

**STATE OF THE PROVINCE ADDRESS BY HONOURABLE. E.S. MAGASHULE
PREMIER OF THE FREE STATE PROVINCE**

16 FEBRUARY 2016

Speaker of the Free State Legislature

Honourable Judge President and esteemed members of the Judiciary

Leaders of the African National Congress and the Alliance

The Veterans and Stalwarts of our struggle

Honourable Members of the Executive Council and Legislature

Honourable Members of the National Assembly and the NCOP

The leadership of SALGA and the leadership of our municipalities

The Officer Commanding the Army, Brigadier General S. Moyo

The Provincial Commissioner of the SAPS, Lieutenant-General T.S. Mpenbe

The provincial leaders of our Chapter 9 and Chapter 10 Institutions

The Deputy Director of Public Prosecutions: Free State, Ms Xolisile Khanyile

The Chairperson of the Free State House of Traditional Leaders, Morena Ledika Moloji

Members of the Diplomatic Corps

My special guests, including the 70 visually impaired persons from the communities of Sasolburg and Bloemfontein as well as members of various Faith Based Organisations

Viewers and listeners

Comrades, compatriots and friends,

As it is our custom in each of our State of the Province Address, let me greet you in the most spoken languages in the province;

**DUMELANG,
GOEIE MòRE,
MOLWENI,
SANIBONANI;
GOOD MORNING**

Honourable Speaker, today we are privileged to have the opportunity to present to the people of the beautiful Free State the state of our province on this occasion of the official opening of the Legislature.

We table this address just five days after the 26th anniversary of the release from prison of our late President, Seaparankoe Tata Rolihlahla Nelson Mandela. The release of late President Rolihlahla Mandela from Victor Verster Prison on 11 February 1990 marked an important epoch not only in the struggle for freedom but also in the history of South Africa.

Together with many other struggle stalwarts of the ANC like Oliver Tambo, Walter Sisulu, Moses Kotane, JB Marks, Joe Slovo, Chris Hani, Jacob Zuma, and others, President Mandela played a pivotal role in the freedom that all South Africans, black and white, enjoy today.

This year also marks the 60th anniversary of the Women's March to the Union Buildings in 1956 and the 40 year commemoration of the June 16 student uprising. These are milestone events in the evolution of our country.

Honourable Speaker, the African National Congress declared 2016 as the Year of Advancing People's Power: Local Government is in your hands! Later this year South Africans will participate in the 4th Local Government Elections. We have confidence in the Electoral Commission of South Africa to ensure that these elections are conducted

in a free and fair environment. I am sure that all political parties will subscribe and adhere to the Code of Conduct for Political Parties.

Prior to 1994, municipalities were fragmented and racially segregated institutions, providing massively unequal services to different communities. The adoption of the Constitution of the Republic of South Africa in 1996 ensured that municipalities were established as a distinct sphere of government. The ANC government ensured that our democratic system of local government is built on a strong policy and legislative foundation.

Local government is widely recognized as a strategic site for service delivery as well as socio-economic development and transformation. The triple challenge of poverty, inequality and unemployment are felt most directly at local government level. This is where all our societal challenges and contradictions play themselves out.

Notwithstanding this, we approach the forthcoming local government elections with confidence. The strength of our democracy and the tenacity of our systems have directly contributed to ensuring relative stability in this environment. The sustained improvements in the audit outcomes of our municipalities show that our systems of governance, financial management and transparency are consistently strengthening and maturing.

The constrained fiscal framework within which our local government sector is operating, mirrors the significant challenges that the provincial and national spheres of government are experiencing. In fact, the global economy has been characterized by low economic growth rates, falling commodity prices and increasing unemployment and poverty. We do not find ourselves in a unique situation. Our resilience in the face of adversity and our commitment to find and create the opportunities that will place us on a higher growth path are key to us rising above the current challenges.

More than ever, the year 2016 presents us with the opportunity to practice serious fiscal discipline necessitated by a shrinking provincial revenue envelope without compromising service delivery. This must be done whilst we also explore and support

initiatives that will stimulate the provincial economy. We have embarked on this complex journey by participating in an initiative led by National Treasury that aims to ensure that we do not compromise the priorities set out in the Freedom Charter, the National Development Plan and the 2014-2019 Medium Term Strategic Framework.

We will continue to channel our energy and resources towards advancing and protecting the gains made in the provision of education and health services as well as the improvements in our roads infrastructure and the development of integrated human settlements. This will also be accompanied by continued investment in infrastructure as well as agro-processing and tourism with the aim to improve inclusive economic growth in the province.

Honourable Speaker, allow me to deliberate on progress that the Free State government has made in the implementation of the Freedom Charter as well as on government's key priorities.

“THE DOORS OF LEARNING AND CULTURE SHALL BE OPENED!”

(MENYAKO YA THUTO LE SETSO ETLA BULELWA BOHLE)

“Education shall be free, compulsory, universal and equal for all children”. This imperative of the Freedom Charter continues to guide us in the pursuit of the envisaged priority outcomes for Education. An Education Indaba will take place from 25 to 26 February that will review our entire education dispensation, from Grade R to Grade 12, in the Free State. We will use this opportunity to engage with all stakeholders in the sector to review and assess our performance and to chart a way forward that will ensure that we continuously improve the quality of basic education.

Whilst ensuring that we balance the ratio of teachers to learners, we have to ensure that we convert qualified part time educators into permanent employment.

