of internal control systems within the Department and enforcing implementation of applicable legislation. Internal Control functions are performed in the respective Directorates of the Department, and each individual section is responsible for ensuring compliance to Departmental policies and procedures.

With respect to the Financial Accounting directorate, the Internal Control function is performed to ensure that the Department complies with laws and regulations with regard to financial management. The internal control activities undertaken during the period under review include:

- Verification of financial transaction documentation, and ensuring the availability of credible and verifiable supporting documentation for internal and external audit purposes
- Ensured that before payments are authorized in the LOGIS or BAS system, all documents are checked and verified to comply with applicable policies and regulations.
- Ensured that the Department is consistent with its internal control procedures.
- Ensured that irregular, unauthorized, fruitless, and wasteful expenditure identified are investigated

and resolved and ensured that departmental procedures were adhered to.

- Maintained the irregular, unauthorized, fruitless, and wasteful expenditure registers.
- Monthly reporting on invoices, which are not paid within 30 days from the date of receipt.
- Ensured that all external audit findings are resolved and recommendations are implemented before the next annual regularity audit.
- Promoting policy compliance on the financial support provided by the Small Business Development directorate.
- Assisted with strengthening policy compliance in the area of revenue generating streams of the department.

The Internal Control unit continues to fulfil its mandate, though with limited capacity, hence the limited focus in terms of execution of the functions. There is therefore still a need for the Internal Control Unit to expand its scope of work to other directorates throughout the department so as to ensure that the system of internal control is fully efficient and effective, thus contributing positively to the department as a whole.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of internal audit

The Internal Audit Directorate is independent of management and reports administratively to the Accounting Officer and functionally to the Audit Committee. The Internal Audit Charter and 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 where possible to ensure controls are in place and operating as intended.

Summary of audit work done

The following audits were completed the period under review:

1. 2023/24 Annual Verification
2. 2023/24 Draft Annual Financial Statements
3. Employee Verification
4. Game Management
5. SMME Supported (Occurrence)
6. Environmental Impact Assessment
7. Fleet Management (Environmental Affairs)
8. Asset Management (Environmental Affairs)
9. Compliance with laws and regulations
10. Leave Entitlement
11. Budget Management
12. Risk Management
13. Revenue Management Investigation

The following were areas of concern were noted during the 2024/25 financial year:

- Slow finalisation on the investigation of Unauthorised, Irregular, Fruitless & Wasteful expenditure investigations.
- Repeat findings on SMME Supported, Quarterly Targets and Asset Management.
- Moratorium that has negative effects on filling of posts.
- Budget cuts which impact negatively on the achievement of department's mandate.
- Transfer of officials to DARD causing fears to officials.
- Late finalisation of risk registers.

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 were to assess and advise, among other things, on the following matters:

- Effectiveness of the Department's internal control system;
- Activities and effectiveness of the internal audit function, including its annual work programme, co-ordination 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 by Management and other users of such information;
- Any accounting and auditing concerns identified as a result of internal and external audits; and
- The Department's compliance with legal and regulatory provisions.

Audit Committee Members and Attendees

Table 2: Audit Committee Members and Meeting attendance where term commenced on 01 August 2023						
Names	**Qualifications**	**Internal or External**	**If Internal, position in the department**	**Date appointed**	**Date resigned**	**No of meetings attended**
Ms. D Ewertse (Chairperson)	B Compt Hons (CTA) Post Graduate Diploma in Auditing Chartered Director Certification	External	N/A	01 August 2023	18 November 2024.	04
Ms. F Muller	MBA	External	N/A	01 August 2023	None	07
Mr. B Moletsane	CA(SA)	External	N/A	01 December 2024	None	07

Table 2: Audit Committee Members and Meeting attendance where term commenced on 01 August 2023						
Names	**Qualifications**	**Internal or External**	**If Internal, position in the department**	**Date appointed**	**Date resigned**	**No of meetings attended**
Mr. B Moletsane (Chairperson)	CA(SA)	External	N/A	01 January 2025	None	01
Dr. M Marumo	PhD (Anthropology & Development Studies) Msc Botany Bsc Agronomy	External	N/A	01 August 2023	None	07
Ms. P Notsi	Masters Degree in Development and Management	External	N/A	01 August 2023	None	07

AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2025.

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 comments in this regard and made recommendations to further improve management control mechanisms.

From the various reports of the Internal Auditors, it was noted that no further matters, other than the matters 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 partially effective to ensure that objectives of the department were achieved.

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 during 2024/25 financial year:

- Annual Financial Statements for the year;
- Information of the predetermined objectives to be in the Annual Report for the year; and
- Compliance with legal and regulatory provisions.

The Audit Committee made certain recommendations to enhance the usefulness in some instances identified.

Auditor General's Report

The Audit Committee has considered the Auditor General's report on the audit conducted for 2024/25 financial year. The Audit Committee concurs with the AG's conclusion and the annual financial statements and is of the opinion that the statements must be read together with the report of the AG.

Mr. B Moletsane
Chairperson of the Audit Committee
Department of Economic, Small Business Development, Tourism and Environmental Affairs

12. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response** **Yes / No**	**Discussion** **(*include a discussion on your response and indicate what measures have been taken to comply*)**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The Department will engage the Provincial Treasury to discuss how best to implement the Code of Good Practice
Developing and implementing a preferential procurement policy?	No	The Department will engage the Provincial Treasury to discuss how best to implement the Code of Good Practice
Determining qualification criteria for the sale of state-owned enterprises?	No	The Department will engage the Provincial Treasury to discuss how best to implement the Code of Good Practice

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response** **Yes / No**	**Discussion** **(*include a discussion on your response and indicate what measures have been taken to comply*)**
Developing criteria for entering into partnerships with the private sector?	No	The Department will engage the Provincial Treasury to discuss how best to implement the Code of Good Practice
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	The Department will engage the Provincial Treasury to discuss how best to implement the Code of Good Practice

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

- **Organisational structure**

The review process of organisational structure is still in progress. For 2024/25 financial year, the Department continued consultations with different programmes trying to merge and abolish positions in response to the budgetary constraints.

In addition, the organisational structure review process had to also take into consideration changes informed by the pronouncement made by the Free State Premier following the 2024 national elections, which informed the migration of the Environmental Affairs function to Department of Agriculture and Rural Development (DARD). Further deliberations are ongoing to inform an envisaged organisational structure which see Economic Development and Tourism Development and Support as the remaining line functions. In addition, the effect of financial constraints continues to be an anticipated challenge, which threatens the possibilities for implementation of the envisaged structure.

The proposed structure will only be concluded after the migration process, which requires concurrence from the MPSA is finalized/agreed upon.

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

As at 31 March 2025, the Department had a workforce of 603. This is inclusive of 598 permanent employees and 5 contract workers. The current vacancy rate is standing at 18.51%, which is above the national benchmark of 10%. The total number of employees who left the department in 2024/25 financial year is 28, which translates into 4.64% of the total workforce. The figure is lower than the national benchmark of 8%. It can also be reported that the figure has decreased as compared to last year (2023/24) where the department was at 6.04%.

Of the 28 officials who left the department, 7 resigned, 10 left due to normal /compulsory retirement, 1 left due to early retirement, 1 left due to ill- health retirement, 3 were as a result of death, 5 officials contracts expired and 1 dismissed. The majority of employees who left the department are due to normal/ compulsory retirements, followed by resignation. The significantly high number of attrition is of concern because the department is unable to retain its employees, especially those that are leaving voluntarily (resignations and or transfers) which has implication of reduction of vacancy rate. Nominal increase in compensation of employee budget has also led to the department not being able to replace the lost skills. The Directive on the Implementation of Control Measures aimed at assisting the Executive Authorities (EA) in Managing Sustainability during the Process of Creating and Filling of vacant funded posts in the department played a major role in non-filling of vacant and funded posts.

The age profile of the department is of a major concern in terms of critical occupation. Of the 603 employees in the department, only 12.10% counts for youth and the highest percentage is 36.81% (40 and 49), followed by 32.67% at ages of 50 and 59 and (5.63%) are at the retirement age.

One hundred and thirty four (134) of these employees will be retiring in the next 5-10 years through normal and/or compulsory retirement. Of this number, 89 (66.41%) are from Environmental Management Branch, 32 (23.88%) from Administration, 11 (8.20%) are from Economic Development and 2 (1.49%) are from Tourism Support. In

recruiting within these branches, attention will have to be placed on attracting youth, especially on certain entry-level posts where experience is not a requirement. Succession planning needs to be implemented as the department will be losing key personnel as well as critical skills in the next 1-5 years.

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

As an ongoing process to capacitate and develop its employees**,** the department has rolled out nineteen (19) training programmes for the 2024/25 financial year as an ongoing process to capacitate and develop its employees. In total 315 (53%) employees out of 601 were trained. Furthermore, 7 serving employees were awarded part-time bursaries for the 2025 academic year and 47 unemployed graduate interns were in the employ of DESTEA.

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

In attracting skilled and capable workforce, DESTEA makes use of various national print media and Public Service and Administration Website as well as Departmental website to recruit prospective employees from salary levels 9–16. During the interviews, SMS members undergo technical exercise 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. The Department of Public Service Administration has introduced a Directive on Human Resource Management and Development for the Public Service Professionalization to try to improve public sector service delivery of building a capable, ethical and developmental Public Service. The implementation of this Directive will see the Public Service being able to create a responsive, public-oriented professional service underpinned by a persistent dedication to public welfare.

- **Employee performance management**

Performance management can be used to publicize strategy, manage transformation, and improve accountability of an employee in the performance of his/her duties. It is also used helps to boost employee engagement and productivity. Engaged employees stay longer, actively involve themselves in the workplace and produce better results. Improving levels of employee engagement is key to boosting productivity and maximising return on investment (ROI).

(a) During the 2024/25 performance cycle, majority of employees entered into performance agreements. Of the 25 SMS members that were in service, 20 (80%) entered into performance agreement. However, overall % of level 2-12 and SMS members of received performance agreements for 2024/2025 financial year stand at 94% instead of 100%. A shortfall of outstanding performance agreements stand at 6%.

(b) Payment for the end-of-cycle assessments for 2023/24 for employees on salary levels 2-12 were approved during October 2024, whilst the SMS assessment outcomes were moderated in December 2024 and approved on 11 February 2025. Percentage of finalised and resolution on non-finalised/ submitted

- **Employee wellness programmes (EHWP)**

The integrated wellness program encourages healthy habits and gives employees tools and support they need to look after their financial, emotional, and physical health. As a result, reduced health risks, decreased absenteeism, and enhanced general health and productivity can be achieved. By lowering stress, improving focus, and boosting energy levels, employee health and wellness programs can increase productivity. Research has showed that employees who are happier and healthier are more engaged with their jobs.

It is through the implementation of the comprehensive EHW Program that the DESTEA provide care, support, and treatment to employees and their families. The HIV/AIDS, TB & STI Management, Health and Productivity Management (HPM), Wellness Management (WM), and Safety, Health, Environment, Risk and Quality Management (SHERQ) Pillars are all included in this extensive program that seeks to:

- Create a healthy lifestyle in every situation, collaborate with all stakeholders involved, and form alliances to carry out a comprehensive health and wellness program. Additionally, to enable and empower wellness champions to oversee and market a comprehensive wellness program.

- To mention a few, services offered through the implementation of this programme during the financial year are HIV Testing Services, Health Risk Assessments, Occupational health and Safety inspections, Psycho-social wellness (counselling), Physical wellness (Sports and Recreation) and different educational awareness campaigns including health lifestyle information sessions on HIV, programmes encouraging a work life balance, healthy nutrition, general health and financial wellbeing.

- To support employees needing treatments of different chronic diseases, employees were referred to different health institutions for enrolment in the Disease Management Programme (DMP). Employees suffering from Alcohol and Substance abuse were sent to a rehabilitation centre, provided with counselling and support through the use of a multi-disciplinary team approach at no cost to the employee. The DESTEA further provided employees and their immediate family members with counselling and support which also highlight how much the employer cares.

- The DESTEA strives to comply with the Occupational Health and Safety Act and its regulations. To ensure safety and minimise risk, eliminate hazards in the workplace, health and safety inspections and risk assessments were conducted. The identified risks were investigated, attended to and others needing finances prioritised for the new financial year.

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

o **Highlight / achievements:**

One hundred and two (102) Standard Operating Procedures were developed in response to the Auditor-General's query to ensure that business processes are effectively documented. The majority of developed SOPs were mainly with the core function.

The department continues to promote sports and recreation in the department. The Head office has an operating gym facility available for employees and managers at no cost to them. The department further established vegetable gardens at Resorts and Reserves. These gardens ensure employees who lives out of town far away from medical facilities and social development services have at least access to healthy food, reducing risks of being vulnerable to illnesses and diseases, thereby helping to manage both communicable and non-communicable diseases. This is one of the critical efforts to ensure employees practice a healthy lifestyle.

o **Challenges faced by the department:**

- Inability to replace lost skills and recruit critical skills, which also limits the department's ability to address the equity targets.
- Failure to finalise and consult on the Proposed Organisational Structure which is as a result of the

fluctuating/unstable CoE allocation, thus making it difficult to take decision on how many posts should the structure contain without compromising on the departmental mandate and objectives set to provide the departmental services.

- Limited resources that includes high shortage of staff and unavailability of GG transport compromises effective service delivery. A gap in conducting medical surveillance contributes to improper placement of employees and eventually affects their health and wellbeing, leading to a drop in productivity.
- Non-compliance with the OHS Act in some of the departmental institutions and non-prioritisation of provision of PPE to employees impact negatively on morale and negatively affect their health and wellbeing.

