

PUMPING UP THE WHEELS OF THE FREE STATE ECONOMY

**BUDGET VOTE
(VOTE 3);
TABLED BY**

MS MAMIKI QABATHE

**MEC: DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND
ENVIRONMENTAL AFFAIRS**

19 MARCH 2012

WESSESLBRON

Honourable Speaker of the Free State Legislature,

Honourable Madame Deputy Speaker,

Honourable Premier,

Honourable Members of the Free State Legislature,

Leaders of different political parties,

Mayors and Speakers of different Municipalities,

Chairpersons and Board Members of different Public Entities,

Members of State Institutions supporting democracy,

Director-General and Heads of different Provincial Departments,

Bomme le Bontate

Motsamaisi wa dipuisano re qala pele ka ho dumedisa setjhaba sa mona Nala haho holo sa mona Monyakeng. Ke thabo e kgolo le boitumelo ho rona ha re iphumana re le ka hara bona ho keteka leano la mmuso la ho isa puso setjhabeng. Bona ke boitlamo ba mmuso wa ANC ba hore Puso ke Puso ka Setjhaba.

Ke takatso ya rona re le mmuso hore boteng ba puso ya Provinsi le setjhaba sohle se tjhakileng ka hara motse ona bo tlise merokotso ka hara sebaka sena. Re a tseba hore tlhokeho ya mosebetsi e hodimo haholo kahara baahi ba motse ona mme ke maikemisetso a rona hore re sebetse mmoho le mmasepala wa lehae le wa sedika hore ho be le diphetoho ka hara motse ona. Dipalo palo di re fa hore ke dipersente tse 70% tsa baahi ba ka bang 43 000 ba hlokang mosebetsi eleng ho nyollang diketsahalo tsa bonokwane ka hara motse ona.

Honourable Speaker more than ever before we are convinced that what we do as the department will either stand or fall, succeed or fail purely on the choices we make through this policy statement today. We have no other choice but to ensure that the budget we announce today will certainly give expression to our programme of social cohesion, and in particular of prioritizing the needs of the poor, for that is what it means for rich and poor to share the privilege of a common nationhood in their country. We dare not fail.

Speaker let me appreciate the fact that for me to be in Parliament today is through the sweat and blood of the ancestors of the African National Congress which celebrate 100 years of selfless struggle this year.

Had it not been of our liberators sacrifices, I would probably be scrubbing some white woman's kitchen floors today. I therefore salute our martyrs by acknowledging and appreciating the ANC for reaching 100 years. Long Live ANC Long Live!!!

We are tabling our budget vote during the March month which is in honour of the third President of the ANC Reverend Richard Zacheaus Mahabane who is a Free Stater and the only ANC President who had lead this liberation movement in two different terms. Reverend Mahabane's first term as the President General of the African National Congress was from 1924-1927 and his second term was from 1937 -1940. Born from a Christian and farming family in Thaba Nchu, Rev Mahabane was sent to Morija in Lesotho after receiving his primary education in Thaba Nchu. This stalwart of our struggle became a teacher, a court interpreter and finally a minister of Religion ordained as a Methodist Priest in 1914.

Reverend ZR Mahabane is indeed one of our ancestral torch bearers of the liberation struggle not only in this country but also throughout the region. He sought to unite people not only in South Africa but also solicited views and opinions of people in the present day Lesotho, Zimbabwe, Botswana and other African countries. May this occasion today therefore immortalize the work of the late comrade Mahabane.

Speaker we are humbled by the inputs we received from our stakeholders in preparation of this policy statement. We had two stakeholder engagements both in Matjhabeng and Motheo. We appreciate the frankness and boldness in which those we serve engaged us.

As we promised, most of their inputs have been incorporated in this speech and will enhance our planning going forward.

Among issues raised were the following;

- Accessibility of government
- Commitment of public servants
- Lack of follow through and continuity to plans and commitments
- Uncoordinated economic planning at local government level
- Relevance of state owned enterprises like FDC and FSTA
- The role of education and educational institutions towards employment
- Impact of social services like water, electricity and roads on business activities
- Delay in payment of invoices resulting in small businesses finding it difficult to do business
- Mentorship and training of entrepreneurs
- Effective regulation of the liquor industry
- Non regulation of informal trade with specific reference to foreign traders and many others

We have committed ourselves as a department to respond positively and effectively to the challenges put to us.

We have to make sure that those who need our service can have confidence in the service they receive. It is our humble submission that even though we would have appreciated more, the allocation we received this financial year will go a long way in ensuring that we will succeed in serving the interest of our people especially the needs of those who still do not have access to the basic necessities of a better life. This, Honourable Speaker, is our commitment to a life of doing what is right, in the right way, for the right reasons, for the good of humanity. That is what we want to be known for.

Our collective effort surely should be nothing else but the achievement of this department's mandate to "provide sound economic and environmental management systems that ensure economic development and poverty eradication in the Free State".