Hon. Speaker, allow me to reflect on some of the major achievements that continue to characterize our education environment;

- We have increased the enrolment of Grade R learners to 53 thousand 704 in 663 public schools and 263 community-based sites across the province. An additional 2900 Grade R learners will gain access to Grade R in the next financial year.
- Our efforts to enhance our learners' capacity to focus on learning by alleviating hunger through the National Schools Nutrition Programme is currently benefitting 573 thousand 284 learners. This programme enables learners to receive nutritious meals at their schools which not only benefits focus on learning but it also promotes local economic development and job creation.
- A total number of 35 thousand 160 candidates registered for the 2015 National Senior Certificate exams – the highest enrolment in the history of the province. Despite a slight decline in our matric results, we continue to perform well in this area. The Free State obtained an 81.6 percent pass rate, maintaining its third position amongst the best-performing provinces in the country.

It is a source of pride that we have maintained consistency in the excellence of our matric pass rate over the last few years. This is illustrated by the following;

2012 Pass Rate:	81.1 %
2013 Pass Rate:	87.4 %
2014 Pass Rate:	82.8 %
2015 Pass Rate:	81.6 %

We remain committed to achieving our provincial target of a 90% pass rate with 40% bachelor passes.

Hon. Speaker, the Free State provincial government acknowledged that it had a particular responsibility to assist our youth to increase access to post-school education opportunities. In support of our national government and tertiary institutions, specifically those in our province, we reconceptualised our provincial bursary programme to assist more students to further their studies in undergraduate and postgraduate programmes at various local and international universities.

Recent events have emphasized the scope and extent of the challenges faced by young people in accessing post-school education. This is not a situation unique to South Africa as the voices of young people all over the world has raised sharply the issue of affordability of post-school education. We maintain the ANC position that the financial costs of post-school education must never be a barrier preventing the poor from access to the path that charts the way out of poverty. We equally maintain that those who can afford post-school education must pay for their children.

We are fortunate to enjoy very constructive relationships with the University of the Free State and the Central University of Technology. We will extend our current collaboration with both universities in respect of our student programmes. We will also be working with the Department of Higher Education to ensure that students are not exploited by these “fly-by-night” institutions that emerge from time to time. Institutions of higher learning must be properly registered and accredited and we will conduct frequent assessments to ensure compliance.

- From 2009, we have allocated a total number of 7 thousand, 572 bursaries. This year, our Top 100 students, black and white, were awarded bursaries whilst we also assisted 800 students with registration fees at the Central University of Technology and the University of the Free State.
- Funding for 322 post graduate students from 2015 will continue until the completion of their studies.
- We have afforded more than 500 students the opportunity to further their studies at various international universities, including;
 - 201 students are studying Medicine in Cuba
 - 277 students are pursuing various courses at Universities in China, including Medicine, Agriculture and Engineering
 - 9 student are pursuing their studies in Pharmacology in India
 - 37 students are pursuing their studies in Engineering, Medicine and International Trade and Economics in Turkey.

- 104 students have just returned from India after completing an advanced IT course.

As we continue to open the doors of learning and culture, an additional 400 students will be afforded the opportunity to pursue their studies in the Russian Federation, Bulgaria, Belarus, Germany, Turkey and Madeira in Portugal.

- 133 of them will study Medicine at the Peoples Fellowship University. Others will study nuclear science at other Universities in Russia.
- Students will pursue agricultural and veterinary science studies in Belarus and Bulgaria
- 48 will do artisan related courses in Germany. 4 Postgraduate students will go to the Freiberg University in Germany to study in Geology related fields.
- We will further send 50 students to study engineering, economics and international trade in Turkey.
- Following the visit of the President of the regional government of Madeira, Portugal, in December, we agreed to send IT interns to be linked to an established private sector company, ACIN, in Madeira.

The first group of students will depart at the end of February to go to Turkey where they will start with the language programme before they start their majors in September 2016. The rest of the students will depart in March and April 2016 respectively.

Hon Speaker, allow me to express our condolences with the family of the late Mbuti Twala who passed away in an unfortunate incident during December last year in Cuba. We wish to encourage our students in South Africa, Cuba and all other countries to remain focussed on their studies and make the most of this unique opportunity that they have been afforded.

We are conscious of the fact that there is an increasing need to provide suitable accommodation for students. A review of the optimal utilization of government facilities has already identified that the Winkie Direko Secure Care Centre in Bloemfontein is under-utilized. This Centre will be repurposed this year and will be made available for student accommodation whilst we continue to work together with the private sector and our universities and Technical, Vocational Education & Training Colleges (TVETs) to explore other appropriate student accommodation options throughout the Free State.

We will retain our focus in supporting graduates by providing them with opportunities to give them practical experience in the workplace through both internship and experiential training opportunities.

- This year, 517 graduates will participate in our provincial internship programme.
- We also continue to support students at Technical, Vocational Education & Training Colleges and 279 students are currently placed in provincial departments and municipalities. Our appreciation goes to the various Skills and Education Training Authorities (SETAs) who fund these programmes.

The Free State province continues to sustain its significant investment in education infrastructure. There are currently fifteen schools under construction in the province whilst the construction of new schools will also commence this year. Details on progress will be provided by the MEC Education during the budget vote speech. A condition assessment of access roads to schools will be undertaken and this will become an integral part of our future plans for township roads.

The transformation of our education system must meet the needs and interests of our people and uphold their fundamental rights. Our robust approach to the school hostel programme is indicative of our patriotic duty to give all children access to quality education. From 2009 to date, more learners are accommodated in school hostels since 1994. Hostels have increased from 12 in 2009 to 35 in 2015 and accommodate more than 4000 learners. Almost three hundred farm learners in and around

Mangaung are now accommodated at the newly built Bainsvlei school hostel which we will officially open tomorrow.