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 2024 and 31 March 2025

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	204 987	128 372	2 605	0	62.60	561
Environmental Affairs	203 088	136 232	237	556	67.10	463
Economic Development	243 717	44 940	92	4 082	19.20	615
Tourism	20 065	8 881	55	0	44.30	683
TOTAL	**671 856**	**318 425**	**2 989**	**4 638**	**48.10**	**523**

Table 3.1.2 Personnel costs by salary band for the period 1 April 2024 and 31 March 2025

Salary band	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee
01 Lower skilled (Levels 1-2)	4 872	1.50	21	232 000
02 Skilled (Levels 3-5)	90 852	27.50	285	318 779
03 Highly skilled production (Levels 6-8)	88 180	26.70	166	531 205

Salary band	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee
04 Highly skilled supervision (Levels 9-12)	95 533	29	103	927 505
05 Senior management (Levels >= 13)	35 288	10.70	23	1 534 261
11 Contract (Levels 3-5)	963	0.30	3	321 000
13 Contract (Levels 9-12)	1 339	0.40	0	0
14 Contract (Levels >= 13)	4 984	1.50	3	1 661 333
18 Contract Other	748	0.20	2	374 000
19 Periodical Remuneration	217	0.10	3	72 333
TOTAL	**322 976**	**97.90**	**609**	**530 338**

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2024 and 31 March 2025

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	101 930	76.90	3 446	2.60	4 526	3.40	8 396	6.30
Economic Development	37 335	81.10	167	0.40	1 220	2.70	2 139	4.60
Environmental Affairs	102 826	72.40	3 041	2.10	5 673	4	11 880	8.40
Tourism	7 300	79.30	0	0	260	2.80	516	5.60
TOTAL	**249 391**	**75.60**	**6 654**	**2**	**11 678**	**3.50**	**22 931**	**7**

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2024 and 31 March 2025

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
01 Lower skilled (Levels 1-2)	3 220	66	22	0.50	437	9	799	16.40

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
02 Skilled (Levels 3-5)	61 837	67.80	2 980	3.30	5 733	6.30	12 130	13.30
03 Highly skilled production (Levels 6-8)	66 810	74.80	2 088	2.30	3 363	3.80	6 768	7.60
04 Highly skilled supervision (Levels 9-12)	78 875	79.30	1 491	1.50	1 771	1.80	3 137	3.20
05 Senior management (Levels >= 13)	31 693	86.80	0	0	277	0.80	96	0.30
11 Contract (Levels 3-5)	833	86.30	72	7.50	0	0	0	0
13 Contract (Levels 9-12)	948	70.80	0	0	38	2.80	0	0
14 Contract (Levels >= 13)	4 460	86.60	0	0	59	1.10	0	0
18 Contract Other	715	95	0	0	0	0	0	0
19 Periodical Remuneration	0	0	0	0	0	0	0	0
TOTAL	**249 391**	**75.60**	**6 654**	**2**	**11 678**	**3.50**	**22 931**	**7**

3.2. Employment and Vacancies

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 2025

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	254	219	13.77%	1
Environmental Affairs	374	293	21.65%	1
Economic Development	97	78	19.58%	1
Tourism	15	13	13.33%	0
Total	**740**	**603**	**18.51%**	**3**

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2025

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)	21	21	0%	0
Skilled(3-5)	350	290	17.14%	1
Highly skilled production (6-8)	190	164	13.68%	0
Highly skilled supervision (9-12)	142	102	28.16%	1
Senior management (13-16)	37	26	29.72%	1
Total	**740**	**603**	**18.51%**	**3**

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2025

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)	2	1	50%	0
Senior Management (13-14)	34	25	26.47%	1
Middle Management & Professionals (11-12)	62	48	22.58%	0
Junior Management & Supervisors (8-10)	134	95	29.1%	1
Administrative Office Workers & related (5-7)	243	210	13.58%	1
Elementary & Semi Skilled (1-4)	265	224	15.15 %	0
Total	**740**	**603**	**18.51%**	**3**

3.3 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 2025

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	0	0	0%	0	0
Salary Level 16	2	1	50%	1	50%
Salary Level 15	0	0	0%	0	0
Salary Level 14	7	4	57.14%	3	42.86%
Salary Level 13	28	21	75%	7	25%
Total	**37**	**26**	**70,27%**	**11**	**29.73%**

Table 3.3.2 SMS post information as on 30 September 2024

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	0	0	0%	0	0
Salary Level 16	2	1	50%	1	50%
Salary Level 15	0	0	0%	0	0
Salary Level 14	7	4	57.14%	3	42.85%
Salary Level 13	28	22	78.57%	6	21.43%
Total	**37**	**27**	**72.97%**	**10**	**27.02%**

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2024 and 31 March 2025

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	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	0	0	0
Total	**0**	**0**	**0**

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 2024 and 31 March 2025

Reasons for vacancies not advertised within twelve months
The delay was caused by implementation of the Directive on the Implementation of Control Measures aimed at assisting the Executive Authorities (EA) in Managing Sustainability during the Process of Creating and Filling of vacant funded posts in the department.

Reasons for vacancies not filled within six months
The delay was caused by implementation of the Directive on the Implementation of Control Measures aimed at assisting the Executive Authorities (EA) in Managing Sustainability during the Process of Creating and Filling of vacant funded posts in the department.

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 2024 and 31 March 2025

Reasons for vacancies not advertised within six months
The delay was caused by implementation of the Directive on the Implementation of Control Measures aimed at assisting the Executive Authorities (EA) in Managing Sustainability during the Process of Creating and Filling of vacant funded posts in the department.

Reasons for vacancies not filled within six months
The delay was caused by implementation of the Directive on the Implementation of Control Measures aimed at assisting the Executive Authorities (EA) in Managing Sustainability during the Process of Creating and Filling of vacant funded posts in the department**.**

3.4 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 2024 and 31 March 2025

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 (Levels1-2)	21	0	0	0	0	0	0
Skilled (Levels 3-5)	349	0	0	0	0	0	0

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
Highly skilled production (Levels 6-8)	190	3	1.57	0	0	0	0
Highly skilled supervision (Levels 9-12)	143	6	4.20	0	0	0	0
Senior Management Service Band A	28	2	7.14	0	0	0	0
Senior Management Service Band B	8	0	0	0	0	0	0
Senior Management Service Band C	0	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	**740**	**11**	**1.49**	**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 2024 and 31 March 2025

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability	0

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 2024 and 31 March 2025

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Deputy-Director	1	11	12	Transfer from another department
Assistant Director	4	9 9	12 10	Previous appointments in the office of the MEC Grade progression
Trade Advisor	3	7 7	12 8	Previous appointments in the office of the MEC Grade progression
General Forman	1	5	6	Grade progression
Tourism Officer	4	7	8	Grade progression
Administration Officer	10	7 5	8 6	Grade progression
Total number of employees whose salaries exceeded the level determined by job evaluation				**23**
Percentage of total employed				**3.81**

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 2024 and 31 March 2025

Gender	African	Asian	Coloured	White	Total
Female	16	0	0	0	0
Male	7	0	0	0	0
Total	**23**	**0**	**0**	**0**	**0**

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

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 2024 and 31 March 2025

Salary Band	Number of employees at beginning of period-April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	22	0	0	0
Skilled (Levels3-5)	296	0	13	4.38
Highly skilled production (Levels 6-8)	173	0	6	3.5
Highly skilled supervision (Levels 9-12)	107	0	8	7.2
Senior Management Service Bands A	21	0	1	4.76
Senior Management Service Bands B	3	0	0	0
Senior Management Service Bands C	0	0	0	0
Senior Management Service Bands D	1	0	0	0
Contracts	4	0	0	0
Total	**627**	**0**	**28**	**4.45**

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2024 and 31 March 2025

Critical Occupation	Number of employees at beginning of period-April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Top Management (15-16)	1	0	0	0
Senior Management (13-14)	24	0	1	0.15
Middle Management & Professionals (11-12)	46	0	5	0.79
Junior Management & Supervisors (8-10)	107	0	7	1.11
Administrative Office Workers & related (5-7)	215	0	7	1.11
Elementary & Semi Skilled (1-4)	230	0	8	1.27
Contracts	4	0	0	0
TOTAL	**627**	**0**	**28**	**4.45**

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 2024 and 31 March 2025

Termination Type	Number	% of Total Resignations
Death	3	0.50%
Resignation	7	1.16%
Expiry of contract	5	0.83%

Termination Type	Number	% of Total Resignations
Dismissal – operational changes	1	0.16%
Dismissal – misconduct	1	0.17
Dismissal – inefficiency	0	0
Discharged due to ill-health	1	0.17%
Retirement	10	1.83%
Early Retirement	0	0
Transfer to other Public Service Departments	0	0
Other	0	0
Total	**28**	**4.64**
Total number of employees who left as a % of total employment	**4.64%**	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2024 and 31 March 2025

Occupation	Employees 1 April 2024	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)	1	0	0	0	0
Senior Management (13-14)	25	0	0	0	0
Middle Management & Professionals (11-12)	46	0	0	0	0
Junior Management & Supervisors (8-10)	107	0	0	0	0
Administrative Office Workers & related (5-7)	216	0	0	0	0
Elementary & Semi Skilled (1-4)	228	0	0	0	0
Contracts	4	0	0	0	0
TOTAL	**627**	**0**	**0**	**0**	**0**

Table 3.5.5 Promotions by salary band for the period 1 April 2024 and 31 March 2025

Salary Band	Employees 1 April 2024	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)	22	0	0	0	0
Skilled (Levels3-5)	295	0	0	0	0
Highly skilled production (Levels 6-8)	173	0	0	0	0

Salary Band	Employees 1 April 2024	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
Highly skilled supervision (Levels 9-12)	107	0	0	0	0
Senior Management (Level 13-16)	26	0	0	0	0
Contracts	4	0	0	0	0
Total	**627**	**0**	**0**	**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 2025

Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	17	0	0	1	9	0	0	0	27
Professionals	1	0	0	2	0	0	0	0	3
Technicians and associate professional	43	5	0	17	34	0	0	1	100
Clerks	113	0	0	4	123	1	0	8	249
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	122	11	0	1	88	3	0	0	225
Total	**296**	**16**	**0**	**25**	**254**	**4**	**0**	**9**	**604**
Employees with disabilities	**4**	**0**	**0**	**3**	**3**	**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 2025

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	4	0	0	0	1	0	0	0	5
Senior Management	12	0	0	1	8	0	0	0	21
Professionally qualified and experienced specialists and mid-management	25	2	0	10	13	0	0	0	50
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	85	3	0	11	96	0	0	7	202
Semi-skilled and discretionary decision making	77	2	0	2	61	1	0	2	145
Unskilled and defined decision making	92	9	0	1	75	3	0	0	180
Total	**295**	**16**	**0**	**25**	**254**	**4**	**0**	**9**	**603**
Employees with disabilities	**4**	**0**	**0**	**3**	**3**	**0**	**0**	**0**	**10**

Table 3.6.3 Recruitment for the period 1 April 2024 and 31 March 2025

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

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.6.4 Promotions for the period 1 April 2024 and 31 March 2025

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.6.5 Terminations for the period 1 April 2024 and 31 March 2025

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	0	0	2	1	0	0	0	3

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	1	4	0	0	1	8
Semi-skilled and discretionary decision making	7	0	0	0	0	0	0	0	7
Unskilled and defined decision making	3	0	0	0	1	0	0	0	4
Contracts	4	0	0	0	2	0	0	0	7
Total	**17**	**0**	**0**	**3**	**8**	**0**	**0**	**1**	**28**
Employees with Disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.6.6 Disciplinary action for the period 1 April 2024 and 31 March 2025

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Written warning	1	0	0	0	0	0	0	0	**1**
Final Written warning	7	0	0	0	2	0	0	0	**9**

Table 3.6.7 Skills development for the period 1 April 2024 to 31 March 2025

Occupational category	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Legislators, senior officials and managers	7	2	0	1	15	0	0	0	25
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	28	1	0	1	40	0	0	0	70
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

Occupational category	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
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	25	0	0	0	20	0	0	0	45
Total	**60**	**3**	**0**	**2**	**75**	**0**	**0**	**0**	**141**

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 are presented here.

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2024

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	3.84%
Salary Level 16	0	0	0	0
Salary Level 15	0	0	0	0
Salary Level 14	4	3	3	11.53 %
Salary Level 13	29	22	17	65.38 %
Total	**33**	**26**	**21**	**80.76 %**

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2025

Reasons
Due to prolonged sick leave and open door revolving policy commitments.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2025

Reasons
n/a

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.

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2023 and 31 March 2024

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	499	543	0	0	0
Male	286	291	0	0	0
Female	213	251	0	0	0
Asian	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
Coloured	0	20	0	0	0
Male	13	16	0	0	0
Female	1	4	0	0	0
White	0	36	0	0	0
Male	27	28	0	0	0
Female	10	11	0	0	0
Total	**550**	**598**	**0**	**0**	**0**

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2023 to 31 March 2024

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)	16	22	0	0	0	0
Skilled (level 3-5)	287	296	0	0	0	0
Highly skilled production (level 6-8)	149	173	0	0	0	0
Highly skilled supervision (level 9-12)	98	107	0	0	0	0
Total	**550**	**598**	**0**	**0**	**0**	**0**

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2023 to 31 March 2024

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	69	71	0	**0**	**0**
Technicians and associate professionals	85	107	0	0	0

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative Office Workers	202	215	0	0	0
Elementary occupations	220	230	0	0	0
Total	**576**	**623**	**0**	**0**	**0**

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2023 to 31 March 2024

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	1	0	0	0	0
Band B	0	0	0	0	0	0
Band C	0	4	0	0	0	0
Band D	0	21	0	0	0	0
Total	**0**	**26**	**0**	**0**	**0**	**0**

3.9 Foreign Workers

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 2024 and 31 March 2025

Salary Band	01 April 2024		31 March 2025		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 2024 and 31 March 2025

Major occupation		01 April 2024		31 March 2025		Change	
		Number	% of total	Number	% of total	Number	% Change
N/A	0	0	0	0	0	0	0

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 2024 to 31 December 2024

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)	137	83.90	17	4	8	**R99**
Skilled (levels 3-5)	1287	91.40	199	46.60	6	**R1 262**
Highly skilled production (levels 6-8)	943	81.20	122	28.60	8	**R1 736**
Highly skilled supervision (levels 9 -12)	474	84.60	64	15	7	**R1 539**
Top and Senior management (levels 13-16)	1	100	1	0.20	1	**R9**
Total	**2957**	**86.30**	**427**	**100**	**7**	**R4 992**

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2024 to 31 December 2024

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)	40	100	2	4.80	20	**R30**
Skilled (Levels 3-5)	451	99.60	27	64.30	17	**R420**
Highly skilled production (Levels 6-8)	118	100	8	19	15	**R208**
Highly skilled supervision (Levels 9-12)	65	100	4	9.50	16	**R212**
Senior management (Levels 13-16)	21	100	1	2.40	21	**R104**
Total	**695**	**99.70**	**42**	**100**	**17**	**R973**

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 2024 to 31 December 2024

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	538	21	25.61
Skilled Levels 3-5)	7421	293	35.32
Highly skilled production (Levels 6-8)	4448	171	26.01
Highly skilled supervision(Levels 9-12)	2792	107	26.09
Senior management (Levels 13-16)	550	25	22
Total	**15749**	**617**	**25.52**

Table 3.10.4 Capped leave for the period 1 January 2024 to 31 December 2024

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 2023
Lower skilled (Levels 1-2)	0	0	0	21
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	32	4	8	25
Highly skilled supervision(Levels 9-12)	0	0	0	45
Senior management (Levels 13-16)	0	0	0	19
Total	**32**	**4**	**8**	**110**

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 2024 and 31 March 2025

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2024/25 due to non-utilisation of leave for the previous cycle	R5 271	11	479
Capped leave pay-outs on termination of service for 2024/25	R6 770	7	967
Current leave pay-out on termination of service for 2024/25	R1 024	22	46
Total	**R2 228**	**40**	**56**