To achieve this, we have to work towards three important outcomes, which are;

- Decent employment through inclusive economic growth, competitive and responsive economic infrastructure network;
- Protecting and enhancing our environmental asserts and natural resources;

- An efficient, effective and developmental orientated public service and an empowered, fair and inclusive citizenship.

Speaker there is no arguing that employment is central to the notion of human dignity, equality and justice. If we can't beat unemployment our efforts to eradicate poverty and reduce inequality will always be in vain.

Available statistics indicates that even though the Free State economy created 42000 jobs in the previous financial year, we unfortunately shed jobs in the most important sectors of our economy. The bulk of jobs were created in the public sector whilst jobs were lost in Transport, Construction and Agriculture.

The largest single contributor to the economy remains Community and Social Services and this is untenable as productive, tax-paying economic sectors such as manufacturing, financial services, transport, tourism and trade also appear to be dependent on this sector.

According to the latest Free State Economic Barometer, although Free State economy may be growing at a slightly slower pace than a few months ago, there are still good news for the local business sector.

The provincial economy is currently driven by the transport and trade which include retail, wholesale and hospitality. Mike Schüssler of Economists.co.za, who compiles the Free State Barometer, reports that more property was bought in the Free State than new vehicles. This,

according to Mike Schussler, indicates a mild recovery in the local property market.

Schussler however warns that Free State consumers will sooner or later have to tighten the belt which will have an impact on sales of luxury goods and vehicles.

The good news is that national retailers still demonstrate confidence in the Free State with the announcement that Makro will open its doors in Bloemfontein in October. Our concerns remain the dip in construction and engineering work in the Free State. There are currently too few large construction work taking place in the Free State. With infrastructure identified as the driver and creation of job opportunities, we will have double our efforts if we are to make a meaningful contribution towards job creation.

ACHIEVEMENTS

Honourable Members, it is our wish to lay the foundation for the year ahead by giving account of what the Department has achieved in the previous twelve months. Let me take this opportunity to thank my predecessor Honourable Mxolisi Dukwana for laying the foundation.

- A total of 43 Free State companies participated at the SAITEX Exhibition with the purpose of increasing their export volumes and revenue.

- Five companies were able to participate in the DECOREX 2010
- In an effort to tackle the challenges related to traditional township trade, the Department of Economic Development, Tourism & Environmental Affairs in conjunction with the University of the Free State conducted a study to determine the problems associated with decline in township trade.
- Sixty (60) SMMEs participated in Macufe Exhibitions in 2010.
- Fifteen (15) SMME`s participated in the SA Handmade Exhibition 2010 held at Midrand
- Twenty (20) SMME`s in the province participated in the Small Business Annual Summit 2011
- Ten (10) SMME`s from the province participated in the Technology for Women in Business (Twib) Awards in 2011
- Sixty eight (68) SMME`s participated in the SMME Expo 2011 at Windmill Casino.
- Two (2) cooperatives from Phuthaditjhaba took part in the International Exhibitions 2010 and 2011 in Portugal.
- Twenty (20) individual cooperative members from the province participated in the International Cooperatives Day 2011 conference
- Hospitality Youth Initiative Programme for enhancement of hospitality skills in the Province commenced with initial intake of 30 youths. Beneficiaries were earning R2 000 over a period of 6 months.

- Training of 28 youths for acquisition of culinary skills and qualification as chefs for employment in the hospitality industry. Beneficiaries were earning R2 900 over a period of 9 months.
- Implemented game management plan successfully and earned more than R26 million for the fiscus over 2 years through game auctions
- Trained (24) municipalities for the Greenest Municipality Competition (GMC) and evaluate local municipalities. (Tswelopele Local Municipality was judged 3rd 2009/10 and won R500000 and in 2010/11 the same Municipality was judged the second and won R2.5 million
- We are commencing with the roll out of Limited Pay-out machines throughout the province and this will enhance the revenue of the Liquor and Gambling Authority and will also contribute to job creation with an estimated 6000 jobs.
- DETEA is the home of Consumer Protector and the Consumer Court in the Province. During the last year, two hundred and eighty nine (289) consumer complaint cases were resolved by the Consumer Protection office and R 2. 439m was returned to complainants.