The construction of hostels in Ventersburg and Thaba Nchu is nearing completion whilst at Steynsrus High school, Sibonakaliso Farm School in Harrismith and Edenville Intermediate; the projects are progressing according to plan. We are confident that putting learners in a safe and conducive environment will reduce the rate of learner drop-out and improve the learner pass rate.

We have identified an additional four new hostels for construction over the 2016 Medium Term Expenditure Framework. These will be at;

- Leboneng Special School in Welkom,
- Boitumelong Special School in Thaba Nchu,
- Breda Farm School in Fouriesburg and
- Oranjekrag at Gariepdam.

The Accelerated Schools Infrastructure Delivery Initiative (ASIDI), spearheaded by the Department of Basic Education, has since 2011 been replacing schools which were built with inappropriate material. Seven of the thirty projects in the Free State has been completed, namely;

- PT Sanders in Trompsburg;
- Vredefort Primary;
- Caledon Park in Ficksburg;
- Luckhoff;
- Dorington Matsepe in Kroonstad;
- Phephetso in Kroonstad and
- Lehutso in Sasolburg

Re a Hlasela – We have delivered!

“ALL SHALL HAVE EQUAL HUMAN RIGHTS!”

(BOHLE BA TLABA LE DITOKELO TSA BOTHO TSE LEKANANG)

On Reconciliation

In the 2015 State of the Nation Address, President Jacob Zuma called for the eradication of racism and all related intolerances. Despite this plea, we saw the demon of racism rearing its ugly head at the beginning of this year. We need to stand up as a nation to defend our democracy, reject racism and continue to build a non-racial and non-sexist society.

We will not allow anyone to reverse the gains of our democratic revolution and weaken the values that the fathers and mothers of this democracy such as Nelson Mandela, OR Tambo, Walter Sisulu, Albertina Sisulu, Charlotte Maxeke, Andrew Mlangeni, Ruth First, Lillian Ngoyi, Beyers Naude, Bram Fischer and many others have bestowed upon us. We must not be intimidated by the minority of racists but forge ahead to live by the ideals of our forebears. Undoubtedly, racism, tribalism and ethnicity has no place in our society.

Hon. Speaker, South Africa commemorates Human Rights Day on 21 March. The United Nations also declared 21 March as the International Day for the Elimination of Racial Discrimination. I wish to invite the people of the Free State to join us in celebrating Human Rights Day on 21 March 2016 in Sharpeville. The Free State will work with the Gauteng provincial government and the people of Sharpeville in commemorating not only the Sharpeville massacre of 21 March 1960 but also to celebrate the progress made to ensure that all South African citizens enjoy equal rights and responsibilities under our Constitution.

One of our initiatives to promote reconciliation was the staging of a Reconciliation Walk on 16 December 2015 (Reconciliation Day) in Tumahole, Parys. Various target groups such as Public Servants, Sport Federations, Aerobics and Fitness Clubs, Churches, Communities, Youth Organizations and Senior Citizens participated in this event. We wish to encourage the people of our province to participate and support these

initiatives that unites us in action towards achieving our ideal that; “South Africa belongs to all who live in it, black and white.”

On Sport, Arts, Culture and Recreation

In our quest to continue to transform Sport and Recreation infrastructure landscape in the Free State, we upgraded and officially re-opened Seisa Ramabodu Stadium in Bloemfontein on 21 October 2015. The re-opening also coincided with the renaming of the 22 000 seat stadium to Dr Petrus Molemela Stadium in honour of one of the prominent individuals who contributed enormously to the development of soccer in the Free State and Bloemfontein in particular.

The newly built multipurpose sport facility in Kutlwanong, Odendalsrus, called the Siphon Mutsi Indoor Sport Centre, was also officially opened on 11 December 2015. These and other sport facilities such as the Fezile Dabi stadium in Parys and the Kaizer Sebothelo stadium in Botshabelo, as well as several others built and upgraded by this government, are a testimony to our commitment to ensure that sport becomes a tool in our hands to craft a new society which is socially cohesive, united and prosperous.

This process will intensify moving forward. We are currently in the design stage for the four other stadia, namely Zuka Baloyi in Thabong (Welkom), Siphon Mutsi in Kutlwanong (Odendalsrus), ZR Mahabane in Maokeng (Kroonstad) and Zamdela in Sasolburg. During the 2016/17 financial year, the opening of the Master Nakedi Indoor Sport Centre in Tumahole will take place.

Allow me, hon. Speaker, to also extend the well wishes of the people of the Free State to Team South Africa who will be participating in the Olympic Games during August this year. Whilst all of us cannot participate at that level, we encourage all our people, young and old, to become active to curb lifestyle diseases. Let us see more participants in sport and recreation events such as the O.R Tambo Games, Indigenous Games and the Senior Citizens Games.

We had a very insightful and constructive engagement with artists from various disciplines during 2015. This engagement emphasized that artists not only need support of the provincial government, but also from other artists and the general public.

To enhance the cultural sector we will establish sound recording studios in various municipalities to allow artists to record their music and enter the mainstream of the creative industry.

We have entered Phase 2 of the construction of the Thabo Mofutsanyana Arts and Culture Centre which will enable artists to exhibit their talents.

We are pleased that we have given effect to our undertaking to last year's State of the Province Address with the finalization of planning and design phases of identified cultural heritage projects. In the next financial year the following projects will start:

- construction of the Heroes Park in Thaba Nchu and Tumahole
- unveiling of the O.R Tambo and Fidel Castro statues

Re a Hlasela – We have delivered!