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. Employees doing auxiliary services (cleaners)	Rigorous marketing of services offered by the newly appointed Employee Health and Wellness Service provider. Training on reviewed policies, Education and awareness programmes on preventative programmes such as life skill, financial management, stress management, HIV/AIDS, healthy lifestyle, condom demonstration and condom distribution. Ensure easy access to the Employee Health and Wellness Programme
2. Employees on contract (EPWP workers, Interns and Leaners)	Marketing of services offered by the newly appointed Employee Health and Wellness Service provider. Training on reviewed Employee Health and Wellness Policies. Education and awareness programmes on preventative programmes such as life skill, financial management, stress management, HIV/AIDS, healthy lifestyle, condom demonstration and condom distribution. Ensure easy access to the Employee Health and Wellness Programme
3. Game Capturers	Rigorous marketing services offered by the newly appointed Employee Health and Wellness Service provider. Training on reviewed policies, Education and awareness programmes on preventative programmes such as life skill, financial management, stress management, HIV/AIDS, healthy lifestyle, condom demonstration and condom distribution. Ensure easy access to the Employee Health and Wellness Programme
4. Low level employees	Rigorous marketing services offered by the newly appointed Employee Health and Wellness Service provider. Training on reviewed policies, Education and awareness programmes on preventative programmes such as life skill, financial management, stress management, HIV/AIDS, healthy lifestyle, condom demonstration and condom distribution. Ensure easy access to the Employee Health and Wellness Programme
5. Employees living at Resorts and Reserves away from their families	Rigorous marketing services offered by the newly appointed Employee Health and Wellness Service provider. Training on reviewed policies, Education and awareness programmes on preventative programmes such as life skill, financial management, stress management, HIV/AIDS, healthy lifestyle, condom demonstration and condom distribution. Ensure easy access to the Employee Health and Wellness Programme

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**		Director: OHRD, Mr T. Selemela
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**		Seven (7) employees are appointed in this component: Deputy Director: EHWP, Ms LGB Molefe Assistant Director: EHWP, Ms N.P. Mothibedi Senior HPM Practitioner, Ms M. Puleni SHERQ Practitioner, Mr M. Sebitloane HIV/AIDS Co-ordinator, Ms K. Mampe Interns: Mr N. Seome Ms N. Molisenyane
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**		Preventative Programmes such as life skills Programmes Development and review of policies Training of EHWP Policies Psycho-social support to employees and family members HIV Testing Services Health Risk Assessment Promotion of healthy lifestyle Information sessions on different health and wellness topics Occupational Health and Safety inspections

Question	Yes	No	Details, if yes
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**		MR T. Selemela MS LGB Molefe MS P. Mothibedi MS M. Puleni MS K. Mampe MR N. Seome MS M Moloi MS P Qaba MR S Dlamini MS G Matlhole MR. T Letsika MR. S Dlamini MR T Shabangu Mr J Kgatlhe Ms.Z Moesoenyane Ms. D Pebane Mr. M Monnahela Ms P Mashinini Mr S Ntsuku Mr F Ngesi Mr. La Moseki Mr. A.M Makaota Ms. M Mokoai Mr. M. Dichaba Ms M Mathopa Mr L Nkoane Ms J Makgaba Mr. M Koloti Mr R Donovan Ms M Mathopa Mr. J. Seitlheko Ms. M Nyawo Ms. G Maphepha Ms. K Thekiso Mr. R Lesupi Mr. M Sesotlo Ms. T Tshabalala Ms. D Selobe Ms. P Modise Mr. N Matima Ms. N Ramaebebe Ms. K Molokoane

Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	**YES**		HIV Testing Services (HTS) and Health Risk Assessments (HRA) Campaigns were conducted internally twice annually. Confidentiality is maintained Only registered counsellors have access to sensitive information
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	**YES**		Feedback reports from stakeholders such as Gems with regards to health screening and testing Feedback from employees utilising the service DPSA Quarterly Reports DPSA System Monitoring Tool

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2024 and 31 March 2025

Subject matter	Date
n/a	

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2024 and 31 March 2025

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	2	8
Verbal warning	2	8
Written warning	1	4
Final written warning	9	36
Suspended without pay	6	24
Fine	0	0
Demotion	1	4
Dismissal	2	8
Not guilty	1	4
Case withdrawn	1	4
Total	**25**	**100**

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2024 and 31 March 2025

Type of misconduct	Number	% of total
Theft	1	25

Performing remunerative work	0	0
Insubordination	0	0
Absenteeism	3	75
TOTAL	**4**	**100**

Table 3.12.3.1 Total misconduct cases for the period 1 April 2024 - 31 March 2025

Type of misconduct	Number of cases outstanding 01 April 2024	Number of cases added in 2024/25	Number of cases finalised in 2024/25	Number of Cases outstanding 31 March 2025
Performing remunerative work	0	0	0	0
Insubordination	0	0	0	0
Absenteeism	0	3	2	1
Fraud	3	0	2	1
TOTAL	**3**	**3**	**4**	**2**

Table 3.12.4 Grievances lodged for the period 1 April 2024 and 31 March 2025

Grievances	Number	% of Total
Number of grievances resolved	25	100
Number of grievances not resolved	0	0
Total number of grievances lodged	**25**	**100**

Table 3.12.5 Disputes logged with Councils for the period 1 April 2024 and 31 March 2025

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	5	100
Total number of disputes lodged	**5**	**100**

Table 3.12.6 Strike actions for the period 1 April 2024 and 31 March 2025

Total number of persons working days lost	4
Total costs working days lost	4
Amount recovered as a result of no work no pay (R'000)	R5

Table 3.12.7 Precautionary suspensions for the period 1 April 2024 and 31 March 2025

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension(R'000)	R0

3.13 Skills development

This section highlights the efforts of the department with regard to skills development.

Table 3.13.1 Training needs identified for the period 1 April 2024 and 31 March 2025

Occupational category	Gender	Number of employees as at 1 April 2024	Training needs identified at start of the reporting period			
			Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	15	0	• Knowledge Management • Service Delivery Innovation • Client Orientation and Customer focus Applied Strategic Thinking, Impact and Influence	0	4
	Male	10	0	• Knowledge Management • Service Delivery Innovation • Client Orientation and Customer focus • Applied Strategic Thinking, Impact and Influence	0	0
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0

Occupational category	Gender	Number of employees as at 1 April 2024	Training needs identified at start of the reporting period			
			Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Clerks	Female	40	0	• Mentoring and Coaching • Firearms training • Water Purification • Supervisory Skills • Skills Audit programme • Scientific Research Skills • Wildlife Management Skills • Data Analysis & Modelling • Family Law & Divorce & Family Mediation Course	0	9
	Male	30	0	• Mentoring and Coaching • Firearms training • Water Purification • Supervisory Skills • Skills Audit programme • Scientific Research Skills • Wildlife Management Skills • Data Analysis & Modelling • Family Law & Divorce & Family Mediation Course	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agri-culture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0

Occupational category	Gender	Number of employees as at 1 April 2024	Training needs identified at start of the reporting period			
			Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Elementary occupations	Female	20	0	• Mentoring and Coaching • Firearms training • Water Purification • Supervisory Skills • Skills Audit programme • Scientific Research Skills • Wildlife Management Skills • Data Analysis & Modelling Family Law & Divorce & Family Mediation Course	0	9
	Male	25	0	• Mentoring and Coaching • Firearms training • Water Purification • Supervisory Skills • Skills Audit programme • Scientific Research Skills • Wildlife Management Skills • Data Analysis & Modelling • Family Law & Divorce & Family Mediation Course	0	0
Sub Total	Female	75	0	0	0	22
	Male	65	0	0	0	
Total		**140**	**0**	**0**	**0**	**22**

Table 3.13.2 Training provided for the period 1 April 2024 and 31 March 2025

Occupational category	Gender	Number of employees as at 1 April 2024	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	31	0	• Skills Audit Training • Mentoring and Coaching Skills Programme • Mentoring and Coaching Skills Programme • Client Orientation and Impact and Influence • Supervisory Skills • Firearm Training • Data Analysis Training • Service Delivery • Evidence Based Policy Implementation	0	9
	Male	21	0	• Skills Audit Training • Client Orientation and Impact and Influence • Supervisory Skills • PSIRA Training • Firearm Training • Data Analysis Training • Service Delivery • Evidence Based Policy Implementation	0	0
Professionals	Female	0	0	0	0	0
	Male	2	0	• Supervisory Skills	0	1
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0

Clerks	Female	67		• Mentoring and Coaching Skills Programme • Firearm Training • Evidence Based Policy Implementation • Personal Mastery • Skills Audit Training • Water Purification Course • Financial Management • Supervisory Skills • Client Orientation and Impact and Influence • Compulsory Induction Programme (ToT) • Service Delivery		11
	Male	76	0	• Data Analysis • Mentoring and Coaching Skills Programme • Firearm Training • Evidence Based Policy Implementation • Personal Mastery • Skills Audit Training • Water Purification Course • Financial Management • Supervisory Skills • Client Orientation and Impact and Influence • Compulsory Induction Programme (ToT) • Service Delivery	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agri-culture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0

Elementary occupations	Female	38	0	• Supervisory Skills • Firearm Training • Client Orientation and Impact and Influence • Basic Computer Training • Mentoring and Coaching Skills Programme • Water Purification Course	0	6
	Male	29	0	• PSIRA Training • Supervisory Skills • Firearm Training • Basic Computer Training • Mentoring and Coaching Skills Programme • Water Purification Course	0	0
Sub Total	Female	136	0	0	0	26
	Male	128	0	0	0	1
Total		**264**	**0**	**0**	**0**	**27**

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2024 and 31 March 2025

Nature of injury on duty	Number	% of total
Required basic medical attention only	24	3.81
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	**24**	**3.81**

2.15 Utilisation of Consultants

The following tables relates information on the utilisation of consultants in the department. In terms of the Public Service Regulations “consultant’ means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

(a) The rendering of expert advice;
(b) The drafting of proposals for the execution of specific tasks; and
(c) The execution of a specific task, which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2024 and 31 March 2025

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
n/a			

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
n/a			

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
n/a			

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2024 and 31 March 2025

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
n/a			

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
n/a			

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
n/a			

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2024 and 31 March 2025

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	**0**	**0**	**0**	**0**

PART E

PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	118 114	115 126
Adjustment to opening balance		2 988
Opening balance as restated	118 114	118 114
Add: Irregular expenditure confirmed	-	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	**118 114**	**118 114**

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure that was under assessment	24 333	24 333
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	2 007	-
Total	**26 340**	**24 333**

b) Details of irregular expenditure (under assessment, determination, and investigation)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure under assessment	26 340	24 333
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	**26 340**	**24 333**

c) Details of irregular expenditure condoned

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

d) Details of irregular expenditure removed - (not condoned)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

e) Details of irregular expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure recoverable	-	-
Total	-	-

f) Details of irregular expenditure written off (irrecoverable)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description
None
Total

h) Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

Description	2023/2024	2022/2023
	R'000	R'000
None	-	-
Total	-	-

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
None

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	2 216	2 645
Adjustment to opening balance	226	(231)
Opening balance as restated	2 442	2 414
Add: Fruitless and wasteful expenditure confirmed	2	10
Less: Fruitless and wasteful expenditure recoverable	(2)	(208)
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
Closing balance	**2 442**	**2 216**

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	21 150	21 150
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	12	-
Total	**21 162**	**21 150**

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	159
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	21 162	20 991
Total	**21 162**	**21 150**

c) Details of fruitless and wasteful expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure recoverable	169	208
Total	**169**	**208**

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2024/2025	2023/2024
	R'000	R'000
None		
Total		

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
The monies are being recovered from the supplier and official.
Total - R169 000

1.3. Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	1 452	1 452
Adjustment to opening balance	-	-
Opening balance as restated	1 452	1 452
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable	-	-
Less: unauthorised not recoverable and written off	-	-
Closing balance	**1 452**	**1 452**

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Unauthorised expenditure that was under assessment	1 452	1 452
Unauthorised expenditure that relates to the prior year and identified in the current year	-	-
Unauthorised expenditure for the current year	-	-
Total	**1 452**	**1 452**

b) Details of unauthorised expenditure (under assessment, determination, and investigation)

Description	2024/2025	2023/2024
	R'000	R'000
Unauthorised expenditure under assessment	1 452	1 452
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total	**1 452**	**1 452**

1.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii))

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2024/2025	2023/2024
	R'000	R'000
Theft	34	126
Other material losses	62	-
Less: Recoverable		-
Less: Not recoverable and written off		-
Total	**96**	**126**

b) Details of other material losses

Nature of other material losses	2024/2025	2023/2024
	R'000	R'000
Damages – Damaged laptops	62	-
Total	**62**	**-**

c) Other material losses recoverable

Nature of losses	2024/2025	2023/2024
	R'000	R'000
None		
Total		

d) Other material losses not recoverable and written off

Nature of losses	2024/2025	2023/2024
	R'000	R'000
None		
Total		

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	1072	108483.862
Invoices paid **within** 30 days or agreed period	1072	108483.862
Invoices paid **after** 30 days or agreed period	0	0
Invoices older than 30 days or agreed period (***unpaid and without dispute***)	0	0
Invoices older than 30 days or agreed period (***unpaid and in dispute***)	0	0

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Ammunition	Gerrie Coetzee Vuur-wapens	Procurement through one quote	TEE240102	R584 725.00
Helicopter Services	Kroompoort Game Reserve	Procurement through one quote	TEE240096	R807 300.00
Helicopter Services	Kroompoort Game Reserve	Procurement through one quote	TEE240214	R846 400.00
Helicopter Services	Kroompoort Game Reserve	Procurement through one quote	TEE240381	R717 772.51
Total				**R2 956 197.51**

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
n/a						
Total						

PART F
FINANCIAL INFORMATION

Report of the auditor-general to the Free State Provincial Legislature on vote no. 3: Department of Economic, Small Business Development, Tourism and Environment Affairs

Opinion

1. I have audited the financial statements of the Department of Economic, Small Business Development, Tourism and Environmental Affairs set out on pages 135 to 204, which comprise the appropriation statement, statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Economic, Small Business Development, Tourism and Environmental Affairs and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS), prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of revenue Act 24 of 2024 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Impairment of receivables

7. As disclosed in note 11.4 to the financial statements, receivables were impaired by R18 420 000 (2024: R16 939 000).

Impairment of accrued departmental revenue

8. As disclosed in note 23.3 to the financial statements, accrued departmental revenue were impaired by R26 841 000 (2024: R25 349 000).

Material uncertainty relating to claims against the department

9. With reference to note 18.1 to the financial statements, the department is a defendant in various legal claims. The department is opposing these claims. The ultimate outcomes of these matters could not be determined and no provision for any liability that may result was made in the financial statements.

Transfer of function

10. As disclosed in note 27 to the financial statements, in June 2024 the Premier of the Free State province transferred functions relating to environmental affairs from this department to the Department of Agriculture and Rural Development. This matter has not yet been finalised, and no proclamation has been gazetted.

