



**destea**

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

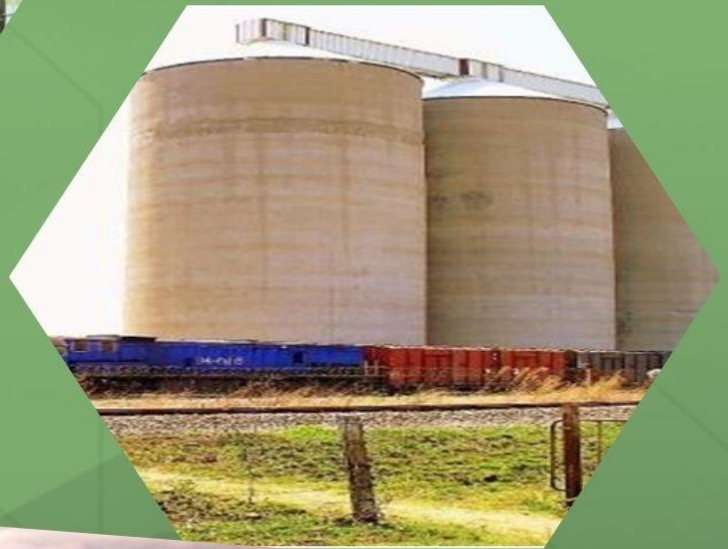
## 2024/25 DESTEA BUDGET VOTE 3

**Hon: M.K Makume**  
MEC

Finance, Tourism and Economic  
Development



**FOURTH RAADSAAL  
BLOEMFONTEIN**



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

**BUDGET VOTE 3**

**1 AUGUST 2024**

**Honourable Speaker of the Free State Provincial Legislature**

**The Honourable Premier**

**Colleagues in EXCO and Legislature**

**House of Traditional Leaders**

**Heads of the Departments and Senior Managers in all spheres of government**

**Distinguished Guests**

**1. INTRODUCTION**

**Honourable Speaker**, Honourable Premier, Members of the Executive and Honourable Members of the House, while we are gathered here to carry out the functions bestowed upon us, our country is experiencing incidents of femicide and gender based violence on scales beyond our imagination. Young women whose only sin is to fall in love find themselves as preys waiting to be devoured. Our province has seen high incidents of femicide and gender based violence like never before. Young and old women are targeted on a daily basis.

Lerato Masiu, Sibongile Ngwane, Khethiwe Khambule, Kelebogile Seremone, Machaka Radebe, Mme Ellen Monkhe, Sinah Batjies, Thato Tumahole, Mpho Mamiki Mokhele-Moalusi, Granny Leeuw, Lesego Mamello Motaung, and Disebo Mosupa are some of the young and old victims of this barbaric and senseless killing of our women. May their souls continue to rest in peace. It is in memory of these and many other victims of femicide and gender based violence that we dedicate this budget speech.

**Honourable Speaker**, this Budget Vote Speech will be predicated on the reflecting on the road traversed by the sixth administration in building an economy for all and our commitments in the seventh administration.

To quote His Excellency President Cyril Ramaphosa on the occasion of the launch of the 2024 ANC elections manifesto: “***Our country has come a long way. We have made incredible strides and achieved so much. However, even after 30 years of freedom and democracy, our journey towards the South Africa that our people truly desire is far from over. We still have more hills to climb.***” We acknowledge the socio-economic challenges of the province, and will implement urgent interventions to reduce those.

**Speaker**, we remain steadfast in our commitment to doing more on eradication of poverty, job creation, and eliminating inequality. To achieve this, we need a radical departure from the way things used to be done in the past.

## **2. THE FREE STATE ECONOMY AT A GLANCE**

**Honourable Speaker**, the latest statistics indicate that the South African gross domestic product (GDP) declined by zero point one percent (0.1%) in the first quarter (January–March 2024) and unemployment increased with zero point eight percent (0.8%). The Free State province recorded an increase in unemployment of three point six (3.6) percentage points from thirty-four point four percent (34.4%) in Q1:2023 compared to thirty-eight percent (38.0%) in Q1:2024. The youth unemployment rate (15 to 24 years) is the highest at about seventy-one point two percent (71.2%), followed by forty-eight point three percent (48.3%) among the 25 to 34 years age group.

The Free State Province had a GDP of two hundred and eighty billion Rand (R280bn) in 2019 and three hundred and forty billion Rand (R340bn) in 2023, resulting in an increase of sixty billion Rand (R60bn) and the province’s contribution to the national GDP has been hovering around four point nine percent (4.9%) and five percent (5%)

for the last five (5) years. The GDP of the Free State Province is expected to grow at an annual average rate of one point five seven percent (1.57%) by 2028. This is indicative of a relatively stagnant economy, hence the need to rapidly grow the economy through crowding-in investments into the province.

The increasing evidence of easing inflation, and in turn possible lower interest rates, may be a tonic that the economy needs, which may see robust economic activity and demand. In his address to the joint sitting of Parliament on the 18<sup>th</sup> July 2024, His Excellency President Ramaphosa pronounced the three strategic priorities of the 7<sup>th</sup> administration as a Government of National Unity.

Most importantly, the President said ***“We have decided to place inclusive economic growth at the centre of the work of the Government of National Unity and at the top of the national agenda.”*** This statement implies that this department is placed at the top of both the national and provincial agenda. It is this department that will be expected to drive economic growth that will create jobs and reduce poverty within the Free State province.