“THE LAND SHALL BE SHARED AMONGST THOSE WHO WORK IT!”
(NAHA ETLA AROLELWA BOHLE BA SEBETSANG HO YONA)

On Agriculture

The past year has been one of the most economically challenging periods in the history of our democracy and the devastating drought experienced in our province has affected our socio-economic environment significantly. The impact of the drought was and still is felt on a number of terrains.

The drought conditions have not only resulted in job losses and a contracting rural economy but has also manifested itself in increased food inflation. The lower than expected production of maize is expected to result in the import of maize for the first

time in many years. Combined with the increased interest rate, increased imports, and lower value of the rand, a very challenging period lies ahead for the agricultural sector in the Free State.

The Province has been declared a drought disaster together with four other provinces. We have released an Emergency Drought Disaster Fund to the Department of Agriculture and Rural Development. The funds were utilized for the following:

- The purchase of feed in the form of Protein Based Pellets.
- Water Reticulation support for animals
- Medication for livestock

We will continue with awareness campaigns to support farmers with advice to curb the effects of the drought and initiate rehabilitation projects on water conservation, harvesting and veld management including fodder banks.

Our programme *Hlasela Tlala Ka Diratswana* has made a significant impact on the 134 thousand 625 beneficiaries of this programme. Our tireless campaign to defeat hunger cannot be achieved by government alone. This programme has attracted interest from various provinces across the country as well as SADC countries and international organisations such as the Food and Agricultural Organisation (FAO).

Most unfortunately, in our rural spaces we have had quite a number of reports relating to the killing of farmers and farm workers. This goes against our efforts of ensuring that our rural areas are safe and peaceful. We will work tirelessly with organized agricultural and Free State communities to curb these criminal acts.

We must express our appreciation to various individuals, schools, voluntary groups and non-profit organisations who have been actively supporting the farming and other communities with making available water for human and animal consumption as well as animal feed at their own cost. We have seen support from individual holiday makers returning inland from coastal towns and regions donating bottled water at various collection points. In addition, trucks transporting animal feed over great distances to

support both commercial and small-holder farmers in the Free State has become a feature on our roads. This has been one of the most concrete examples that we have seen of what we can achieve as a nation when we unite as South Africans and work together to overcome what seems to be insurmountable challenges.

Last year President Zuma announced the establishment of Agri-parks to transform rural economies. Working with the Department of Rural Development and Land Reform, we identified five sites for the development of agro-processing centres. The construction of the physical structures at the sites in Tshiame, Thaba Nchu, Wesselsbron, Springfontein and Parys is underway. The first Agri-park will be open for business before the end of March 2017.

We created and maintained over 5000 jobs in the agricultural sector through the development of forty black farmers occupying 18 000 hectares of land. Fourteen farms of agricultural land, totalling 8000 hectares, have been successfully acquired.

On Rural Development and township revitalization

One of our main priorities has been to ensure food security and to encourage agricultural production in rural areas. Our initiatives in this regard include;

- Replicating the two Agri villages at Wilhelmina and Diyatalawa in Cornelia and Tweeling.
- implementation of Hlasela Tlala projects to cushion the needy against the high cost of living.
- Establishing a new Community Nutrition and Development Centre in Cornelia. With the launch of the CDNC in Tweeling last year, the project has now established 24 of these centres, feeding people across the Free State.

The ANC government is focusing on the development of small towns whereby Cornelia, Tweeling, Excelsior and Tweespruit were declared as Comprehensive Rural Development Programme (CRDP) sites with an intention of establishing them into agricultural hubs.

Using the Kudubashree model we adopted from India, we have started with the implementation of Hlasela Tlala projects and economic development initiatives in the towns of Cornelia and Tweeling. Local people have been provided with vegetable tunnels, dairy cows, fruit trees and seeds. Other activities include infrastructure enhancement, cleaning and greening and social services. Since work started in these towns, we have created more than 600 work opportunities. Re Hlasela Tlala!

Our investment in targeting youth unemployment will continue to focus on training and development, and the implementation of youth led production and processing projects. We are focusing on reducing overall dependence on industrial and imported inputs by promoting farming practices, which are less reliant on increasing input costs.

Our rural development framework is firmly rooted leading to the introduction of agrarian transformation based on the pillar of **land redistribution, restitution, development and land tenure**. We are happy to note the high interest of applicants who are using the re-opening of the restitution land claims process linked to the establishment of an improved land evaluation system and the increased recapitalisation of state farms and farms under land reform. Since the re-opening process, more than 50 applications, representing almost 300 potential claimant beneficiaries, were received in the Free State.

Re Hlasela Tlala!

“THERE SHALL BE HOUSING, SECURITY AND COMFORT”

(HO TLABA LE MATLO, POLOKEHO LE BOIKETLO)

On Health

We remain resolute to provide an accessible, affordable, quality and efficient health care system for our people. We have stabilized the critical operating platforms of the Department of Health and recorded significant progress in primary health care which includes services such as prevention, treatment, education and counselling. This is illustrated by the following;

- In order to decrease child mortality in the Province, the Immunization coverage for measles first-dose-under-1-year rate of 93.5% was achieved against the planned target of 90%
- 85% of Grade four learners were vaccinated to reduce the risk of them developing cervical cancer.
- In combating HIV and AIDS and decreasing the burden of disease from TB, we have expanded the condom distribution programme by distributing 29 million male condoms and 1 million female condoms.
- A total number of 256 thousand 737 (256737) patients were enrolled on the Antiretroviral Therapy (ART) programme by August 2015.
- The rate of TB clients lost to treatment was maintained at 4.4%, achieving the target of less than 5%.