Other matters

11. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

12. The supplementary information set out on pages 193 to 204 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and DORA; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

14. In preparing the financial statements, the accounting officer is responsible for assessing the Department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 132, forms part of my auditor's report.

Report on the audit of the annual performance report

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

18. I selected the following programmes presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programmes	Page numbers	Purpose
Environmental affairs	43 - 51	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
Economic and small business development	52 - 58	To enhance economic development, small business development and growth in the province.

19. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the Department's planning and delivery on its mandate and objectives.

20. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the Department's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the Department's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the reasons provided

for any over- or underachievement of targets.

21. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

22. I did not identify any material findings on the reported performance information for the selected programmes.

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

24. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements.

25. The tables that follow provide information on the achievement of planned targets and list the key indicators that were not achieved as reported in the annual performance report.
The reasons for any underachievement of targets are included in the annual performance report on pages 37 - 61.

Environmental Affairs

Targets achieved: 68% *Budget spent: 97%*		
Key indicator not achieved	**Planned target**	**Reported achievement**
Percentage of complete Atmospheric Emission Licenses (AELs) issued within legislated timeframes	100%	0%
Number of air quality management plans developed	1	0
Percentage of complete waste license applications finalized within legislated timeframes	100%	0%
Percentage of area of state managed protected areas assessed with a METT score above 67%	70%	0%
Number of hectares cleared of invasive alien species	6 500	5 893

Economic and Small Business Development

Targets achieved: 80% *Budget spent: 94%*		
Key indicator not achieved	**Planned target**	**Reported achievement**
Number of advisories on innovation and technology to other entities/departments on research outcomes complied	10	9
Number of enterprises linked with mainstream business after supplier development programme participation	5	0
Number of enterprises participating in productivity programmes	5	3
Number of consumer complaints resolved within 90 days	50	21
Number of share acquisition transactions by PDIs facilitated	1	0

Material misstatements

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for environmental affairs and economic and small business development. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

27. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the Department's compliance with legislation.

28. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

29. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the Department's, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

30. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

31. The accounting officer is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

32. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

33. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

34. The other information I obtained prior to the date of this auditor's report is the disclosures included in the annual report for unauthorised, irregular, fruitless and wasteful expenditure, and the other information outstanding in the annual report is expected to be made available to us after 31 July 2025.

35. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

36. When I do receive and read the annual report of outstanding information, and I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

37. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

38. I did not identify any significant deficiencies in internal control.

Material irregularities

39. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

Status of previously reported material irregularities

Effective internal controls not implemented to recover transfer payments not utilised in accordance with the transfer payment agreements

40. The department established the *Enterprise Development and Support Programme* in response to the need to support Small, Medium and Macro Enterprises (SMMEs) in the province. During the period 2019-20 to 2023-24, the department transfer funds to SMMEs, for which unspent funds of R97 167 936 was not recovered, as stipulated in the various transfer agreements entered into with the SMMEs. The accounting officer did not implement effective internal controls to recover the unspent funds, as required by section 38(1)(a)(i) of the PFMA, which is likely to result in a financial loss for the department.

41. The accounting officer was notified of the material irregularity on 31 July 2024 invited to make a written submission on the actions taken and that will be taken to address the matter. The following actions have been taken by the accounting officer to address the material irregularity:

- Letters of demand were issued to SMMEs, demanding that unspent funds should be paid back to the department.
- Legal action has been initiated through the Office of the State Attorney against SMMEs that failed to enter into payment arrangements or did not respond to the letters of demand.
- The department has implemented an IT platform during February 2025, which enable real-time monitoring of expenditure, where SMMEs are required to submit quotations and invoices prior to purchasing goods or services and prior to the funds being released.
- From February 2025, dedicated and separate bank accounts must be opened for each SMME, over which the department has co-signatory status through its officials to ensure that disbursements are made strictly in line with approved purposes, thereby preventing the misuse of funds.

42. Therefore, the material irregularity has been resolved.

Bloemfontein
31 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the Department's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made

- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii). Section 38(1)(d); 38(1)(f); 38(1)(h)(iii); 39(1)(a); Section 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); Section 43(1); 43(4); 44(1); 44(2); 45(b)
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); Regulation 5.2.3(d); 5.3.14; 6.3.1(a); 6.3.1(b); Regulation 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1; Regulation 8.1.1; 8.2.1; 8.2.3; 8.4.1; 9.1.1; 9.1.4; Regulation 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; Regulation 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; Regulation 16A3.2(a); 16A6.1; 16A6.2(a); Regulation 16A6.2(b); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A 6.3(e); 16A6.4; Regulation 16A6.5; 16A6.6; 16A7.1; 16A7.3. Regulation 16A7.6; 16A7.7; 16A8.2(1); 16A8.2(2). Regulation 16A8.3; 16A8.4; 16A9.1(b)(ii). Regulation16A 9.1(d); 16A 9.1(e); 16A9.1(f). Regulation 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2.
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Division of Revenue Act 5 of 2023	Section 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i). Section 16(3)(a)(ii)(bb)
Second amendment National Treasury Instruction Note 5 of 2020-21	Paragraph 1
Erratum National Treasury Instruction Note 5 of 2020-21	Paragraph 2
National Treasury Instruction Note 5 of 2020-21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction Note 1 of 2021-22	Paragraph 4.1
National Treasury Instruction Note 4 of 2015-16	Paragraph 3.4
National Treasury SCM Instruction Note 4A of 2016-17	Paragraph 6
National Treasury SCM Instruction Note 03 of 2021-22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction Note 11 of 2020-21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction Note 2 of 2021-22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1;

Legislation	Sections or regulations
Practice Note 11 of 2008-09	Paragraph 2.1; 3.1(b)
Practice Note 5 of 2009-10	Paragraph 3.3
Practice Note 7 of 2009-10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulation, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulation, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2;
Public service regulations, 2016	Regulation 25(1)(e)(i); 25(1)(e)(iii)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
State Information Technology Agency Act 88 of 1998	Section 7(3)

ANNUAL FINANCIAL STATEMENTS FOR THE DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

For the year ended
31 March 2025

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

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DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3
APPROPRIATION STATEMENT
for the year ended 31 March 2025

Appropriation per programme

	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	204 588	-	1 400	205 988	204 987	1 001	99.5%	206 802	206 523
2. Environmental Affairs	210 040	-	(1 400)	208 640	203 087	5 553	97.3%	193 062	188 501
3. Economic Development	248 884	-	-	248 884	243 717	5 167	97.9%	233 970	228 609
4. Tourism	20 621	-	-	20 621	20 065	556	97.3%	14 263	14 016
Subtotal	**684 133**	**-**	**-**	**684 133**	**671 856**	**12 277**	**98.2%**	**648 097**	**637 649**

	2024/25				2023/24	
	Final Budget	Actual Expenditure			Final Budget	Actual Expenditure
	R'000	R'000			R'000	R'000
TOTAL (brought forward)						
Reconciliation with statement of financial performance						
ADD						
Aid assistance	3 751				1 200	
Actual amounts per statement of financial performance (Total revenue)	**687 884**				**649 297**	
ADD						
Aid assistance		4 634				217
Actual amounts per statement of financial performance (Total expenditure)		**676 490**				**637 866**

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3
APPROPRIATION STATEMENT
for the year ended 31 March 2025

Appropriation per economic classification									
	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	**496 331**	**(18 546)**	**-**	**477 785**	**468 790**	**8 995**	**98.1%**	**467 151**	**456 921**
Compensation of employees	320 440	(1 370)	-	319 070	318 405	665	99.8%	317 554	317 046
Goods and services	175 891	(17 176)	-	158 715	150 385	8 330	94.8%	149 597	139 875
Transfers and subsidies	**180 650**	**2 518**	**-**	**183 168**	**182 417**	**751**	**99.6%**	**175 129**	**175 024**
Departmental agencies and accounts	103 967	-	-	103 967	103 800	167	99.8%	106 602	106 596
Public corporations and private enterprises	75 279	-	-	75 279	75 268	11	100.0%	66 741	66 680
Non-profit institutions	359	280	-	639	319	320	49.9%	406	400
Households	1 045	2 238	-	3 283	3 030	253	92.3%	1 380	1 348
Payments for capital assets	**7 152**	**15 541**	**-**	**22 693**	**20 237**	**2 456**	**89.2%**	**5 671**	**5 563**
Buildings and other fixed structures	1 500	15 806	-	17 306	15 805	1 501	91.3%	2 496	2 495
Machinery and equipment	5 652	(265)	-	5 387	4 432	955	82.3%	3 175	3 068
Payments for financial assets	**-**	**487**	**-**	**487**	**412**	**75**	**84.6%**	**146**	**141**
Total	**684 133**	**-**	**-**	**684 133**	**671 856**	**12 277**	**98.2%**	**648 097**	**637 649**

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3
APPROPRIATION STATEMENT
for the year ended 31 March 2025

Programme 1: Administration

	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Office of the MEC	11 876	(2 713)	-	9 163	8 471	692	92.5%	12 718	12 166
2. Management Services	47 324	(997)	-	46 327	45 715	612	98.7%	46 789	48 637
3. Financial Management	87 355	6 547	1 400	95 302	97 958	(2 656)	102.8%	90 711	90 589
4. Corporate Services	58 033	(2 837)	-	55 196	52 843	2 353	95.7%	56 584	55 131
Total for sub programmes	**204 588**	**-**	**1 400**	**205 988**	**204 987**	**1 001**	**99.5%**	**206 802**	**206 523**
Economic classification									
Current payments	**200 369**	**(350)**	**1 400**	**201 419**	**200 543**	**876**	**99.6%**	**203 150**	**202 976**
Compensation of employees	130 116	(1 370)	-	128 746	128 372	374	99.7%	131 174	131 097
Goods and services	70 253	1 020	1 400	72 673	72 171	502	99.3%	71 976	71 879
Transfers and subsidies	**935**	**110**	**-**	**1 045**	**988**	**57**	**94.5%**	**893**	**869**
Departmental agencies and accounts	4			4	-	4		4	-
Non-profit institutions	62	-	-	62	42	20	67.7%	266	261
Households	869	110	-	979	946	33	96.6%	623	608
Payments for capital assets	**3 284**	**70**	**-**	**3 354**	**3 296**	**58**	**98.3%**	**2 635**	**2 558**
Machinery and equipment	3 284	70	-	3 354	3 296	58	98.3%	2 635	2 558
Payments for financial assets	**-**	**170**	**-**	**170**	**160**	**10**	**94.1%**	**124**	**120**
Total	**204 588**	**-**	**1 400**	**205 988**	**204 987**	**1 001**	**99.5%**	**206 802**	**206 523**

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3
APPROPRIATION STATEMENT
for the year ended 31 March 2025

Programme 2: Environmental Affairs

	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Environmental Policy Planning and Coordination	5 303	(1 624)	-	3 679	3 285	394	89.3%	3 699	3 532
2. Compliance and Enforcement	20 190	(2 300)	-	17 890	18 548	(658)	103.7%	19 041	18 363
3. Environmental Quality Management	21 734	220	-	21 954	21 729	225	98.6%	20 682	20 321
4. Biodiversity Management	149 347	4 934	(1 400)	152 881	146 979	5 902	96.1%	137 371	134 324
5. Environmental Empowerment Services	13 466	(1 230)	-	12 236	12 546	(310)	102.5%	12 269	11 961
Total for sub programmes	**210 040**	**-**	**(1 400)**	**208 640**	**203 087**	**5 553**	**97.3%**	**193 062**	**188 501**
Economic classification									
Current payments	**206 285**	**(17 346)**	**(1 400)**	**187 539**	**184 549**	**2 990**	**98.4%**	**189 420**	**184 913**
Compensation of employees	136 363	-	-	136 363	136 232	131	99.9%	135 092	134 974
Goods and services	69 922	(17 346)	(1 400)	51 176	48 317	2 859	94.4%	54 328	49 939
Transfers and subsidies	**458**	**1 500**	**-**	**1 958**	**1 656**	**302**	**84.6%**	**614**	**592**
Departmental agencies and accounts	208	-	-	208	45	163	21.6%	44	42
Non-profit institutions	250	-	-	250	204	46	81.6%	140	139
Households	-	1 500	-	1 500	1 407	93	93.8%	430	411

Programme 2: Environmental Affairs

	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	**3 297**	**15 596**	**-**	**18 893**	**16 675**	**2 218**	**88.3%**	**3 006**	**2 975**
Buildings and other fixed structures	1 500	15 806	-	17 306	15 805	1 501	91.3%	2 496	2 495
Machinery and equipment	1 797	(210)	-	1 587	870	717	54.8%	510	480
Payments for financial assets	**-**	**250**	**-**	**250**	**207**	**43**	**82.8%**	**22**	**21**
Total	**210 040**	**-**	**(1 400)**	**208 640**	**203 087**	**5 553**	**97.3%**	**193 062**	**188 501**

Programme 3: Economic and Small Business Development

	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Integrated Economic Development	71 196	6 090	-	77 286	78 259	(973)	101.4%	48 472	43 344
2. Economic Research and Planning	119 221	(2 471)	-	116 750	115 482	1 268	98.9%	116 448	116 323
3. Small Business Development	58 467	(3 619)	-	54 848	49 976	4 872	98.1%	69 050	68 942

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3
APPROPRIATION STATEMENT
for the year ended 31 March 2025

Programme 3: Economic and Small Business Development

	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Total for sub programmes	**248 884**	**-**	**-**	**248 884**	**243 717**	**5 167**	**97.9%**	**233 970**	**228 609**
Economic classification									
Current payments	**69 156**	**(335)**	**-**	**68 821**	**64 173**	**4 648**	**93.2%**	**60 498**	**55 196**
Compensation of employees	44 940	-	-	44 940	44 921	19	100.0%	42 825	42 605
Goods and services	24 216	(335)	-	23 881	19 252	4 629	80.6%	17 673	12 591
Transfers and subsidies	**179 157**	**438**	**-**	**179 595**	**179 276**	**319**	**99.8%**	**173 442**	**173 383**
Departmental agencies and accounts	103 755	-	-	103 755	103 755	-	100.0%	106 554	106 554
Public corporations and private enterprises	75 279	-	-	75 279	75 268	11	100.0%	66 741	66 680
Non-profit institutions	47	280	-	327	73	254	22.3%	-	-
Households	76	158	-	234	180	54	76.9%	147	149
Payments for capital assets	**571**	**(125)**	**-**	**446**	**266**	**180**	**59.6%**	**30**	**30**
Machinery and equipment	571	(125)	-	446	266	180	59.6%	30	30
Payments for financial assets	**-**	**22**	**-**	**22**	**2**	**20**	**9.1%**	**-**	**-**
Total	**248 884**	**-**	**-**	**248 884**	**243 717**	**5 167**	**97.9%**	**233 970**	**228 609**

Programme 4: Tourism

	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Tourism Planning	7 020	226	-	7 246	7 060	186	97.4%	8 159	7 922
2.Tourism Growth and Development	10 559	(220)	-	10 339	10 816	(477)	104.6%	4 093	4 091
3.Tourism Sector Transformation	3 042	(6)	-	3 036	2 189	847	72.1%	2 011	2 003
Total for sub programmes	**20 621**	**-**	**-**	**20 621**	**20 065**	**556**	**97.3%**	**14 263**	**14 016**
Economic classification									
Current payments	**20 521**	**(515)**	**-**	**20 006**	**19 525**	**481**	**97.6%**	**14 083**	**13 836**
Compensation of employees	9 021	-	-	9 021	8 880	141	98.4%	8 463	8 370
Goods and services	11 500	(515)	-	10 985	10 645	340	96.9%	5 620	5 466
Transfers and subsidies	**100**	**470**	**-**	**570**	**497**	**73**	**87.2%**	**180**	**180**
Households	100	470	-	570	497	73	87.2%	180	180
Payments for financial assets	**-**	**45**	**-**	**45**	**43**	**2**	**95.6%**	**-**	**-**
Total	**20 621**	**-**	**-**	**20 621**	**20 065**	**556**	**97.3%**	**14 263**	**14 016**

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2025

1. Detail of transfers and subsidies as per Appropriation Act (after Virement)

Detail of these transactions can be viewed in the note on Transfers and Subsidies, and Annexure 1A-H of the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement)

Detail of these transactions can be viewed in the note on Annual Appropriation to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per programme

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Administration	205 988	204 987	1 001	0%
Environmental Affairs	208 640	203 087	5 553	3%
Economic and Small Business Development	248 884	243 717	5 167	2%
Tourism	20 621	20 065	556	3%
Total	**684 133**	**671 856**	**12 277**	**2%**

The underspending is due to the following:

Outstanding commitments as at year-end: Funds that were committed but there were delays with delivery by the service providers under Expenditure for capital payments.