WORK IN PROGRESS

Honourable Speaker, there is a number of projects announced in the preceding period aimed at pumping up the economy of this province. We are currently reviewing these projects with the aim of putting emphasis and

focus on those that can be realized within a shorter turnaround time. Many of these initiatives start as an idea and move into a feasibility stage before real implementation can start. These include the following;

- **The Bee farming Cooperative in Xhariep** whose feasibility and sustainability in this area is being reviewed
- **International Quarantine Station in Koppies Nature Reserve.** This is a complex project for the export of game from Afrika to the United States. It has to be executed within a strict US framework and will require consultations with our partners in the African Union. It has to be licensed by the South African and United States Departments of Agriculture (USDA).
- **Batho Location Greening and Park Development Project.** The project was delayed due to development and approval of plans. It includes the development of a park with recreational facilities along Batho stream.
- **Kraft Paper Factory in Frankfort.** This project will take about two and half years to be fully operational. Following the approval of the initial R47.8, additional R100 million was needed for provision of electricity which will also benefit industrial development in Frankfort. We are happy that the additional electricity supply will create other secondary industries in and around the are
- **Free State Rail Initiative.** The 1st phase of the three phases of this project was the launch of the Containerized Manganese Project at the Transnet Rail Operations premises in Bloemfontein by Premier Ace Magashule on the 23 September 2011. Other benefits entail commissioning of dormant branch lines thereby reducing truck

congestion on our roads and consequently road maintenance and reducing carbon footprint.

ECONOMIC DEVELOPMENT STRATEGY TO CREATE DECENT JOBS

Speaker experts and economic commentators believe that while there may be consensus on the need to create jobs there is less agreement on how this country should go about tackling that. Our response to this situation is the creation of an environment conducive to economic development and job creation that is not just dependent on government in the Free State. To this end, we hope to expand the private sector by encouraging more entrepreneurs to enter the market with solid and sustainable business ideas models and funding strategies.

This, we believe, can only be attained by undertaking an ambitious process of identifying and promoting high impact projects in our Province. To address this challenge, the former MEC of this department Cde Mxolisi Dukwana previously made a commitment to the promotion, facilitation and delivery of a portfolio of flagship provincial economic regeneration projects aimed at bolstering and accelerating economic growth and development in the Free State.

In order to identify, prepare, promote and facilitate this portfolio of high impact projects along the lines envisaged in the New Growth Path Framework we have conceived the Grow Free State Programme (GFSP). The GFSP: Programme Management Unit has been established

The creation of such a unit also talks to the identified need for:

- a greater focus on properly researched projects that by virtue of their potential economic, spatial social and environmental impacts will be a catalyst for diversified economic growth;
- the earmarking of specific financial resources for the promotion and facilitation of specific projects, prioritized according to an agreed set of criteria;

Speaker, the NGP identifies five main jobs drivers for the future. These are infrastructure development, sectoral level growth opportunities, new economies, investment in social capital and public services, and more balanced spatial development. It then goes on to outline a macro and micro-economic policy package aimed at facilitating the realization of the potentials identified in our economy.

Furthermore it includes those resourcing opportunities and the institutional drivers that will redefine the character of the developmental state and enable it to realign programmes aimed at economic growth and development. Lastly, the NGP highlights the need to examine the spatial dimensions of the growth path in order that we will be able to break the inequalities created by the Apartheid economy.

In partnership with the National Department of Economic Development led by Minister Ibrahim Patel, we have already held a workshop last week on the 15 & 16th March to seek social cohesion with our stakeholders in this regard.

Harrismith Logistical Hub

Honourable Speaker, the New Growth Path presents the Free State with the unique opportunity to exploit its geographic location. The announcement of the Durban - Free State - Gauteng logistics and industrial corridor by President Jacob Zuma in the State of the Nation Address calls upon us to speed up our efforts as the Free State to make the Harrismith Logistical Hub a reality. The Premier has just announced a working committee consisting of the Director General and the Heads of Department of Police Roads and Transport, and my own department to drive the project to finality. It is therefore logical to work hard to develop this into major economic hub of the Free State and the Country. We also wish to thank our Premier who led a delegation to meet the KwaZulu Natal leadership to foster support and partnership for this initiative.

In support of this mega economic initiative we have decided to adopt a more coherent approach to spatial development backed by strong investment in infrastructure and the identification of viable and sustainable economic opportunities for this area which is one of the areas identified by Premier Ace Magashule as an Operation Hlasela node.

We have lined up the following projects to support the Harrismith Logistical Hub;

- **Manthatisi Eco Estate**

This is a development of a world class tourism destination in the Province which encompasses development of the Manthatisi Eco Estate at the Sterkfontein Nature Reserve. This estate will include world-class resort comprising a hotel and chalets. The estimated capital investment is of the order of R2 billion and already a foreign investor have shown interest in the concept which has been developed by the Department over the last two years.

The project details will be negotiated and concluded during the new fiscal year and that construction will commence during 2013/4.

- **Harrismith Food Processing Park**

Our entity, the Free State Development Corporation, the FDC, is overseeing this initiative which is located in the Thabo Mofutsanyana district. Business plans and feasibility studies have been concluded.

The food processing hub is intended to host investments from local and multinational companies in the food production sector in this strategic town, which straddles two national roads, the N3 from Gauteng to Durban and the N5 which goes through Bethlehem to join the N1 at Winburg.