It must be mentioned that the unavailability of medication is often misunderstood in the public arena. There have been sporadic instances where challenges have been experienced with the availability of specific drugs due to manufacturing or distribution problems that are outside the control of the Free State. We wish to provide assurance to the people of the Free State that we consistently take prudent and timely action so that our patients are not put at risk.

Hon Speaker, the National Health Insurance (NHI) was piloted in the Thabo Mofutsanyana District and we are proceeding well with implementation. We encourage our communities to participate in the engagement with the NHI White Paper released in December 2015.

I wish to acknowledge and appreciate the role played by our traditional leaders in ensuring that initiation schools in the Free State operate within the law in taking our customs and traditions forward.

Our investment in health infrastructure has made steady progress. During the forthcoming year, some of the new infrastructure projects such as the Albert Nzula District Hospital in Trompsburg and the Pelonomi ICU will become operational. The Senorita Ntlabathi Hospital in Ladybrand is operational and will be officially opened in April 2016. The Schonkenville, Batho and Amelia clinics will be completed. We will build new clinics in various towns in the Province this year and the MEC Health will outline details in the budget vote speech of the Department;

On Social Development

We understand that the development and care of children is crucial for a healthy and productive citizenry. To this end, we are funding 941 Early Childhood Development facilities benefitting 48 thousand 224 children. Additional centres will be built in Vogelfontein, Botshabelo and Thaba Nchu in the forthcoming year. Furthermore we have partnered with the National Lottery Commission for the provision of ECD infrastructure and equipment in 11 municipalities.

Other initiatives to be undertaken this year include;

- Establishing a state-owned substance abuse treatment centre in the province which must be in operation before the end of the 2016/2017 financial year. A site on the premises of the Botshabelo Hospital in the Mangaung Metro has been identified for this purpose.
- Two learnership programmes for 50 Social Auxiliary Workers and 50 Child and Youth Care Workers will be implemented with the intention of absorbing them upon completion of the programme. We will also employ 61 Social Work graduates at various centres in the province. These initiatives are aimed at alleviating the shortage of social workers.
- Implementing a campaign targeting the distribution of sanitary towels in poor schools throughout the province.

On Human Settlements

The establishment of integrated human settlements as opposed to the mere provision of houses, have continued to progress well. Over the past two financial years, we have delivered more than 9000 housing units across all the human settlements programmes. Women contractors were allocated 32% of these projects. We will focus extensively this year on finalizing the transfer of title deeds of completed projects to beneficiaries.

Our progress with human settlements include the following;

- All of the 1 thousand and 51 (1051) units of the Brandwag Social Housing project will be completed by June 2016. The development of 400 of the 950 social housing units at Hillside View will also be completed by June 2016.
- The development of **Community Residential Units (CRUs)** are underway at Dark and Silver City Hostels in Mangaung, Masimong and G Hostel n Welkom, Merriespruit in Virginia and Hostel 4 in Sasolburg.
- To deal with the housing backlog in Metsimaholo we have acquired land measuring approximately 495 hectares in Sasolburg. This property has the potential of yielding in excess of 7000 housing opportunities.
- The Vogelfontein mixed housing development project has the potential to yield in excess of 5000 housing opportunities. Phase one of this project, focusing on RDP houses, is currently under development and subsequent phases will accommodate middle and higher income groups.
- The housing development in Ventersburg for black and white will be completed during the 2016/17 financial year.
- We will continue with the installation of both water and sewer networks in Matjhabeng, including specifically the development of K10 in Odendalsrus and

Phokeng in Thabong. A services' audit has been completed in Caleb Motshabi and final design work is in progress.

We launched the Military Veterans housing programme during December 2015 when the first of these were handed over to eligible households in Lourierpark, Bloemfontein. This programme will continue to unfold this year.

To ensure the geographic spread of human settlements service provision with regard to the construction of housing units in the Xhariep region, we have set a target of building a minimum number of housing units in each town in this financial year.

Re a Hlasela - We have delivered!

“ALL SHALL BE EQUAL BEFORE THE LAW”

(BONKE ABANTU BAYO LINGANA PHAMBI KO MTHETHO)

Hon. Speaker, crime and corruption constitute two of the most serious threats to our democratic gains. Our commitment to implement appropriate programmes and initiatives to mitigate against these threats remain key to the priorities of the Free State provincial government.

Allow me to briefly reflect on our progress in the fight against crime and corruption.

- Our crime fighting strategies have earned our province the top spot for the third consecutive year, according to the crime statistics released last year. Thabong Police Station walked away with the title of the best police station in the country.
- The statistics showed a downward trend in almost all crime types except murder, robbery of cash in transit, car and truck hijackings.
- Crime prevention programmes on human trafficking awareness, gangsterism, drugs and substance abuse, rural safety and stock theft are ongoing. We acknowledge that our religious leaders play a critical role in our communities

specifically in the fight against gangsterism. We appreciate the impact our clergy has made specifically in Botshabelo, Odendalsrus and Virginia. Appropriate support and rehabilitation programmes are critical to ensure that we afford people the opportunity to participate in society as productive citizens.

- Our road safety programme will be strengthened with the employment of 153 traffic officers. In May this year, additional traffic examiners will be appointed to address the backlog in relation to testing applicants for drivers' licenses and testing of vehicles. The learner driver programme will also be expanded to accommodate 500 people and an additional 50 will be trained to drive and operate yellow fleet.
- This year, we will be working closely with the South African Social Security Agency (SASSA) on dealing with the matter of loan sharks that exploit the most vulnerable sectors of our society, namely social grant beneficiaries. We will also be collaborating and supporting the work done by the commercial crime division of the South African Police Service and the Financial Services Board to ensure that small loan operators comply with the laws of the country. We cannot allow the continued exploitation of the poor and financially desperate where they become victim to the harsh debt cycle perpetuated by these *mashonisas*.
- Our fraud prevention and anti-corruption strategy has enabled us to take appropriate action to ensure the integrity of the central supplier database and payroll of the provincial government. We are committed to our partnership programme with the Association of Certified Fraud Examiners and the University of the Free State to conduct fraud awareness and training programmes throughout the province. The implementation of our fraud prevention and anti-corruption strategy will continue and be expanded in the forthcoming year.