New budget that was made available during Adjustment budget process in December 2024.

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2025

4.2 Per economic classification

Economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current payments				
Compensation of employees	319 070	318 405	665	0%
Goods and services	158 715	150 385	8 330	5%
Transfers and subsidies				
Departmental agencies and accounts	103 967	103 800	167	0%
Public corporations and private enterprises	75 279	75 268	11	0%
Non-profit institutions	639	319	320	50%
Households	3 283	3 030	253	8%
Payments for capital assets				
Buildings and other fixed structures	17 306	15 805	1 501	9%
Machinery and equipment	5 387	4 432	955	18%
Payments for financial assets	487	412	75	15%
Total	**684 133**	**671 856**	**12 277**	**2%**

4.3 Per conditional grant

Conditional grant	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
	R'000	R'000	R'000	%
EPWP Integrated grant	2 256	2 254	2	0%
Total	**2 256**	**2 254**	**2**	**0%**

The department has spent 100% of the grant.

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
REVENUE			
Annual appropriation	1	684 133	648 097
Aid assistance		3 751	1 200
TOTAL REVENUE		**687 884**	**649 297**
EXPENDITURE			
Current expenditure		**473 424**	**457 130**
Compensation of employees	4	318 405	317 046
Goods and services	5	150 385	139 867
Aid assistance	3	4 634	217
Total current expenditure			
Transfers and subsidies		**182 417**	**175 024**
Transfers and subsidies	7	182 417	175 024
Total transfers and subsidies			
Expenditure for capital assets		**20 237**	**5 571**
Tangible assets	8	20 237	5 571
Total expenditure for capital assets			
Payments for financial assets	6	**412**	**141**
TOTAL EXPENDITURE		**676 490**	**637 866**
SURPLUS/(DEFICIT) FOR THE YEAR		**11 394**	**11 431**
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		12 277	10 346
Annual appropriation		12 275	10 346
Conditional grants		2	-
Aid assistance	3	(883)	1 085
SURPLUS/(DEFICIT) FOR THE YEAR		**11 394**	**11 431**

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3

STATEMENT OF FINANCIAL POSITION
as at 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
ASSETS			
Current assets		**659**	**12 933**
Cash and cash equivalents	9	143	11 402
Receivables	11	516	1 531
Non-current assets		**18 899**	**18 329**
Receivables	11	18 899	18 329
TOTAL ASSETS		**19 558**	**31 262**
LIABILITIES			
Current liabilities		**19 404**	**31 170**
Voted funds to be surrendered to the Revenue Fund	12	11 728	28 165
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	1 693	1 718
Bank overdraft	14	5 740	-
Payables	15	69	128
Aid assistance unutilised	3	174	1 159
TOTAL LIABILITIES		**19 404**	**31 170**
NET ASSETS		**154**	**92**

	2024/25 R'000	2023/24 R'000
Represented by:		
Recoverable revenue	1 606	1 544
Unauthorised expenditure	(1 452)	(1 452)
TOTAL	**154**	**92**

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3

STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2025

		2024/25	2023/24
		R'000	R'000
Recoverable revenue			
Opening balance		1 544	1 418
Transfers:		62	126
Recoverable revenue written off	6.1	(316)	(15)
Debts recovered (included in departmental revenue)		(303)	(620)
Debts raised		681	761
Closing balance		1 606	1 544
Unauthorised expenditure			
Opening balance		(1 452)	(1 452)
Closing Balance		(1 452)	(1 452)
TOTAL		**154**	**92**

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3

CASH FLOW STATEMENT
for the year ended 31 March 2025

	Note	2024/25 R'000	2023/24 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**714 760**	**674 371**
Annual appropriation funds received	1.1	684 133	648 097
Departmental revenue received	2	26 799	25 062
Interest received	2.3	77	12
Aid assistance received	3	3 751	1 200
Net (increase)/decrease in net working capital		386	(1 595)
Surrendered to Revenue Fund		(55 615)	(46 813)
Current payments		(473 424)	(457 130)
Payments for financial assets	6	(412)	(141)
Transfers and subsidies paid		(182 417)	(175 024)
Net cash flow available from operating activities	16	**3 278**	**(6 332)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(20 237)	(5 571)
Net cash flow available from investing activities		**(20 237)**	**(5 571)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		62	126
Net cash flows from financing activities		**62**	**126**
Net increase/(decrease) in cash and cash equivalents		(16 897)	(11 777)
Cash and cash equivalents at beginning of period		11 300	23 077
Cash and cash equivalents at end of period	17	**(5 597)**	**11 300**

Restatements have been made:

1. *Non-current receivables were recognised under investing activities in the 2023/24 financial year, as provision has been made for such in the prescribed template. However, the related transactions under receivables do not meet the definition of investing activities as they are not proceeds received in respect of capital assets or investments. Only payments made, or proceeds received in respect of capital assets or investments are eligible for classification as investing activities as per the recognition and measurement basis on the Modified Cash Standard.*
2. *Aid Assistance received – The department received less funds than what was anticipated to be received from CATHSETA.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1.	**Basis of preparation** The financial statements have been prepared in accordance with the Modified Cash Standard.
2.	**Going concern** The financial statements have been prepared on a going concern basis.
3.	**Presentation currency** Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department
4.	**Rounding** Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5.	**Foreign currency translation** Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6.	**Comparative information**
6.1	**Prior period comparative information** Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	**Current year comparison with budget** A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

7.	**Revenue**
7.1	**Appropriated funds** Appropriated funds comprises of departmental allocations against the revenue fund. Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. Appropriated funds are measured at the amounts receivable. The net amount of any appropriated funds due to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.2	**Departmental revenue** Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Departmental revenue is measured at the cash amount received. In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	**Accrued departmental revenue** Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy.
8.	**Expenditure**
8.1	**Compensation of employees**
8.1.1	**Salaries and wages** Salaries and wages are recognised in the statement of financial performance on the date of payment.

8.1.2	**Social contributions** Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	**Other expenditure** Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold. Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.
8.3	**Accruals and payables not recognised** Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.
8.4	**Leases**
8.4.1	**Operating leases** Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	**Finance leases** Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. At commencement of the finance lease term, finance lease assets acquired are recorded and measured at: the present value of the minimum lease payments. Finance lease assets acquired prior to 1 April 2024, are recorded and measured at the present value of the minimum lease payments.
9.	**Aid assistance**
9.1	**Aid assistance received**

	Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. CARA Funds are recognised when receivable and measured at the amounts receivable. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	**Aid assistance paid** Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10.	**Cash and cash equivalents** Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
11.	**Prepayments and advances** Prepayments and advances are initially and subsequently measured at cost. Prepayments and advances expensed before 1 April 2024 are recorded until the goods, services, or capital assets are received, or the funds are utilised in accordance with the contractual agreement. Prepayments and advances are expensed in the statement of financial performance when goods/services are delivered to the department and when expenditure reports/ proof of payments are presented to the department.
12.	**Receivable** Receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
13.	**Payables** Payables recognised in the statement of financial position are recognised at cost.
14.	**Capital assets**
14.1	**Immovable capital assets** Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

	Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
14.2	**Movable capital assets** Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2005 may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use. **Biological Assets** The Department owns game reserves where wild animals roam freely within fenced areas. These animals are not recognised as biological assets in the financial statements for the following reasons: • The Department does not incur acquisition costs for these animals, as they are naturally occurring within the reserves. • There is no active management, feeding, breeding, or tracking of individual animals. As a result, the Department does not have the level of control over specific animals that is required for asset recognition under Modified Cash Standards. • Economic benefits are only realised at the point of harvest or culling, such as when hunting or carcass packages are sold, and revenue is recorded at that stage. • There is no reliable measurement basis for these animals, as no fair value assessments are performed on the wild game population. Although these animals are not recognised as assets for accounting purposes, the Department continues to manage hunting access rights and maintain its environmental and biodiversity stewardship responsibilities as part of its operational mandate.
14.3	**Intangible capital assets** Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

	Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2005 may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
14.4	**Project costs: Work-in-progress** Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
15.	**Contingents**
15.1	**Contingent liabilities** Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
15.2	**Contingent assets** Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
15.3	**Capital commitments** Capital commitments are recorded at cost in the notes to the financial statements.
16.	**Unauthorised expenditure** Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure. Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either: • approved by the Provincial Legislature with funding and the related funds are received; or

	• approved by the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. Unauthorised expenditure recorded in the notes to the financial statements comprise of • unauthorised expenditure that was under assessment in the previous financial year; • unauthorised expenditure relating to previous financial year and identified in the current year; and • Unauthorised expenditure incurred in the current year.
17.	**Fruitless and wasteful expenditure** Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of: • fruitless and wasteful expenditure that was under assessment in the previous financial year; • fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and • fruitless and wasteful expenditure incurred in the current year.
18.	**Irregular expenditure** Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of: • irregular expenditure that was under assessment in the previous financial year; • irregular expenditure relating to previous financial year and identified in the current year; and • irregular expenditure incurred in the current year.
19.	**Changes in accounting policies, estimates and errors** Changes in accounting policies are applied in accordance with MCS requirements. Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall

	restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
20.	**Events after the reporting date** Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
21.	**Principal-Agent arrangements** The department is party to a principal-agent arrangement for the payment of the EPWP participant's stipends with the FSGLTA. In terms of the arrangement the department is the principal and is responsible for the transfer of funds to the FSGLTA so that the FSGLTA can process the stipends of the EPWP participants. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.
22.	**Departures from the MCS requirements** Management has concluded that the financial statements present fairly the department's primary and secondary information; that there are no departures form the MCS requirements.
23.	**Recoverable revenue** Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
24.	**Related party transactions** Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The full compensation of key management personnel is recorded in the notes to the financial statements.
25.	**Inventories** ***(Effective from date determined by the Accountant-General)*** At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.

	The cost of inventories is assigned by using the weighted average cost basis.
26.	**Employee benefits** The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date. The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

PART B: EXPLANATORY NOTES

1. Annual Appropriation

1.1. Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	2024/25			2023/24		
	Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropriation Received	Funds not requested / not received
Programmes	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Administration	205 988	205 988	-	206 802	206 802	-
Environmental Affairs	208 640	208 640	-	193 062	193 062	-
Economic and Small Business Development	248 884	248 884	-	233 970	233 970	-
Tourism	20 621	20 621	-	14 263	14 263	-
Total	**684 133**	**684 133**	**-**	**648 097**	**648 097**	**-**

1.2. Conditional grants

	Note	2024/25 R'000	2023/24 R'000
Total grants received	*45*	2 256	1 806

2. Departmental revenue

	Note	2024/25 R'000	2023/24 R'000
Sales of goods and services other than capital assets	*2.1*	24 855	23 411
Fines, penalties and forfeits	*2.2*	845	805
Interest, dividends and rent on land	*2.3*	77	12
Transactions in financial assets and liabilities	*2.4*	1 099	846
Total revenue collected		**26 876**	**25 074**
Less: Own revenue included in appropriation	*19*	26 876	25 074
Total		**-**	**-**

2.1. Sales of goods and services other than capital assets

	Note	2024/25 R'000	2023/24 R'000
Sales of goods and services produced by the department		24 852	23 346
Sales by market establishment		4	2
Administrative fees		2 046	2 122
Other sales		22 802	21 222
Sales of scrap, waste and other used current goods		3	65
Total	2	**24 855**	**23 411**

2.2. Fines, penalties and forfeits

	Note	2024/25 R'000	2023/24 R'000
Fines		845	805
Total	2	**845**	**805**

2.3. Interest, dividends and rent on land

	Note	2024/25 R'000	2023/24 R'000
Interest		77	12
Total	2	**77**	**12**

2.4. Transactions in financial assets and liabilities

	Note	2024/25 R'000	2023/24 R'000
Receivables		341	416
Other receipts including Recoverable Revenue		758	430
Total	2	**1 099**	**846**

3. Aid assistance

	2024/25 R'000	2023/24 R'000
Opening balance	1 057	74
Prior period error		(102)
As restated	1 057	-28

Transferred from statement of financial performance	(883)	1 085
Closing balance	**174**	**1 057**

3.1. Analysis of balance by source

	Note	2024/25 R'000	2023/24 R'000
Aid assistance from other sources		174	1 057
Closing balance	*3*	**174**	**1 057**

3.2. Analysis of balance

	Note	2024/25 R'000	2023/24 R'000
Aid assistance unutilised		174	1 057
Closing balance	*3*	**174**	**1 057**

3.3. Prior period error

Nature of prior period error	2023/24 R'000
Relating to 2023/24 *[affecting the opening balance]*	
Revenue – Aid Assistance	(102)
Total prior period errors	**102**

CATHSETA - A restatement has been made as the department received less money than what was budgeted for and paid to interns during the 2023/24 financial period.