To date we have successfully recruited a food processing company to locate its expanded operations within the Harrismith Food Processing Park. FDC will construct a factory that will house this company. The investment is estimated at about R25 million including construction of the factory.

Negotiations with a major multi-national frozen foods manufacturer to locate some of their expansion operations in the Food Processing Park are on-going. The prospective investor has expressed interest to enter into an off-take agreement with the Free State potato producers to supply them with about 100, 000 tons of potatoes a year. MEC Zwane, it is up to farmers to grab this opportunity with both hands.

- **Vehicle Distribution**

This is another project intended to position Harrismith as a Vehicle Distribution Centre and Parts & Accessories Warehouse. This will enable the Free State Province to

leverage its strategic position as the most centrally located province in South Africa.

Studies by logistics integration service providers have indicated that the Free State has the greatest potential to be a warehousing and logistics centre due to its proximity to the Gauteng markets and links through the N3 to the Durban Port and to the Coega Port through N1 and N5 national roads.

We are promoting the concept of various Automotive and Motoring firms to encourage them to use the proposed facility. FDC has already identified land in Industriqwa, Harrismith where the facility will be built.

We will now turn to other high impact projects we have identified to help us pump up the wheels of the economy in the Free State. These are;

Re-commissioning of the old Power Station in Kroonstad

We are in talks with strategic partners from Korea and Eskom to re-commission a old mothballed power station in Kroonstad to improve power supply to the eastern Free State which will unlock economic investment in that area. An initial amount of R750 million has been secured for this project. Work will commence in September this year.

MotorCity Africa

The Department has re-launched the MotorCity Africa project on land surrounding the Phakisa Raceway at Odendaalsrus in Matjhabeng. This project is a partnership concluded with the Matjhabeng Municipality whereby the automotive industry will be encouraged to locate those parts of their operations that require testing of their products, in MotorCity Africa. This project stalled over the last year but the closure of the Kyalami Race track in Gauteng offers a unique window for the Province to enter the market. The industry is in need of another facility at which product testing can be done. Phakisa offers the ideal opportunity and the Department's plans are well underway to engage with the Municipality to iron out some administrative issues and then to propose to potential clients and investors.

Building of Clinics for the Department of Health

The FDC has been appointed as an implementing agent and facilitator for the construction of three health facilities in the Free State, namely the Rouxville, Bolata in Qwaqwa and Dinaane in Botshabelo.

The corporation also facilitated investment commitment to construct two private hospitals; one in Harrismith with a 100-bed capacity and a trauma unit and the other on the N8 Corridor with a 150-bed capacity. Airport Company South Africa (ACSA) has approved a lease for the proposed N8

Corridor hospital, while the investor is awaiting council approval on the land identified for the proposed Harrismith hospital.

The construction of these health facilities is in line with the National Health Programme 10 point plan. Funding of R250m has been secured and licensing for the hospitals granted.

Partnerships in Mixed Housing Developments

FDC has entered into a tripartite partnership with the Free State Department of Human Settlements and Mangaung Metropolitan Municipality to facilitate and implement a Mixed Housing Development of 3,000 housing units in Mangaung.

The project is aimed at addressing the housing needs of persons in the R3, 500 to R12, 000 per month income bracket, who do not qualify for RDP houses and struggle to obtain home loans from commercial banks.

The Provincial Executive Council has appointed FDC as the Developer and Project Administrator due to its track record in property development and home loan finance.

The Corporation and Free State Department of Human Settlements have entered into a similar partnership with Moqhaka Local Municipality for the construction of 2,000 Mixed Housing Development units in Viljoenskroon and Kroonstad.

Development in Xhariep

Honourable Members, Xhariep remains the most economically depressed area in the Free State. We therefore believe the time has come for concerted effort to be made to revive the area that is endowed with rich natural resources like the Gariep Dam, Caledon and Orange Rivers and beautiful natural landscape making up the nature reserves in the area. It is for this reason that we have asked IDC to commission a study of what can be done to revive this area to realize particularly its tourism potential.

The study will be completed in the next three months and we will appraise the house of what the findings of the study were.

SMME DEVELOPMENT AND PROMOTION

Our pursuit for High Impact Projects however will not be at the expense of SMME development and promotion. We will continue to fund SMME's, through the FDC but greater emphasis will be placed on enterprise development and business development support to ensure these SMMEs become sustainable. On enterprise development, the FDC will collaborate with large companies in order to support small enterprises by buying from them.

In the investment promotion pillar, we will work hard to attract both local and international investors into key sectors in which we have identified competitive strengths. Greater emphasis will be placed on destination marketing and investment opportunities will be packaged appropriately in order to attract investors. We will also embark on an exercise to assist Free State businesses to identify export markets for their products. Investment promotion and facilitation are key pillars for economic growth and development as it impacts positively on the economy through foreign direct investments as and when a foreign investor invests here.