Re a Hlasela – We have delivered!

**THE PEOPLE SHALL SHARE IN THE COUNTRY'S WEALTH! and
THERE SHALL BE WORK AND SECURITY!**

Hon. Speaker, this must be the year of practical radical economic transformation!

The South African Reserve Bank projects that the South African economy is expected to grow by only 0.9% in 2016. The Free State Gross Domestic Product (GDP) is forecast to grow at an average annual rate of 1.77% from 2014 to 2019. The Free State provincial government will continue to support programmes to stimulate the creation of decent work, more jobs and sustainable livelihoods remains as this remains our key priority.

In his 2016 State of the Nation Address, President Zuma reflected on SMMEs and stated that; "We need to empower SMMEs to accelerate their growth. Access to high-quality, innovative business support can dramatically improve the success rate of new ventures."

We are pleased to report on some of the initiatives that we implemented as part of our response to the nine-point plan to achieve economic equality, job creation, transformation and economic growth.

- Sixty (60) young people from Matjhabeng benefitted from a Youth Entrepreneurial Programme, "Business in a Box", following our partnership with the Amalgamated Beverage Industries (ABI). The programme will be rolled out to other parts of the province to produce more job creators instead of job seekers.
- Our focus this year will continue to be on reducing red tape, supporting hawkers and providing decent shelters for our micro enterprises in the province, the roll-out of the Black Industrial Development Programme and a focused approach to the value chains to grow our local enterprises.
- The success emanating from the hosting of the inaugural Free State Global Investor Trade Bridge is evident from the co-operation agreements which ensued with countries such as India, Russia, Angola, Turkey and China. Examples can

be made of the commitment of the Russian Federation to partner with this province on amongst others, agro-processing and educational exchange programmes. We have also attracted investment to the Harrismith Special Economic Zone (SEZ) with the value of over R5 billion and a potential 5000 jobs.

- A company from Bulgaria, the Lemi Trafo Transformers will work with us in the areas of power generation and distribution. We will establish a factory at the Harrismith SEZ for the repairs of damaged transformers and production of new ones.
- From the hosting of the “China in South Africa Week”, several Chinese businesses have shown a keen interest in investing in the province. They include Covec BYD, Fujian Energy Group; Jiaqi Jao: Brick Manufacturing Company; Fujian Agriculture and Forestry; University Fujian Lesotho JUNCAO Research and Technology Project. Some of these will work with us in the implementation of the Agri-Parks model.

Furthermore the Chinese investment in the Maluti-a-Phofung – SEZ housed in two companies is at an advanced stage. The first company, Mediquip SA, is jointly owned by Chinese and South African shareholders. They will establish 3 plants to produce advanced medical equipment such as X-ray, Ultra-sound and ECG machines. The second company, SHANGHAI-XIELIN SA specialise in the production of smart meters and energy management devices.

Tourism remains a key and priority sector in the province and remains one of the potential drivers of economic growth. We will be exploring potential public-private partnerships to maximize the potential of some of our provincial resorts. A tourism grant which aims to transform the tourism sector so as to include as many historically disadvantaged individuals as possible will also be introduced.

In our efforts to maximize the tourism potential of the Earth and Space Centre and the other opportunities offered by Naval Hill in the Mangaung Metro, we are completing the environmental education centre. This multi-purpose facility, which is the anchor project for the revitalization of Naval Hill provide for tourism, economic opportunities, as well as environmental awareness. The center will be opened in May 2016.

We will continue with the transformation of the game industry program. Climate Change and Global Warming compel all of us to promote a green environment within our eco-systems and reduce greenhouse gas emissions. The cleaning and greening of various towns in the Free State will also be intensified. Our people need to live in clean and healthy environments. We will continue with the protection and enhancement of our Environmental Assets and Natural Resources.

Local economic development

Our work in supporting local economic development is ongoing. We have approved several development projects which will be implemented over the 2016 Medium Term Framework. Rezoning for the establishment of solar farms in Theunissen, Bloemfontein, Fauresmith and Hoopstad has been successfully completed. This project will create at least 700 job opportunities during the construction and operational phases.

Approximately 150 local people in Phumelela will benefit from the building of a precinct on the N3 route, with two filling stations, truck stop, police station, commercial and accommodation facilities. This project will create approximately 150 jobs.

On the 24th of March, we will open a new mall in Thabong in Welkom and a new mall in the Mangaung township will also be opened during the year. We welcome these development initiatives of black business to job creation in our local economies.

Expanded Public Works Programme

The Free State province had a target of creating 59 964 work opportunities in the previous financial year for all Public Bodies participating in the Expanded Public Works Programme (EPWP) within the Province. To date the province has created 40 325 validated work opportunities. From this total, 27 thousand 569 benefited women, with a further 20 thousand 502 youth and 446 people with disabilities benefitting from these work opportunities.

At the beginning of April, the implementation of the Township Revitalisation Programme will include the following towns: Excelsior, Winburg, Wepener, Tweespruit, Tshiame, Hertzogville, Dewetsdorp, Allenridge, Heilbron, Henneman, Jagersfontein, Marabastad, Odendaalsrus, QwaQwa, Botshabelo, Thaba Nchu, Batho, Vredefort and Cornelia.