3.4. Aid assistance expenditure per economic classification

	2024/25 R'000	2023/24 R'000
Current	4 634	217
Total aid assistance expenditure	**4 634**	**217**

4. Compensation of employees

4.1. Analysis of balance

	2024/25 R'000	2023/24 R'000
Basic salary	211 809	210 771
Performance award	-	92
Service based	618	251
Compensative/circumstantial	13 190	11 531
Other non-pensionable allowances	41 310	42 933
Total	**266 927**	**265 578**

4.2. Social contributions

Employer contributions	2024/25 R'000	2023/24 R'000
Pension	27 396	29 478
Medical	23 009	21 297
Bargaining council	77	78
Insurance	996	615
Total	**51 478**	**51 468**
Total compensation of employees	**318 405**	**317 046**
Average number of employees	**604**	**633**

5. Goods and services

	Note	2024/25 R'000	2023/24 R'000
Administrative fees		762	901
Advertising		2 794	4 781
Minor assets	*5.1*	188	26
Bursaries (employees)		582	369
Catering		1 593	1 682
Communication		3 581	3 349
Computer services	*5.2*	11 677	14 576
Consultants: Business and advisory services	*5.9*	1 471	2 551
Infrastructure and planning services		2 598	3 714
Laboratory services		4	-

	Note	2024/25 R'000	2023/24 R'000
Legal services		1 588	191
Contractors		25 209	18 493
Agency and support / outsourced services		4 544	702
Audit cost - external	5.3	7 822	7 347
Fleet services		10 509	10 518
Inventories	5.4	595	586
Consumables	5.5	7 191	6 823
Operating leases		24 634	20 440
Property payments	5.6	26 153	24 544
Rental and hiring		3 334	4 271
Travel and subsistence	5.7	10 000	10 645
Venues and facilities		47	34
Training and development		2 989	2 560
Other operating expenditure	5.8	520	764
Total		**150 385**	**139 867**

5.1. Minor assets

	Note	2024/25 R'000	2023/24 R'000
Tangible capital assets			
Machinery and equipment		188	26
Total	5	**188**	**26**

5.2. Computer services

	Note	2024/25 R'000	2023/24 R'000
SITA computer services		4 242	3 434
External computer service providers		7 435	11 142
Total	5	**11 677**	**14 576**

5.3. Audit cost - external

	Note	2024/25 R'000	2023/24 R'000
Regularity audits		7 822	7 347
Total	5	**7 822**	**7 347**

5.4. Inventories

	Note	2024/25 R'000	2023/24 R'000
Other supplies	5.4.1	595	586
Total	5	**595**	**586**

5.4.1. Other supplies

	Note	2024/25 R'000	2023/24 R'000
Ammunition and security supplies		595	586
Total	5.4	**595**	**586**

5.5. Consumables

	Note	2024/25 R'000	2023/24 R'000
Consumable supplies		5 946	5 330
Uniform and clothing		1 666	1 824
Household supplies		985	1 282
Building material and supplies		2 776	1 614
IT consumables		45	42
Other consumables		474	568
Stationery, printing and office supplies		1 245	1 493
Total	5	**7 191**	**6 823**

5.6. Property payments

	Note	2024/25 R'000	2023/24 R'000
Property maintenance and repairs		25 601	24 507
Other		552	37
Total	5	**26 153**	**24 544**

5.7. Travel and subsistence

	Note	2024/25 R'000	2023/24 R'000
Local		9 886	9 366
Foreign		114	1 279
Total	5	**10 000**	**10 645**

5.8. Other operating expenditure

	Note	2024/25 R'000	2023/24 R'000
Professional bodies, membership and subscription fees		48	-
Resettlement costs		-	732
Other		472	32
Total	5	**520**	**764**

5.9. Remuneration of members of a commission or committee of inquiry (*Included in Consultants: Business and advisory services)*

Name of Commission / Committee of Inquiry	2024/25 R'000	2023/24 R'000
Internal Audit Committee	210	213
Risk Management Committee	27	45
Consumer Assess Court	-	114
Legal	217	301
Total	**454**	**673**

6. Payments for financial assets

	Note	2024/25 R'000	2023/24 R'000
Material losses through criminal conduct		34	126
Theft	6.3	34	126
Other material losses written off	6.1	62	-
Debts written off	6.2	316	15
Total		**412**	**141**

6.1. Other material losses written off

Nature of losses	Note	2024/25 R'000	2023/24 R'000
Damages (Damaged laptops)		62	-
Total	*6*	**62**	**-**

6.2. Debts written off

Nature of debts written off	Note	2024/25 R'000	2023/24 R'000
Recoverable revenue written off			
Debt write off (Salary overpayments, Damages to state vehicle, bursary debt, Tax debt, Redundant assets, Laptop)		316	15
Total debt written off	*6*	**316**	**15**

6.3. Details of theft

Nature of theft	Note	2024/25 R'000	2023/24 R'000
Movable assets (Laptops, camera, data projector, toolbox, urn, microwave)		34	126
Total	*6*	**34**	**126**

7. Transfers and subsidies

	Note	2024/25 R'000	2023/24 R'000
Departmental agencies and accounts	*Annex 1B*	103 800	106 596
Public corporations and private enterprises	*Annex 1D*	75 268	66 680
Non-profit institutions	*Annex 1F*	319	400
Households	*Annex 1G*	3 030	1 348
Total		**182 417**	**175 024**

7.1. Gifts, donations and sponsorships made in kind (*not included in the main note)*

	Note	2024/25 R'000	2023/24 R'000
	Annex 1J		
Donations		-	19
Total		**-**	**19**

8. Expenditure for capital assets

	2024/25 R'000	2023/24 R'000
Tangible capital assets		
Buildings and other fixed structures	15 805	2 495
Machinery and equipment	4 432	3 076
Total	**20 237**	**5 571**

8.1. Analysis of funds utilised to acquire capital assets - Current year

	2024/25		
	Voted funds	Aid assistance	Total
Name of entity	**R'000**	**R'000**	**R'000**
Tangible capital assets			
Buildings and other fixed structures	15 805	-	15 805
Machinery and equipment	4 432	-	4 432
Total	**20 237**	**-**	**20 237**

8.2. Analysis of funds utilised to acquire capital assets - Prior year

	2023/24		
	Voted funds	Aid assistance	Total
Name of entity	**R'000**	**R'000**	**R'000**
Tangible capital assets			
Buildings and other fixed structures	2 495	-	2 495
Machinery and equipment	3 076	-	3 076
Total	**5 571**	**-**	**5 571**

8.3. Finance lease expenditure included in Expenditure for capital assets

	2024/25 R'000	2023/24 R'000
Tangible capital assets		
Machinery and equipment	2 111	757
Total	**2 111**	**757**

9. Cash and cash equivalents

	2024/25	2023/24
	R'000	R'000
Consolidated Paymaster General Account	-	11 254
Cash on hand	143	148
Total	**143**	**11 402**

10. Prepayments and advance

10.1 Prepayments (Expensed)

	Amount as at 1 April 2024	Less: Received in the current year	Less: Other	Amount as at 31 March 2025
	R'000	R'000	R'000	R'000
Transfers and subsidies	122 929	(37 985)	-	84 944
Total	**122 929**	**(37 985)**	**-**	**84 944**

	2023/24				
	Amount as at 1 April 2023	Less: Received in the current year	Add / Less: Other	Add Current year prepay-ments	Amount as at 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Transfers and subsidies	96 253	(1 259)	-	27 935	122 929
Total	**96 253**	**(1 259)**	**-**	**27 935**	**122 929**

11. Receivables

		2024/25			2023/24		
		Current	Non-current	Total	Current	Non-current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	11.1	267	17 411	17 678	1 133	16 830	17 963
Staff debt	11.2	80	1 488	1 568	226	1 499	1 725
Other receivables	11.3	169	-	169	172	-	172
Total		**516**	**18 899**	**19 415**	**1 531**	**18 329**	**19 860**

A restatement has been made as the other receivable (Fruitless and wasteful) was incorrectly disclosed under staff debt.

Claims recoverable - The restatement is due to an error in the prior year template formula.

11.1. Claims recoverable

	Note	2024/25 R'000	2023/24 R'000
National departments		-	604
Provincial departments		848	529
Public entities		16 830	16 830
Total	*11*	**17 678**	**17 963**

Claims recoverable - The restatement is due to an error in the prior year template formula.

11.2. Staff debt

	Note	2024/25 R'000	2023/24 R'000
Bursary Debt (Employee and Non-employee)		1 075	997
Tax Debt		-	2
Salary Overpayment		301	411
Losses		32	66
Subs& travel		160	249
Total	*11*	**1 568**	**1 725**

A restatement has been made as the other receivable (Fruitless and wasteful) was incorrectly disclosed under staff debt.

11.3. Other receivables

	Note	2024/25 R'000	2023/24 R'000
Fruitless and wasteful expenditure		169	172
Total	*11*	**169**	**172**

The service provider was paid for goods and services that were not rendered (diesel). A case was opened with SAPS and the matter taken to court whereby the supplier was ordered to pay the department for the good paid for but not delivered. Furthermore, an official did not attend training that was paid for by the department. The amounts have been recorded in the Fruitless and wasteful expenditure register and subsequently taken on as a debt.

11.4. Impairment of receivables

	2024/25 R'000	2023/24 R'000
Estimate of impairment of receivables	18 420	16 939
Total	**18 420**	**16 939**

The impairment of receivables is based on all staff debts older than 3 years less the debts with active instalment repayments and the receivable from FDC which is deemed to be irrecoverable.

12. Voted funds to be surrendered to the Revenue Fund

	2024/25 R'000	2023/24 R'000
Opening balance	28 165	40 155
Prior period error		-
As restated	28 165	40 155
Transferred from statement of financial performance (as restated)	12 277	10 448
Paid during the year	(28 714)	(22 438)
Closing balance	**11 728**	**28 165**

12.1. Reconciliation on unspent conditional grants

	Note	2024/25 R'000	2023/24 R'000
Total conditional grants received	1.2	2 256	1 806
Total conditional grants spent		(2 254)	(1 806)
Unspent conditional grants to be surrendered		2	-
Less: Paid to the Provincial Revenue Fund by Provincial department		-	
Approved for rollover		-	
Not approved for rollover		-	
Closing balance		**2**	**-**

13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	2024/25 R'000	2023/24 R'000
Opening balance	1 718	1 019
Prior period error		-
As restated	1 718	1 019
Own revenue included in appropriation	26 876	25 074
Paid during the year	(26 901)	(24 375)
Closing balance	**1 693**	**1 718**

14. Bank overdraft

	2024/25 R'000	2023/24 R'000
Consolidated Paymaster General account	5 740	-
Total	**5 740**	**-**

15. Payables - current

	Note	2024/25 R'000	2023/24 R'000
Clearing accounts	*15.1*	69	128
Total		**69**	**128**

15.1. Clearing accounts

Description	Note	2024/25 R'000	2023/24 R'000
Sal: GEHS Refund Control Acc: CL		69	126
Sal: Garnishee Order: CL		-	2
Total	*15*	**69**	**128**

16. Net cash flow available from operating activities

	2024/25 R'000	2023/24 R'000
Net surplus/(deficit) as per Statement of Financial Performance	11 395	11 431
Add back non-cash/cash movements not deemed operating activities	(8 116)	(17 763)

	2024/25 R'000	2023/24 R'000
(Increase)/decrease in receivables	445	(1 429)
Increase/(decrease) in payables - current	(59)	(166)
Expenditure on capital assets	20 237	5 571
Surrenders to Revenue Fund	(55 615)	(46 813
Own revenue included in appropriation	26 876	25 074
Net cash flow generated by operating activities	**3 278**	**(6 332)**

Cash flow statement - non-current receivables were recognised under investing activities in the 2023/24 financial year, as provision has been made for such in the prescribed template. However, the related transactions under receivables do not meet the definition of investing activities as they are not proceeds received in respect of capital assets or investments. Only payments made, or proceeds received in respect of capital assets or investments are eligible for classification as investing activities as per the recognition and measurement basis on the Modified Cash Standard.

Net surplus as per Statement of Financial Performance - A restatement has been made due to the Aid Assistance funds that were not received in the prior year.

17. Reconciliation of cash and cash equivalents for cash flow purposes

	2024/25 R'000	2023/24 R'000
Consolidated Paymaster General account	(5 740)	11 152
Cash on hand	143	148
Total	**(5 597)**	**11 300**

Consolidated Paymaster General account - A restatement has been made due to the Aid Assistance funds that were not received in the prior year.

18. Contingent liabilities and contingent assets

18.1. Contingent liabilities

Liable to	Nature	Note	2024/25 R'000	2023/24 R'000
Claims against the department		*Annex 3B*	12 063	10 306
Total			**12 063**	**10 306**

The department is a defendant in the following three cases

1. Letsatsi la Africa vs DESTEA: On the 8th of August 2018 the defendant issued permits for the exportation of cheetahs to China. After the issuing of the permits the plaintiff proceeded to make arrangements with the exporting country and airport for the exportation of the cheetahs to China. The defendant despite issuing the permits and rendering refused that of the animals be exported. During the alleged verification period after the permits were already issued and approved one cheetah died prior to it being boarded onto the exporting airplane. As a result of the negligence and/or intentional actions of the defendant the plaintiff suffered damages in the amount of R305 900 being a reasonable price of the Cheetah. Despite proper demand, the defendant has failed and or refused to pay the amount. The plaintiff claims judgement against the defendant for: (a) payment of the sum of R305 900(b) Interest thereon at the prescribed rate of 10.5% a tempore morae (c) costs of suit (d) further and/or alternative relief.

2. Letsatsi la Africa vs DESTEA: On 22 February 2018 a criminal case involving wildlife traders who were said to have moved wildlife without the prerequisite documentation, was underway. While being cross-examined and as part of providing evidence for the first defendant, the second defendant stated to all those who were present in the court on that day, of concerning the plaintiff, that he is s wildlife smuggler who illegally distributes animals and their derivatives. The second defendant stated that he was involved in a case with a wildlife trader by the name of JJ Van der Westhuizen, who is the second plaintiff, and that criminal charges were laid against all those wild life traders. The above-mentioned words are wrongful and defamatory of the plaintiffs and were made to injure the first plaintiffs business reputation and the second plaintiffs individual reputation. As a result of the defamation, plaintiffs have been damaged in reputation and has suffered damages in the sum of 10 million rands. Wherefore the plaintiffs claims from the defendant (a) Payment of the sum of R10m (b) Interest at the prevailing rate of interest of the aforesaid sum as allowed by law (c) directing publication by the defendant within 10 days of this order of both the retraction of this defamatory matter and an apology to be placed in a prominent position in the VOLKSBLAD newspaper for a period of one week (d) Cost of the suit (e) Further and/or alternative relief.

3. Younis Ripon vs DESTEA: The plaintiff alleges that DESTEA employee confiscated his goods on the 12th July 2-24 at Petrusburg Police Station. The plaintiff alleges that the cigarettes were confiscated and illegally destroyed by the Department through its employee and as a result thereof suffered a loss to the amount of R1 756 638. Notwithsatanding the aforesaid demand, DESTEA failed and/or refuses to compensate Plaintiff for his damages, wherefore the First Defendant in terms of section 4A of the State Liability Act 20 of 1957 as amended, is liable to compensate Plaintiff for such damages.