Honourable Speaker, we also have to consider the role of the Economic Development branch in the provincial context. Our mandate is to grow the economy and create employment and grow business be it through SMME, Cooperatives or large business. We work with the natural resources of the Province be it agricultural, environmental or mining and we work with the human element be it in education, arts and culture, sport and recreation in order to achieve these goals. We therefore by necessity have to work closely with sister departments in the provincial government for the good of the people of the Free State. For this reason we sometime add value to initiatives that started elsewhere or sometimes we initiate our own developments. We always work with other departments because we have to extract value or sometimes build the value chain in order for us to beneficiate our natural and human resources.

I would also like to mention the partnership with the International Labour Organization in promoting SME development in the Free State. Through a gracious initial funding envelope from the Flanders International Cooperation Agency in the amount of close to R 50 million, Detea and the ILO has set out to change how we promote SME development and decent job creation in the Free State.

To bolster SMME development and increasing their chances of migrating into the formal economy and playing a meaningful role within the economy, we have designed a number of Sectoral Development Initiatives (SDIs) to activate growth in the province. All of these SDIs involve Cooperatives that are and will be specifically established to pursue a specific sector. These SMMEs and Cooperatives will be nurtured to sustainability by a Market Champion whose role it is to ensure that orders from prospective customers are secured and delivered to specification.

This model requires the Market Champion or Catalyst to lead and partner with identified cooperatives and SMMEs by securing orders from all types of potential customers, including government. The Market Champion also ensures that the cooperatives are appropriately skilled and resourced to execute these orders at the required price, quality and time of delivery. The model is further strengthened through the involvement of an independent financial manager whose role will be to control and monitor the finances of the SDI and to continually monitor and evaluate the propensity of the SDI participants to become sustainable.

The SDIs that have been identified to date are:

- The Resuscitation of the Clothing and Textile Industry
- The Massification of the Flower Industry
- The Development of the Free State Game (Venison) Brand

I will now briefly deal with each one of these SDIs as follows:

- **The Resuscitation of the Clothing and Textile Industry**

As a result of a decline in the clothing and textile industry in the past years, many factories in Botshabelo, QwaQwa and Thaba Nchu closed and many people lost their jobs. To militate against these we have initiated a programme of reviving this industry by pursuing the SDI Model presented above. We cannot expect a free ride because the competitive Chinese textile and clothing industry will certainly make it tough for the initiative.

However the initiative has already secured orders at a competitive price, through its Market Champion, hence the Department is cautiously optimistic that this SDI will be able to succeed in this highly competitive environment. The SDI will also involve local young fashion designers in an effort to bring a unique Free State fashion to the market over time.

The first Cooperatives have been set up in Botshabelo. The SDI target is to have 50 cooperatives and 20 SMMEs in the initiative to create about 5000 jobs in the next five years.

Honourable Speaker; we are proud to announce that Thaba Nchu Botshabelo Community Action Trust set up by the Sun International to benefit the communities of Botshabelo and Thaba Nchu as a result of the relocation of the community licence to Bloemfontein has started bearing fruits. The trust contributed R5 million rand for the establishment of factories in Botshabelo where ultimately 400 women will be employed in the next two years. The FDC has made factories available for the manufacturing of “wonderbags” which will be supplied to every household in Botshabelo as part of our contribution to global warming and climate change. These factories are currently being refurbished and the work will start in April this year.

- **The Massification of The Flower Industry**

This SDI is still in its infancy but the plan is to develop a number of cooperatives and SMMEs to enter the flower market. With the provincial department of Agriculture we will establish a number of flower growing farms in the Thabo Mofutsanyana and the Motheo area for roses. We are in discussions with a potential Market Champion with experience in the industry to lead the initiative for us in the Province. We plan to commence with this initiative between April and May 2012.

- **The Development of the Free State Game (Venison) Brand**

This SDI is also still in its infancy but already we have an interested European party who wants to start a deer farm in the Province but also source deer and other game from other sources for export to the European market. We are also discussing the possible canning of deer and other game meat for the local and the export market.

Another idea that we are seriously pursuing with potential partners is that of the game restaurants. These restaurants will have game and venison as its principal menu offering and will also act as tourism promotion centres for the Province. We expect to open the first branch in Bloemfontein to fine-tune the menu and the dishes and thereafter launch branches in all of the main centres in the country.

In an effort to enhance the service delivery and to improve the footprint of development agencies for the benefit of SMMEs in the Free State, the Development Bank of South Africa's (DBSA), Jobs Fund, the National Empowerment Fund (NEF) and Technology Innovation Agency (TIA), have been accommodated at the FDC head office in Bloemfontein and can now be accessed from there. Regional offices of the FDC are also in a position to accept applications on behalf of these entities and pass them over for processing.