The Expanded Public Works Programme was recognized for excellence and best practices through the Kamoso Awards which were held during November 2015. The Province was awarded the Best Construction Project nationally for the Thaba Nchu Bus route implemented by the Department of Police, Roads and Transport. The project was recognized for the unique approach of massification methodology which seeks to maximize employment of locally based communities. In 2016/2017, we will create 61 022 work opportunities targeting mainly the youth, women and the disabled.

Provincial Roads

A quality road network forms a greater part of economic development in that it reduces the distance between people and decreases the burden of transporting goods from one place to the other. Our commitment to improve our road infrastructure has resulted in the completion of the following critical roads projects:

- The construction of the R74 – that is the Harrismith – Oliviershoek-pass road. This is a critical road that impacts on the tourism sector, both in the Free State and Kwa-Zulu-Natal provinces.

- Zastron – Wepener
- Kroonstad – Vredefort
- Parys Through Route
- Memel- Bothaspas
- Oranjeville Bridge
- Clocolan to Marquard
- Reitz to Kestell Road

Other infrastructure projects that will continue through labour intensive methods and the Expanded Public Works Programme and guidelines during the forthcoming financial year include the transport routes in Vrede, Thaba Nchu, QwaQwa and Botshabelo. Furthermore, re-gravelling, fog-spray and re-sealing of some roads needing maintenance will be done in all the five districts.

The following new projects will start in 2016/17 financial year:

- Parys (Schonkenville) – Koppies
- Shannon Transport Route
- Hoopstad – Bultfontein
- Bothaville – Kroonstad
- Deneysville – Heilbron
- Bloemfontein -Dewetsdorp-Wepener

It is expected that these roads projects will create more than 2 500 jobs opportunities.

Re a hlasela – We have delivered!

“THE PEOPLE SHALL GOVERN” / *DIE MENSE SAL REGEER*

On Governance and Administration

Hon. Speaker, we often neglect to highlight some of our significant achievements in the sphere of governance. The Free State **provincial audit outcomes** for the last financial year were the best we had ever produced. We obtained seven clean audits from five provincial departments, the Fleet Management Trading Entity and the Provincial Revenue Fund.

The Provincial Treasury obtained a clean audit for the 6th consecutive year, the Department of Sport, Arts, Culture and Recreation for the 3rd consecutive year and the Free State Legislature and the Fleet Management Trading Entity for the 2nd

consecutive year. The Department of the Premier obtained its fourth clean audit status and the Department of Public Works and Infrastructure improved to clean audit status. Six departments received unqualified with findings audit opinions. The Free State Development Corporation, Free State Gambling & Liquor Board, and the Free State Tourism Authority retained an unqualified with findings audit opinion. Only two provincial departments, received qualified audit opinions.

Our achievement in the 2014 Management Performance Assessment Tool (MPAT) evaluation, released during August 2015, further substantiate the significant improvement in our public service management environment. The Free State emerged as the second best performing Province in the country. The Free State Provincial Government had 118 identified good practices and have already exceeded the 2019 MPAT targets.

We have established a dedicated forum where the provincial government regularly engages with our Chapter 9 institutions to enhance our coordination in support of democracy. In addition, we are actively supporting the transformation of the Free State Society of Advocates by monitoring the equitable distribution of briefing patterns of black advocates.

On payment of service providers within 30 days

Government has monitored the performance of provincial government in paying non-disputable invoices through a strong monitoring and evaluation initiative by the Provincial Treasury.

Significant progress has been made, even though there are still some departments that need to improve. We have given clear directives to accounting officers to take steps against any government official who is found sitting on invoices for more than 30 days, as this adversely effects particularly SMME's in our province.

Cost Containment Measures

We will continue to intensify efforts to improve efficiency and prudence in spending. Monitoring of the implementation of cost containment measures to ensure that the departments and entities limit growth of spending on non-core items will continue. As a result of the work we have already done in this area, we have been able to continuously reprioritize funds from non-core items towards frontline services.

We have contained the growth of the provincial wage bill through the central management of the PERSAL system that was introduced during 2014. A commitment has been made to ensure that the ratio between frontline service personnel and support staff is balanced and corrected where necessary. We will be working with the Department of Public Service and Administration and the National Treasury on a broad range of issues regarding staffing and staff establishments within the public sector environment.

We will undertake a further review of our provincial public entities with the aim of ensuring that we have eliminated possible duplication in functions between departments and entities. A tangible result of our consideration of our current environment has convinced us that the Permit Board should transfer back to the Department of Police, Roads and Transport.

Decentralization of government offices

In ensuring that we bring government services closer to the people, we have directed that all government departments should deploy senior government officials in regional offices in the following areas; Qwaqwa, Thaba Nchu, Trompsburg, Welkom township, Mangaung township and Parys. The extension of satellite offices in Tweeling and Vrede will also be further considered.

We have made significant progress in the establishment of our government precinct at the Ratlou complex in Thaba Nchu. The offices of SASSA are already operational whilst offices of Home Affairs, the Thusong Service Centre and offices of Health and

Education will be operational in the new financial year. The Department of Sport, Arts and Culture will also be establishing a Multi-Purpose Centre in Thaba Nchu.

In order to further support our initiative to bring government closer to the people, we will be exploring the establishment of call centres in Botshabelo, Thaba Nchu and QwaQwa that will also incorporate an IT training component that will focus on upscaling information technology skills and capacity. We will be exploring a partnership with the MICT-SETA to realize this objective.