18.2. Contingent assets

Nature of contingent asset	2024/25 R'000	2023/24 R'000
Stolen departmental assets - Lawnmowers & Turf Trading Cc	15	-
Total	**15**	**-**

The department took in 4 lawnmowers for repairs and the lawnmowers were subsequently stolen in premises of the service provider. A case was opened by the department and the service provider has agreed to a settlement of R15 000.

19. Capital commitments

	2024/25 R'000	2023/24 R'000
Buildings and other fixed structures	2 630	2 630
Machinery and equipment	-	172
Total	**2 630**	**2 802**

20. Accruals and payables not recognised

20.1. Accruals

	2024/25			2023/24
	30 Days	30+ Days	Total	Total
Listed by economic classification	R'000	R'000	R'000	R'000
Goods and services	11 247	-	11 247	9 874
Total	**11 247**	**-**	**11 247**	**9 874**

Listed by programme level	2024/25 R'000	2023/24 R'000
Administration	11 082	7 985
Environmental Affairs	121	788
Economic Development	44	1 101
Total	**11 247**	**9 874**

20.2. Payables not recognised

	2024/25			2023/24
	30 Days	30+ Days	Total	Total
Listed by economic classification	R'000	R'000	R'000	R'000
Goods and services	571	85	656	6 447
Total	**571**	**85**	**656**	**6 447**

Listed by programme level	2024/25 R'000	2023/24 R'000
Administration	85	1 092
Environmental Affairs	554	5 225
Economic Development	17	130
Total	**656**	**6 447**

Included in the above totals are the following:	*Note*	2024/25 R'000	2023/24 R'000
Confirmed balances with other departments	*Annex 5*	4	1 074
Confirmed balances with other government entities	*Annex 5*	10 515	6 986
Total		**10 519**	**8 060**

21. Employee benefits

	2024/25 R'000	2023/24 R'000
Leave entitlement	13 685	13 481
Service bonus	8 483	8 433
Capped leave	5 094	5 499
Other	478	889
Total	**27 740**	**28 302**

"At this stage the department is not able to reliably measure the long term portion of the long service awards". The provision on the long service awards provision disclosed above does not include the long term portion of the long service awards."

Included in "Other" is long service awards and overtime due but not yet paid as at 31 March.

22. Lease commitments

22.1. Operating leases

	2024/25				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	11 987	11 987
Later than 1 year and not later than 5 years	-	-	-	18 415	18 415
Total lease commitments	**-**	**-**	**-**	**30 402**	**30 402**

	2023/24				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	10 037	10 037
Later than 1 year and not later than 5 years	-	-	-	18 057	18 057
Total lease commitments	**-**	**-**	**-**	**28 094**	**28 094**

The material operating leases of the department are the fleet.

There are no escalation clauses in the lease contracts.

22.2. Finance leases

	2024/25				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	466	466
Later than 1 year and not later than 5 years	-	-	-	88	88
Total lease commitments	**-**	**-**	**-**	**554**	**554**

	2023/24				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	1 846	1 846
Later than 1 year and not later than 5 years	-	-	-	280	280

Total lease commitments	**-**	**-**	**-**	**2 126**	**2 126**

The material leases of the department are the mobile communication services.

There are no escalation clauses in the lease contracts.

23. Accrued departmental revenue

	2024/25 R'000	2023/24 R'000
Sales of goods and services other than capital assets	26 841	25 349
Total	**26 841**	**25 349**

23.1. Analysis of accrued departmental revenue

	2024/25 R'000	2023/24 R'000
Opening balance	25 349	25 639
Add: amounts recorded	1 492	1 510
Less: amounts written off/reversed as irrecoverable	-	(1 800)
Closing balance	**26 841**	**25 349**

23.2. Accrued departmental revenue written off

Nature of losses	2024/25 R'000	2023/24 R'000
Thaba Manzi Wildlife Services	-	1 800
Total	**-**	**1 800**

Carcasses were sold to Thaba Manzi Wildlife Services in 2015 but the buyer failed to pay the outstanding balance at the completion of the hunt. The Department took legal action to recover the monies and the matter was eventually referred to the Office of the State Attorney. The Department won the case and Thaba Manzi WIldlife Services was ordered to pay the debt. The debtor made commitments to repay the

debt but only paid an amount of R220 000 in October 2015. The office of the State Attorney subsequently recommended that the Department waive its right to recover this money due to several factors.

23.3. Impairment of accrued departmental revenue

	2024/25	2023/24
	R'000	R'000
Estimate of impairment of accrued departmental revenue	26 841	25 349
Total	**26 841**	**25 349**

Impairment is assessed at each reporting date and is based on the following:

Where there have not been payments in the recent past and management is of the opinion that the amount will not be collected the amount is wholly impaired. This does not apply where there is a payment agreement. Where there are contractual agreements in place it is assumed that the parties will honour the agreements and thus debt is impaired based on the contractual agreement.

Where department's debt collection processes indicate non-recovery such debt will be impaired.

24. Unauthorised, Irregular and Fruitless and wasteful expenditure

	2024/25	2023/24
	R'000	R'000
Unauthorised expenditure - current year	-	-
Irregular expenditure - current year	-	-
Fruitless and wasteful expenditure - current year	2	236
Total	**2**	**236**

A restatement has been made for the interest charged and paid in the prior year to a service provider.

25. Related party transactions

	2024/25	2023/24
In-kind goods and services (provided)/received	R'000	R'000
AGSA audit fees paid on behalf of the FSGLTA	2 000	1 936
Total	**2 000**	**1 936**

The related parties of the department are the Free State Development Corporation and the Free State Gambling, Liquor and Tourism Authority that are the entities under the control of the MEC.

The Free State Provincial Treasury is also a related party to the Department as it also falls under the control of the MEC.

The department paid audit fees of R2 million on behalf of the FSGLTA during the current year for audit fees.

The department received services in kind from DPWI as DPWI pays rent on behalf of the department and also does project management for all infrastructure projects of the department above R10m

DPWI pays rent on behalf of the department and also does project management for all infrastructure projects of the department above R10m.

Mr L Kalane (CFO: DESTEA) acted as the CEO at the FSGLTA for the period 23/04/2024 until 23/10/2024. Mr K Tau (Director: Tourism Development & Support) was appointed to act as the CEO at the FDC from 03/04/2024 until 28/02/2025.

26. Key management personnel

	2024/25 R'000	2023/24 R'000
Political office bearers (*provide detail below)*	525	2 198
Officials:		
Level 15 to 16	2 684	2 375
Level 14 (incl CFO if at a lower level)	7 951	8 003
Total	**11 160**	**12 576**

KMP are those persons having the authority and responsibility for planning, directing and controlling the activities of the department, directly or indirectly, i.e. those charged with decision-making responsibilities. KMP of the department includes the political office bearer and executive management as they are the governing body responsible for the delivery of the department's services and are accountable for:

- *the strategic direction and leadership of the department as a whole;*
- *management of the department as a whole;*
- *monitoring and evaluation of the department's activities; and*
- *compliance and stakeholder management.*

Executives and/or senior managers that have been delegated the operational authority for a discrete function of the department, are considered as KMP.
Remuneration to close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the department (where these individuals are paid by the department)
Remuneration includes
(a) Short-term employee benefits such as salaries, unemployment insurance and workmen's compensation funds (where applicable), paid annual leave and paid sick leave, profit sharing and bonuses and non-monetary benefits such as medical benefits, housing, cars and free or subsidised goods and services;

(b) post-employment benefits (social benefits) such as pensions, other retirement benefits, post-employment life insurance and medical care;

(c) other long-term employee benefits, including long-service leave or sabbatical leave, long term disability benefits; and

(d) termination benefits.

27. Transfer of Function

The Premier of the Free State the Hon Ms. MJ Letsoha-Mathae announced the members of the Executive Council for the 7th Administration on the 20th June 2024. In her announcement, the Premier also indicated the reconfiguration of DESTEA by transferring the Environmental Affairs function to the newly configured Department of Agriculture, Rural Development and Environmental Affairs under the leadership of MEC Rockman and the Economic Development and Tourism under the leadership of MEC K Makume with immediate effect.

The department will be designated henceforth in terms of Section 3A(a)(i) as Department of Treasury, Economic Development and Tourism.

The migration has however not been approved by the Minister and no proclamation has been gazetted.

28. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	2024/25				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**35 184**		**2 320**	**(3 899)**	**33 605**
Transport assets	4 117		-	(79)	4 038
Computer equipment	11 481		1 126	(1 956)	10 651
Furniture and office equipment	9 886		1 012	(561)	10 337
Other machinery and equipment	9 700		182	(1 303)	8 579
SPECIALISED MILITARY ASSETS	**1 026**		**-**	**-**	**1 026**
Specialised military assets	1 026		-	-	1 026
FINANCE LEASE ASSETS	**-**		**827**	**-**	**827**
Finance lease assets	-		827	-	827
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**36 210**	**-**	**3 147**	**(3 899)**	**35 458**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

Effective from 01 April 2024, there was a change in accounting policy made in terms of the MCS requirements whereby assets under finance leases are recorded by a department at the commencement of the lease term rather than at the end of the lease term. The change in accounting policy is applied retrospectively.

Included in the disposals amount is an amount of R3 393' relating to write-offs.

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**34 420**	**(1 109)**	**2 319**	**(446)**	**35 184**
Transport assets	4 117	-	-	-	4 117
Computer equipment	11 459	(760)	1 075	(293)	11 481
Furniture and office equipment	9 512	(166)	651	(111)	9 886
Other machinery and equipment	9 332	(183)	593	(42)	9 700
SPECIALISED MILITARY ASSETS	**1 026**	**-**	**-**	**-**	**1 026**
Specialised military assets	1 026	-	-	-	1 026
FINANCE LEASE ASSETS	**-**	**-**	**-**	**-**	**-**
Finance lease assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**35 446**	**(1 109)**	**2 319**	**(446)**	**36 210**

28.1.1. Prior period error

Nature of prior period error	2023/24 R'000
Relating to 2024/25 *[affecting the opening balance]*	(1 109)
The write-offs in the prior year were not accounted for under the closing balance for major assets in the prior year	(1 109)
Total prior period errors	**(1 109)**

The write-offs in the prior year were not accounted for in the closing balance.

28.2. Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	Specialised military assets	Machinery and equipment	Finance lease assets	Total
	R'000	R'000	R'000	R'000
Opening balance	310	22 171	657	23 138
Additions	-	188	-	188
Disposals	-	(2 469)	(476)	(2 945)
Total Minor assets	**310**	**19 890**	**181**	**20 381**

	Specialised military assets	Machinery and equipment	Finance lease assets	Total
Number of minor assets at cost	127	12 189	48	12 364
Total number of minor assets	**127**	**12 189**	**48**	**12 364**

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	Specialised military assets	Machinery and equipment	Finance lease assets	Total
	R'000	R'000	R'000	R'000
Opening balance	310	22 912	476	23 698
Prior period error		(611)		(611)
Additions	-	26	181	207
Disposals	-	(156)	-	(156)
Total Minor assets	**310**	**22 171**	**657**	**23 138**

	Specialised military assets	Machinery and equipment	Finance lease assets	Total
Number of minor assets at cost	127	13 630	173	13 930
Total number of minor assets	**127**	**13 630**	**173**	**13 930**

28.2.1. Prior period error

Nature of prior period error	2023/24 R'000
Relating to 2024/25 *[affecting the opening balance]*	(611)
The write-offs in the prior year were not accounted for under the closing balance	(611)
Total prior period errors	**(611)**

The write-offs in the prior year were not accounted for in the closing balance for minor assets.

28.3. Movable capital assets written off

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2025

	Specialised military assets	Machinery and equipment	Finance lease assets	Total
	R'000	R'000	R'000	R'000
Assets written off	-	5 407	-	5 407
Total movable assets written off	**-**	**5 407**	**-**	**5 407**

During the physical verification process it was found that some assets are no longer in existence whilst others were broken during the move to 113 St Andrew. On the recommendation of the departmental disposal committee and loss control office, the HOD approved the write-off of those assets.

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2024

	Specialised military assets	Machinery and equipment	Finance lease assets	Total
	R'000	R'000	R'000	R'000
Assets written off	-	1 721	-	1 721
Total movable assets written off	**-**	**1 721**	**-**	**1 721**

The prior year amount for assets written off has been restated to include all the write-offs.

29. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

	2024/25			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Other fixed structures	79 646	6 085	-	85 731
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**79 646**	**6 085**	**-**	**85 731**

29.1. MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES					
Other fixed structures	77 151	-	2 495	-	79 646
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**77 151**	-	**2 495**	**-**	**79 646**

29.2. Immovable tangible capital assets: Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2025

		2024/25			
	Note Annex 7	Opening balance 1 April 2024	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2025
		R'000	R'000	R'000	R'000
Buildings and other fixed structures		6 894	15 805	(6 085)	16 614
Total		**6 894**	**15 805**	**(6 085)**	**16 614**

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

	2023/24				
	Opening balance 1 April 2023	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Buildings and other fixed structures	6 894	-	2 495	(2 495)	6 894
Total	**6 894**	-	**2 495**	**(2 495)**	**6 894**

30. Principal-agent arrangements

30.1. Department acting as the principal

	2024/25	2023/24
	R'000	R'000
FSGLTA	6 121	5 753
Total	**6 121**	**5 753**

The objective of the Memorandum of Agreement (MOA) is for DESTEA to transfer stipends of EPWP participants to FSGLTA in order for FSGLTA to process the payment of stipends of all project participants

and to provide all necessary documents that serve as proof that funds have been transferred to all project participants.

The agreement shall commence on the date of last signature by the parties and shall be valid for this particular programme not beyond the current financial year. The agreement will automatically terminate on expiry of the period mentioned. Should funds no longer be available to pay for the execution of the agreement DESTEA may terminate at its own discretion or temporarily suspend all or part of the agreement by notice to FSGLTA who shall immediately make arrangements to stop its performance and minimize further expenditure; provided that FSGLTA shall thereupon be entitled to payment in full for work delivered up to the date of cancellation or suspension

There are no other resources of DESTEA under the custodianship of FSGLTA except for monies transferred to the entity that remain unspent as at the end of March 2024. A reconciliation and supporting work papers shall be provided to Provincial Treasury for review and AGSA for audit.

31. Changes in accounting estimates and Changes in accounting policies

31.1. Changes in accounting policies

		2023/24				
		Opening balance before the change (1 Apr 2023)	Adjustment of opening balance	Restated opening balance after the change (1 Apr 2023)	Adjustment for 2023/24	Restated closing balance (31 Mar 2024)
Nature of change in accounting policy	*Note*	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Finance lease assets						
Minor Assets	*28*	-	-	476	181	657

Effective from 01 April 2024, there was a change in accounting policy made in terms of the MCS requirements whereby assets under finance leases are recorded by a department at the commencement of the lease term rather than at the end of the lease term. The change in accounting policy is applied retrospectively.