LOCAL ECONOMIC DEVELOPMENT

Speaker more than ever before we are convinced that all spheres of government should work together with the private sector because that is where the expertise and capital can be found. We believe that the role of municipalities in economic development is currently ignored or at best down played. Nothing is more important than Local Economic Development (LED), if we were to make any serious progress with economic growth in this province. We plan to establish an LED Forum as well as Economic Desks at all municipalities so as we can harness all economic initiatives coming from each area. This is as per the advice of our stakeholders we met recently. COGTA and the Department of Agriculture will be our partners in this initiative.

Speaker, we believe that hard work deserves recognition and reward. We have over the period observed the dedication and consistent hard work coming out of Tswelopele Local Municipality. They have won the cleanest town competition successively for three years and were also run up at the national competitions.

The community of Tswelopele has been the embodiment of coexistence national building and caring society and is a living proof of genuine Nation Building Efforts towards a Rainbow Nation that has been the wish of Umat' uNelson Mandela.. These men and women do not wait for the government hand outs, they do things for themselves and invite the government to witness what their work.

Last weekend we were invited by the Wheels and Wings Club at Bultfontein where they were officially opening the 7km runway at the Bultfontein Air Strip. More than 100 aircrafts took part in the spectacular air show which we are told has become the third biggest after Bloemfontein and Bethlehem air shows. This event like their famous Boertjie Fees draws all members of the community together, young and old, black and white, big and small business where SMMEs showcase their products at the flea market

Our assessment of the initiative and other endeavors by the business community revealed that this runway hold immense benefits for Bultfontein. For that reason we are committing to fund the remaining 3km of the runways to maximize economic benefits that could derive from this asset. We call upon all other municipalities and communities to demonstrate commitment to economic development so as to attract the attention of this government.

Speaker, encouraged by the positive outcomes of big and small business coming together, we are planning a golf day later during the year where we will have our people with disability participating. We would like to pair captains of the industry with people with disability where they can exchange ideas and views on business and possibly discuss partnerships and mentorship.

TOURISM DEVELOPMENT AND PROMOTION

Honourable Speaker, to enable the Free State to increase its market share of the increasing number of tourists that visit South Africa on an annual basis, we are working on developing offerings, based on the Free State competitive and comparative advantages that will differentiate us from other provinces. We are convinced that we have to develop a compelling value proposition for the province that will give people a reason to come here for a holiday. In this regard we are hard at work putting together exciting tourism development projects.

It is our belief that the Free State is a Hidden South African Tourism treasure waiting to be discovered. We do possess some of the most brilliant tourism sites stretching from the Vaal in Parys, Deanierville and Oranjeville, to Sandveld west of Hoopstad through to Golden Gate and Clarens, the Jewel of Free State Tourism in Thaba Mofutsanyane down to Tussen die Riviere and Gariiep Nature Reserves in Xhariep in the Southern tip of the Free State.

To maximize the tourism potential of our province, we need to develop the Province's Customer Value Proposition that should guide our Tourism Marketing Strategy. We have enormous natural beauty and resources and I do not believe we have to necessarily copy other countries to become a tourism destination- we must exploit our own natural talents and resources. We have to work hard to cultivate a culture of traveling among the people of the Free State and turn each and every one of us into a tourism ambassador. We have to work together with our local tour operators to

promote sport tourism, agri-tourism, stokvel tourism which will incorporate kasie tourism and encourage our white compatriots to feel free to tour the township and visit places of entertainment to chill with friends and make new friends as we build a new nation and a coherent society.

Some of the few programmes we have developed to improve local tourism include;

- **Naval Hill Planetarium**

This project, which forms part of a broader Naval Hill re-development, in Bloemfontein, is aimed at stimulating research, investment and astro-tourism in Mangaung in partnership with the University of the Free State and the Mangaung Metropolitan Council.

- **Stars and Planets**

Speaker, the Free State's open skies have the potential to become a "playing ground" for amateur astrology enthusiasts. This project is aimed at attracting what has become a big pool of astrology enthusiast to Free State Reserves and Resorts to admire the wonders of the heavens through telescopes.

- **Tour de Free State**

Tour de Free State is an ambitious tourism initiative, to unlock and demonstrate the Free State tourism potential through cycling to national and international audience.

- **Free State Eco challenge**

The objective with this challenge is to ensure that 4X4 Off-roading in the Free State is as environmentally friendly as possible. It is aimed at ensuring that outdoor enthusiasts become conscious of nature and develop a deep sense and understanding of ecology and conservation.

The Free State has an estimated 2000 km of off-road routes with about 400 of those in protected areas. The intention is to ensure that the Free State Eco Challenge will finally cover all routes even in private reserves and attract as many outdoor enthusiasts as possible to the Free State.

- **The Free State 500 NASCAR**

The Free State owns one of the only four “super ovals” outside the USA. Phakisa Free Way will host the Free State 500 the 25th November. Twenty thousand (20,000) South African race fans are expected to descend on Welkom to a very exciting auto racing spectacle and seeing South Africa’s best stock car

drivers go up against their counterparts from America, Canada, Australia and England.