On Local Government (Back to Basics)

Honourable Speaker, Eskom is one of our key partners in the provision of basic services to communities. It is acknowledged that there has been some concern in our communities with regard to outstanding debt owed by some municipalities to Eskom. We have been working with Eskom, the national Department of COGTA, National Treasury and our affected municipalities to find a realistic solution to this matter.

Together with Eskom, we are currently working on an alternative funding model for electricity distribution in the Free State. We can assure the people of the Free State that there is no cause for panic about possible disruptions in continuous power supply to municipalities and their communities as a result of the current debt position

The provincial government's work in the local government sphere is directed by our implementation of the Back to Basics Programme which is based on five pillars, namely;

- Good governance
- Sound financial management
- Building capacity
- Putting people first and
- Basic service delivery

On Good Governance

Our partnership with the South African Local Government Association (SALGA) and the Free State Legislature have resulted in ongoing capacity building with a specific focus on training and development initiatives for Councillors as well as Council structures. A focused programme on promoting good governance principles and practices will be implemented in all Councils in the province following the local government elections.

Sound Financial Management (Municipal Audit Outcomes)

We have significantly improved the administrative capacity and financial management of our municipalities. This is evidenced by the audit outcomes of the 2014/15 municipal financial year and I wish to highlight the following;

- Thabo Mofutsanyane District Municipality obtained the first clean audit status by a Free State municipality.
- Mohokare Local Municipality and the Fezile Dabi District Municipality improved from a qualified to an unqualified audit opinion
- Nala Local Municipality improved from a disclaimer audit opinion to an unqualified audit opinion with findings.
- The municipalities Moqhaka, Mantsopa and Letsemeng Local Municipalities improved from a disclaimer audit opinion to a qualified audit opinion.

Over the last five years, municipal audit outcomes improved as follows;

- We increased the number of unqualified with findings audit opinions from 22 % to 48 %;
- We increased the number of qualified audit opinions from 15 % to 30 % as we reduced the number of disclaimer audit opinions;
- We decreased disclaimer audit opinions from 55 % to 11 %
- We eradicated adverse audit opinions completely

Building capacity

We implemented initiatives such as the deployment of suitably qualified and experienced teams to thirteen (13) identified local municipalities to assist with developing and implementing turn-around strategies. We maintained our focus on training for municipal officials in the areas of risk management, internal audit, human resource management and tax compliance.

The deployment of 36 Cuban engineers to various municipalities in the Free State will strengthen our engineering capacity in municipalities and will improve the quality of our infrastructure work.

Putting People First

- A Complaints and Compliments Management System has been developed as a tool for community engagement;
- Municipal frontline staff trained on customer care management.
- We have strengthened the collaboration between councillors and traditional leaders
- Minimised unrest through consistent interaction and community feedback

Delivery of Basic Services

This pillar is emphasised by the implementation of the Municipal Rapid Response Platforms (MURAPA). We will continue to monitor the provision of basic services to our communities by municipalities and will ensure that remedial action is taken where required.

Moving forward in 2016/17, we will work together with the National Department of Cooperative Governance and Traditional Affairs to implement the Back to Basics 10-point plan, in order to achieve the following, amongst others;

- National and Provincial Departments must settle pay verified debt owed to municipalities;

- The three spheres of government should improve the integration of their planning and service delivery initiatives;
- Strengthening public participation through direct public engagements and media platforms;
- Spatial Planning Framework implementation to be monitored to avoid putting food security at risk.

Re a Hlasela – We have delivered!

“THERE SHALL BE PEACE AND FRIENDSHIP”

(HO TLABA LE KGOTSO LE SETSWALLE / DAAR SAL VREDE EN VRIENDSKAP WEES)

Hon. Speaker, I have extended an invitation to Ambassadors and High Commissioners of all the countries with which the Free State province has had co-operation since the inception of our democracy in 1994. We have established and enjoy constructive co-operation with more than 35 countries, both on the African continent and beyond.

These partnerships have assisted us not only in the health and education sectors, but also in international business partnerships, and opportunities for the Free State province to participate in the global market system within the our national policy framework.

Our international co-operation has also served to bring about much needed investment into this province. This year and going forward, I wish to step up our co-operation with fellow African countries and other developing countries. This in line with our national interest and our Foreign Relations Policies and Perspectives as led by the Presidency and the Department of International Relations and Cooperation.

Re a Hlasela – We have delivered!

CONCLUSION

Hon. Speaker, we have declared this the year of Advancing People's Power: Local Government is in your hands! In addition, our focus will be on radical economic transformation.

Our transformation agenda this year will focus on focussed support for youth women and artists. We will not rest until the objective on the ANC to create a non-racial, non-sexist, democratic and prosperous nation is attained. We shall not falter on our commitment for a better life for ALL. With the continued support of the people of this province, the Hlasela programme shall continue to grow in changing the lives of ordinary citizens.

Allow me to also convey our appreciation to Lesedi FM for introducing a very informative daily programme (Jwale ke Nako) on service delivery as this promotes government-community interaction and supports our Hlasela initiatives.

I invited as our special guests today the religious leaders and *baruti* of various denominations throughout the Free State. We must appreciate the critical role they play, not only in their respective churches, but in our broader communities. They guide us in the moral values with which we conduct ourselves on a daily basis and often reminds us of our responsibilities towards the most vulnerable of society. We pledge to continue our constructive working relationship with them.

Allow me to thank the African National Congress, Members of the Executive Council and Legislature, the Director General, Heads of Departments and our public servants for the commitment to ensure that we move Free State and South Africa forward.

Ke a leboha

Dankie

Ndiyabulela

Ngiyabonga

Ke a leboga

Thank you