32. Prior period errors

32.1. Correction of prior period errors

		2023/24		
		Amount bef error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
***Assets:** (E.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)*				
Receivables - Claims recoverable	*11*	17 964	(1)	17 963
Receivables - Staff debt	*11*	1 897	(172)	1 725
Receivables - Other receivables	*11*	-	172	172
Movable Tangible Capital Assets – Movement for 2023/24	*27.1*	36 293	(1 109)	35 184
Movable Tangible Capital Assets - Minor Assets Movement for 2023/24	*27.2*	22 782	(611)	22 171
Movable capital assets written off - year ended 2024	*27.3*	1 110	611	1 721
Net effect		**80 046**	**(1 110)**	**78 936**

Claims recoverable - The restatement is due to an error in the prior year template formula.

Staff debt -The service provider was paid for goods and services that were not rendered (diesel). A case was opened with SAPS and the matter taken to court whereby the supplier was ordered to pay the department for the good paid for but not delivered. The amount is recorded in the Fruitless and wasteful expenditure register and subsequently taken on as a debt. The amount was incorrectly included under staff debt in the prior year instead of under other receivables

Movable Tangible Capital Assets - Movement for 2023/24 - A restatement was made to include the write-offs in the closing balance.

Movable Tangible Capital Assets - Minor Assets Movement for 2023/24 - A restatement was made to include the write-offs in the closing balance.

Movabe capital assets written off - year ended 2024 - A restatement has been made to account for the minor assets written off in the prior year figure.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

		2023/24		
		Amount bef error correction	**Prior period error**	**Restated**
	Note	**R'000**	**R'000**	**R'000**
Other: (E.g. Unauthorised expenditure, Irregular expenditure, Fruitless and wasteful expenditure, etc.)				
Claims recoverable	*Annex 4*	1 134	(1)	1 133
Cash flow statement - Cash Flow from investing activities ((Increase)/ decrease in non-current receivables)		(288)	288	-
Cash flow statement - Cash flow from operating activities - Net (increase)/ decrease in working capital		(1 307)	(288)	(1 595)
Cash flow statement - *Aid Assistance received*		1 302	(102)	1200
Net cash flow available from operating activities - Net surplus/(deficit) as per Statement of Financial Performance	*16*	11 533	(102)	11 431
Net cash flow available from operating activities- (Increase)/decrease in receivables	*16*	(1 141)	(288)	(1 429)
Reconciliation of cash and cash equivalents for cash flow purposes	*17*	11 402	(102)	11 300
Fruitless and wasteful expenditure	*24*	10	226	236
Statement of Aid assistance received	*Annex 1I*	1 159	(102)	1 057
Net effect		**(23 804)**	**(471)**	**(23 333)**

Claims recoverable - The restatement is due to an error in the prior year template formula.

Cash flow statement: non-current receivables were recognised under investing activities in the 2023/24 financial year, as provision has been made for such in the prescribed template. However, the related transactions under receivables do not meet the definition of investing activities as they are not proceeds received in respect of capital assets or investments. Only payments made, or proceeds received in respect of capital assets or investments are eligible for classification as investing activities as per the recognition and measurement basis on the Modified Cash Standard.

Cash flow statement: - Aid Assistance received – The department received less funds than what was anticipated to be received from CATHSETA.

Reconciliation of cash and cash equivalents for cash flow purposes - *The department received less funds than what was anticipated to be received from CATHSETA.*

Statement of Aid Assistance received - CATHSETA: A restatement has been made as the department received less money than what was budgeted for and paid to interns during the 2023/24 financial period.

Fruitless and wasteful expenditure - A restatement has been made for the interest charged and paid in the prior year to a service provider.

34. Statement of conditional grants received

	2024/25									2023/24	
	GRANT ALLOCATION					SPENT					
Name of grant	Division of Revenue Act / Provincial grants	Roll overs	DORA Adjust-ments	Other Adjust-ments	Total Available	Amount received by depart-ment	Amount spent by depart-ment	Under- / (Overspe nding)	% of available funds spent by depart-ment	Division of Revenue Act / Provincial grants	Amount spent by depart-ment
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
EPWP Integrated grant	2 256	-	-	-	2 256	2 256	2 254	2	99.9%	1 806	1 806
TOTAL	**2 256**	**-**	**-**	**-**	**2 256**	**2 256**	**2 254**	**2**	**99.9%**	**1 806**	**1 806**

35. Broad Based Black Economic Empowerment performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

36. Going Concern Assessment

The department will continue to operate in the foreseeable future without the need or intention to liquidate or significantly curtail its operational activities.

The department will continue to operate in the foreseeable future without the need or intention to liquidate or significantly curtail its operational activities. However, due to the commitments and accruals and payables not recognised as at year-end, there is doubt on the department's ability to meet its financial obligations as they fall due and achievement of service delivery as outlined in the Annual Performance Plan. Notwithstanding, the funding allocated by Provincial Treasury will cover the Net Liabilities at year-end. The Department will continue as a going concern.

The department has total outstanding commitments, accruals and payables not recognised as at 31 March 2025 of R14 533 000.

The funds to be surrendered of R11 728 000 as at 31 March 2025 that exceed cash and cash equivalents by R11 585 000.

The department recognised a net cash flow available from operating activities of R3 278 000.

The current ratio as at the 31 March 2025, which is calculated by dividing the departments current assets by the current liabilities is 0.03:1 (2024/25) and 0.41:1 (2023/24). This means that the department does not have cash on hand to meet its short-term obligations if they were all due at once, i.e. the departments debt due in the next 12 months or less are greater than its assets. This is however not an indication of the departments longer-term solvency.

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2024/25						2023/24	
	TRANSFER ALLOCATION				TRANSFER			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
FSGLTA	103 755	-	-	103 755	103 755	100%	106 554	106 554
Com: Licences (Radio& TV)	212	-	-	212	45	21.2%	48	42
TOTAL	**103 967**	**-**	**-**	**103 967**	**103 800**	**99.8%**	**106 602**	**106 596**

ANNEXURE 1D
STATEMENT OF TRANSFERS TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

	2024/25								2023/24	
	GRANT ALLOCATION				EXPENDITURE					
Name of public corporation / private enterprise	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of Available funds transferred	Capital	Current	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Public Corporations										
Transfers										
FDC	56 000	-	-	56 000	56 000	100%	-	56 000	27 662	27 662
Total	**56 000**	**-**	**-**	**56 000**	**56 000**	**100%**	**-**	**56 000**	**27 662**	**27 662**
Private Enterprises										
Transfers										
Co-operatives Incentives Scheme	19 279	-	-	19 279	19 268	99.9%	-	19 268	39 079	39 018
Total	**19 279**	**-**	**-**	**19 279**	**19 268**	**99.9%**	**-**	**19 268**	**39 079**	**39 018**
TOTAL	**75 279**	**-**	**-**	**75 279**	**75 268**	**100%**	**-**	**75 268**	**66 741**	**66 680**

ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	2024/25						2023/24	
	TRANSFER ALLOCATION				EXPENDITURE			
Non-profit institutions	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
NPI	359	-	280	639	319	49.9%	406	400
TOTAL	**359**	**-**	**280**	**639**	**319**	**49.9%**	**406**	**400**

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2025

ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	2024/25						2023/24	
	TRANSFER ALLOCATION				EXPENDITURE			
Household	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
H/H EMPL S/BEN:LEAVE GRATUITY	389	-	1 618	2 007	2 130	106.1%	754	905
H/H: DONATIONS & GIFTS (CASH)	176	-	460	636	419	65.9%	348	256
H/H EMPL S/BEN:INJURY ON DUTY	480	-	160	640	481	75.2%	278	187
TOTAL	**1 045**	**-**	**2 238**	**3 283**	**3 030**	**92.3%**	**1 380**	**1 348**

ANNEXURE 1I
STATEMENT OF AID ASSISTANCE RECEIVED

Name of donor	Purpose	Opening balance	Revenue	Expenditure	Paid back on / by 31 March	Closing balance
		R'000	R'000	R'000	R'000	R'000
Aid assistance received in cash						
Department of Environmental Affairs	Free State Priority Biodiversity Rehabilitation Project (FSPBR)	74	-	-	-	74
CATHSETA	To offer leaning opportunities to employed or unemployed learners who either need work experience and/or qualification	(6)	401	(295)	-	100
SANBI	Climate Change Adaptation Project	989	-	(989)	-	-
FOODBEV SETA	To offer leaning opportunities to employed or unemployed learners who either need work experience and/or qualification	-	720	(720)	-	-
MERSETA	To offer leaning opportunities to employed or unemployed learners who either need work experience and/or qualification	-	2 630	(2 630)	-	-
TOTAL AID ASSISTANCE RECEIVED		**1 057**	**3 751**	**4 634**	**-**	**174**

CATHSETA - A restatement has been made as the department received less money than what was budgeted for and paid to interns during the 2023/24 financial period.

ANNEXURE 1J
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

	2024/25	2023/24
Nature of gift, donation or sponsorship	**R'000**	**R'000**
Made in kind		
Donations		
Donations of movable assets	-	19
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS MADE IN KIND	**-**	**19**

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2025

Nature of liability	Opening balance 1 April 2024	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2025
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Letsatsi la Afrika	306	-	-	-	306
Letsatsi la Afrika	10 000	-	-	-	10 000
Younis Ripon	-	1 757	-	-	1 757
TOTAL	**10 306**	**1 757**	**-**	**-**	**12 063**

The department is a defendant in the following three cases:
1. Letsatsi la Africa vs DESTEA: On the 8th of August 2018 the defendant issued permits for the exportation of cheetahs to China. After the issuing of the permits the plaintiff proceeded to make arrangements with the exporting country and airport for the exportation of the cheetahs to China. The defendant despite issuing the permits and rendering refused that of the animals be exported. During the alleged verification period after the permits were already issued and approved one cheetah died prior to it being boarded onto the exporting airplane. As a result of the negligence and/or intentional actions of the defendant the plaintiff suffered damages in the amount of R305 900 being a reasonable price of the Cheetah. Despite proper demand, the defendant has failed and or refused to pay the amount. The plaintiff claims judgement against the defendant for: (a) payment of the sum of R305 900(b) Interest thereon at the prescribed rate of 10.5% a tempore morae (c) costs of suit (d) further and/or alternative relief.
2. Letsatsi la Africa vs DESTEA: On 22 February 2018 a criminal case involving wildlife traders who were said to have moved wildlife without the prerequisite documentation, was underway. While being cross-examined and as part of providing evidence for the first defendant, the second defendant stated to all those who were present in the court on that day, of concerning the plaintiff, that he is s wildlife smuggler who illegally distributes animals and their derivatives. The second defendant stated that he was involved in a case with a wildlife trader by the name of JJ Van der Westhuizen, who is the second plaintiff, and that criminal charges

were laid against all those wild life traders. The above-mentioned words are wrongful and defamatory of the plaintiffs and were made to injure the first plaintiffs business reputation and the second plaintiffs individual reputation.

As a result of the defamation, plaintiffs have been damaged in reputation and has suffered damages in the sum of 10 million rands. Wherefore the plaintiffs claims from the defendant (a) Payment of the sum of R10m (b) Interest at the prevailing rate of interest of the aforesaid sum as allowed by law (c) directing publication by the defendant within 10 days of this order of both the retraction of this defamatory matter and an apology to be placed in a prominent position in the VOLKSBLAD newspaper for a period of one week (d) Cost of the suit (e) Further and/or alternative relief.

3. Younis Ripon vs DESTEA: The plaintiff alleges that DESTEA employee confiscated his goods on the 12th July 2-24 at Petrusburg Police Station. The plaintiff alleges that the cigarettes were confiscated and illegally destroyed by the Department through its employee and as a result thereof suffered a loss to the amount of R1 756 638. Notwithsatanding the aforesaid demand, DESTEA failed and/or refuses to compensate Plaintiff for his damages, wherefore the First Defendant in terms of section 4A of the State Liability Act 20 of 1957 as amended, is liable to compensate Plaintiff for such damages.

ANNEXURE 4
CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2024/25 *	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Dept. of Police, Roads and Transport	-	300	-	-	-	300		
Office of the Presidency	-	604	-	-	-	604		
Dept. of Education	-	229	581	-	581	229		
Subtotal	-	1 133	581	-	581	1 133		
Other Government Entities								
FDC	16 830	16 830	-	-	16 830	16 830		
Fleet Management	-	-	267	-	267			
Subtotal	16 830	16 830	267	-	17 097	16 830		
TOTAL	**16 830**	**17 963**	**848**	**-**	**17 678**	**17 963**		

Claims recoverable - The restatement is due to an error in the prior year template formula.

ANNEXURE 5
INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2024/25 *	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024	Payment date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
FSPG: Office of the Premier	4	9	-	-	4	9		
FSPG: Health	-	6	-	-	-	6		
FSPG: Dept of Community Safety, Roads and Transport	-	84	-	-	-	84		
Department of Justice	-	975	-	-	-	975		
Total Departments	**4**	**1 074**	**-**	**-**	**4**	**1 074**		
OTHER GOVERNMENT ENTITIES								
Current								
Fleet Management	10 515	6 986	-	-	10 515	6 986		
Total Other Government Entities	**10 515**	**6 986**	**-**	**-**	**10 515**	**6 986**		
TOTAL INTERGOVERNMENT PAYABLES	**10 519**	**8 060**	**-**	**-**	**10 519**	**8 060**		

ANNEXURE 7
MOVEMENT IN CAPITAL WORK IN PROGRESS

Movement in capital work in progress for the year ended 31 March 2025

	Opening balance	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Other fixed structures	6 894	15 805	(6 085)	16 614
TOTAL	**6 894**	**15 805**	**(6 085)**	**16 614**

Movement in capital work in progress for the year ended 31 March 2024

	Opening balance	Prior period error	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES					
Other fixed structures	6 894	-	2 495	(2 495)	6 894
TOTAL	**6 894**	**-**	**2 495**	**(2 495)**	**6 894**

ANNEXURE 12
ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTES 4.2.1 AND 10.1 to 10.3)

Name of Entity	Sector of the entity	Description of the item paid for	Classification category	Total Contract Value	Balance outstanding as at 31 March 2024	Total amount prepaid /advanced in the current year	Less: goods, services or capital assets received in the current year	Add/Less: Other	Balance outstanding as at 31 March 2025
				R'000	R'000	R'000	R'000	R'000	R'000
Prepayments									
SMME Support	Various	Working capital, machinery and equipment and operational costs	Transfers and subsidies	Refer to individual SMME contracts	122 929	-	(37 985)	-	84 944
Total prepayments					**122 929**	**-**	**(37 985)**	**-**	**84 944**

As per the transfer agreements, the beneficiaries are to provide the department with invoices as proof of spending inline with the agreement. There is an amount outstanding at year end as not all the invoices were received from the beneficiaries.