It is also our intention to establish a Provincial Tourism Forum wherein all industry stakeholders will be represented. This will not only enable us to get the buy in of all industry stakeholders when developing plans but will also make it easy for us to coordinate all industry activities. The industry players raised concerns during our interaction with stakeholders that we should revive the Tourism Business Forums that used to exist in different towns. We have heard them and I have instructed the Department to implement that commitment.

To provide political leadership to tourism marketing we will also establish the Provincial Tourism Council led by the MEC. The council will comprise of political office bearers from two spheres (district and local) of government to look at policy direction of the tourism industry and ensure that resources are pooled towards achieving common goal.

Speaker, we would also like to share with the people of the Free State a historical discovery made recently at Golden Gate. A team of researchers from Canada and South Africa unearthed a nest of midsized dinosaurs about 190 million years old. We are proud and excited that plans are underway to develop a dinosaur museum which will surely put the Free State on the map and attract many tourists to the Free State. This project will be a collaboration between the National Departments of Tourism and Environmental affairs and DETEA.

GAMBLING AND LIQUOR AUTHORITY

The merger between the previously separate gambling and liquor boards has been successfully completed. The newly established Gambling and Liquor Authority is now fully operational, though we are still experiencing some bottlenecks within its liquor affairs license administration which leads to delays resulting in applicants taking the authority to court to claim damages resulting from delays in having their applications attended to.

Speaker our fight against abuse of alcohol is an ongoing one. We are reviewing the Act to tighten it to assist us in dealing with the proliferation of liquor outlets in our towns where our young people get wasted. We have adopted a strong stance in closing down these liquor outlets found next to schools and churches. We are working closely with faith based organizations and the police to rid our society of this scourge.

Available statistics show that there are an estimated 6000 liquor outlets in the Free State which is way too much for a province of our size. In view of this we are seriously considering a moratorium on the issuing of new licenses in the Free State. The amount of liquor outlets places further burden on the compliance of conditions of these licenses. It is also for this reason that we are considering reviewing liquor license renewal fees.

Rehlasela botawa bo hlokang maikarabello, Re hlasela dibaka tse hlolehang ho boloka kaho-botho. Re motlotlo ho tsebesa hore Liquor Traders Association e dumellana le rona hore re tla aha setjhaba sa mmankgonthe. Puisanong le rona ba kgothalletsa hore dilemo tsa ba rekisetwang tahi nyollelwe ho tloha ho 18 ho ya ho 21.

Having considered every aspect of our gambling industry we also considering increasing the gambling levies. Further announcements with regard to these issues will be made in due course.

KNOWLEDGE ECONOMY

On the knowledge economy front, the department has embarked on a support programme for Information and Communication Technology innovation and development at the Central University of Technology. Speaker, we want to extend an open invitation to innovators in the Province to take advantage of this relationship.

We have also signed a Memorandum of Understanding (MoU) with the Technology Innovation Agency (TIA), a public entity, with the object of stimulating economic growth by developing and exploiting technological innovations. One of the first benefits to flow from the MOU is the pilot project of Organic Fertilizer manufacturing facility in Harrismith.

Speaker, we also wish to inform the house that in collaboration with the **dti**, we will roll out the TWIB Technogirl Entrepreneurship Programme called “empowering SA Girls through Entrepreneurship.

This is an initiative to encouraged girls to choose careers in engineering, science and technology with focus on entrepreneurship. The 2012 Techno Girls will be held in the Free State from the 4th to the 6th May 2012. We will work with the department of Education to ensure that girls in the Free State take up the challenge and qualify for the finals.

GREEN ECONOMY

Honourable Speaker we wish to bring to the attention of the members and the people of the Free State that environment is a very sensitive part of our life that needs each and every one of us to make a contribution. We are constantly reminded that we did not inherit the land from our ancestors, we borrowed it from our children and we are therefore challenged to pass it on in a better condition we found it.

To this end, we will strive to ensure an increasing bias towards the Green Economy Everything we do must reduce our carbon footprint and be environmentally sustainable.

Honourable members, the country experienced severe power outage during the 2009/10 period, which demonstrated challenges for economic development. This situation has prompted us to review our production and distribution capacity as a country and as a Province. To this end, we are engaging with various independent power producers particularly in relation to renewable energy technology. The Xhariep region in the Southern part of Free State has the highest solar radiation, in South Africa, after Upington.

We have therefore identified this area to be the source of solar energy in the Free State and the primary location for solar energy farms and plants.

We honestly believe that waste management, done effectively and efficiently could not only keep our environment clean but could also create much needed jobs and contribute towards enhancement of the green economy in the Province. Currently there are three buy back centers in Phuthaditjhaba, Thaba Nchu and Botshabelo. Between them they move about two hundred and fifty (250) tons of recyclable material per month and employ 85 people.

There are however hundreds and hundreds of our people who pick up recyclable material in the land-fill sites who need to be brought into the safety net. Our plan is to establish reclaim centre(s) which will pay these people respectable money for their work. One of these reclaim centers will be in Hennenman in Matjhabeng.

Speaker the provincial greening project produces 20 000 indigenous plants that help in greening and assist in landscaping efforts throughout the Province. It also contributes towards the fight against global warming and climate change as espoused at COP17, Durban during November 2011.

As part of our greening initiatives within envisaged Green Economy Strategy planned for 2012/13. We will upscale the project to include fruit trees, not only as a contribution to green economy but also in response to food security. We will dedicate our greening programme at identified Hlasela towns which include Verkeerdevlei, Petrusburg, Arlington, Vrede,

Allanridge and Tweeling Vredefort, Botshabelo, Thaba Nchu, Qwa Qwa, and of course we will include Bethulie as a special town. We will also focus specifically on the centenary towns, namely, Odendaalsrus, Petrus Steyn, Hobhouse and Warden.

The Tyre Recycling Initiative in Sasolburg involves the production of diesel and other by-products from the recycling of used and scrap tyres. The Environmental Impact Assessment Study has been completed however the regulatory regime delayed the start of the operations.

This initiative will create benefits for at least 50 small business operators who will be appointed as collectors of scrap and used tyres. A further 200 jobs will also be created. This segment is drawing considerable interest from other recyclers who want to establish their operations in the Free State.

ENVIRONMENTAL CRIMES

Speaker, environmental crime in all its manifestation undermines the government's efforts to preserve the environment and the ecosystem for the benefit of coming generations. For this reason, we will continue to use every legislation and policy at our disposal to protect and police the environment, air and water quality and the impact of development on the environment.

Honourable Speaker yet another environmental challenge are frequent spills of untreated sewage into river systems in different residential areas which have a negative impact on our water reticulation system. To mitigate this environmental problem, we have initiated an artificial wetland program in Thaba Nchu, Botshabelo, Jagersfontein and Welkom during the 2012/13 financial year.

In addition to purifying water from the sewage plants, the artificial wetlands will also provide other functions and services typically associated with these ecosystems, such as mitigating flooding that annually leads to loss a lives, increasing plant and animal life, provide recreational areas, increase fishing, provide potable water to rural communities, etc. These functions and values are becoming more important in the face of Climate Change and will also contribute toward South Africa's commitments to relevant international obligations such as the Ramsar Convention and the Convention on Biological Diversity.

This however presents inherent challenges, because developers believe it to be a deterrent to commercial property development. To this end, many developers are increasingly engaging in the illegal practice of abusing section 24G of National Environmental Management Act, no 107 of 1998 (NEMA).

We have also realized an increasing activity of Rhino poaching or relate activities in the Free State. In responding to this we has established the Provincial Joint Rhino Committee consisting of the Green Scorpions, SAPS, SARS, Customs, the prosecution authority and the military.

This structure conducts regular patrols around hot spots and has ensured increased visibility around the Province. We can announce in this house that three suspected poachers were arrested at the Sandveld Nature Reserve on Wednesday the 08th March and they appeared again at Hoopstad Magistrate Court on Friday. We want to thank members of the staff who were vigilant enough to disturb these would be poaches and were instrumental in their arrest after a loaded dart gun and scheduled medicine were found in their possession. These men entered the nature reserve using founs name and number plates.

We also want to thank the police with their sterling work that led to the arrest of further three suspects after one of them was found with a rhino horn at a roadblock in Bethlehem two day after the first arrest. We want to assure these scoundrels that they are not welcome in the Free State not now not ever.

In conclusion Honourable Speaker, we would like to invite the people of the Free State, particularly the Business community to partner with us as we pump the wheels of the Free State economy. We need great ideas to make this Province a winning Province. The most valuable resource we need is creativity. Talk to us.

I wish to take this opportunity to thank my predecessor Honourable Mxolisi Dukwana the staff and management of the department under the stewardship of Mr. Ilkhraam popularly known as Ozzie, Osman who despite the short time on board has managed to steer the ship to steady waters.

I wish to take this opportunity also to thank the Premier for his support and guidance, my colleagues in the Executive Council and the Legislature, the portfolio committee under the stewardship of the Mme Mantoa Thoabala, you have kept us on our toes. Ke leboha le ba lelapa laka le ba heso. Thank you for your support. But I will always be grateful for the African National Congress my Organization. I thank all those who came before us.

In their honour, I wish to quote Lord Joel Joffe member of the Rivonia Trial defense team when he said: "They were remarkable people in every way...not only for their courage, but equally important for their integrity and their commitment...I think at the back of their minds most of them never really thought that freedom would come to them in their lifetime, so they were fighting for their people and for the future of their country and the future of their people."

I Thank You.