***Honourable Members***, the most pressing task in 2024 and beyond is to set the economy on a higher path of shared growth, to create more jobs and provide opportunities for millions of South Africans. This requires levels of investment far beyond what has been achieved in recent years. We need to mobilise domestic and international investment while we work with greater effort to unleash the economic potential of all our people, especially youth and women, by ensuring they have skills, assets and opportunities.

***Honourable Members*** some have referred to mining as a sunset industry, but indications are that there are still some opportunities in gold extraction for years to come. Other mining opportunities in the Free State are in low-grade coal, diamond, uranium, and salt. Furthermore, the natural gas deposits discovered

in a large area around Virginia and other parts of the province, represents an opportunity for creation of hundreds of jobs in downstream economic activities.

The province also prides itself of being the bread-basket of the country. Crop production represents about two-thirds of the province's gross agricultural income. The main crops are maize and wheat. Sunflowers, sunflower seeds, sorghum and soya beans are other major crops. The agriculture sector presents huge potential for growth and is thus a good destination for investments. Game hunting is also a significant sector, and several large Free State farms have been converted from stock to game farms.

The province is also an ideal destination for renewable energy projects; these include solar photovoltaic (PV), hydro, and wind projects. In addition, the grid availability in the province continues to attract investments by independent power producers (IPP) in renewable energy projects in the Free State province.

### **3. ADMINISTRATION AND GOVERNANCE MATTERS**

*Honourable Speaker*, on financial administration, the department is proud to announce that the unqualified audit opinion was maintained for the 2023/24 financial year and we are confident that we can maintain the momentum created and achieve even better going forward.

We have prioritized revenue collection, collecting four and a half million Rand (R4.5m) and eight million four hundred thousand Rand (R8.4m) respectively from our 2023 and 2024 annual Game Auctions, amongst others. The FSGLTA continues to be an effective contributor to the provincial fiscus through its revenue collection achievements. During the past year, the FSGLTA collected over sixty-seven and a half million Rand (R 67.5m) in revenue.

The department is concerned about the current state of governance at its entities<sup>1</sup>, and we commit to ensure that we turn the situation around. In this respect, I have already met with both management and boards of entities as part of our effort to ensure governance improvement and accountability.

**Speaker**, DESTEA is reviewing its organizational structure in order to establish an operational model, which will be cost efficient, and highly focussed on service delivery. The department intends to actively participate in national programmes aimed at the professionalization of government services. We will actively embark on skills audits <sup>2</sup> during the coming financial year, the results of which will serve as the basis for restructuring, professionalization and modernization.

The vetting of officials<sup>3</sup> dealing with procurement matters will continue in the new financial year, together with vigilant fraud and corruption identification and comprehensive investigations<sup>4</sup>.

#### **4. ENVIRONMENTAL SUSTAINABILITY AND CONSERVATION OF BIODIVERSITY**

**Honourable Speaker**, when announcing the Free State province Cabinet earlier in June this year, the Honourable Premier M Letsoha-Mathae announced that the Environmental Affairs and Conservation function will now move to the Department of Agriculture and Rural Development to form a new Department of Agriculture, Rural Development, and Environmental Affairs under the leadership of my colleague, MEC E Rockman. We are hard at work to ensure that this transfer of functions is finalized expeditiously in the current financial year.

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<sup>1</sup> SOPA 2023/24

<sup>2</sup> SOPA 2023/24

<sup>3</sup> SOPA and BVI 2023/24

<sup>4</sup> SOPA 2023/24

**Speaker**, climate change is no longer a scientific phenomenon as initially thought, but its impacts affected our communities severely in the past year. We experienced unprecedented levels of precipitation, accompanied by severe thunderstorms and hail in various parts of our province including Mangaung Metro Municipality, Thabo Mofutsanyane and Xhariep Districts.

Veld fires have devastated our agricultural sector across the province, fuelled by strong winds and dry conditions that threaten food security in the Province and nationally. We thank all stakeholders who assisted in drafting the Free State Climate Change Adaptation strategy <sup>5</sup>that will assist in building resilience against the impacts of climate change.

A Technical Climate Change Forum<sup>6</sup> has been established, comprising of provincial government, local government, and institutions of higher learning, business and civil community representatives. In the year, ahead relations will be strengthened to ensure collective implementation, reporting and monitoring of the strategy.

The implementation plan includes building institutional structures, collaborating on research, initiating projects and programmes at municipal levels to build resilient communities. The journey commenced with commitments made at the recently hosted Energy Security Indaba and initiatives to unlock blockages experienced at local government level that impede the implementation of renewable energy projects. This work will continue in the next year to ensure that Free State does not only improve on energy security but also increase the share of renewable energy within the energy mix.

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<sup>5</sup> BVI 2023/24

<sup>6</sup> BVI 2023/24

Campaigns to plant trees and set up water harvesting infrastructure<sup>7</sup> have commenced and will continue in the coming financial year. Furthermore, a programme to eradicate high water usage alien invasive plant species<sup>8</sup> has started in our reserves, creating twenty-eight (28) jobs. This programme will also continue into 2024/25.

**Honourable Members**, as you well know, the province is facing serious challenges relating to waste management. To address this, we have strengthened the Provincial Waste Management Forum<sup>9</sup>, and we will continue the Cleanest Town Competition, now actively overseen by the Office of the Premier. In March 2023, we committed to strengthening our relationship with municipalities, and we did so via the environmental auditing of thirty (30) municipal landfill sites<sup>10</sup>, providing recommendations for improvement.

These audits will continue as part of compliance enforcement, and Administrative Notices will be issued to municipalities who do not action our recommendations within a reasonable timeframe.

We are furthermore committed to support small, medium and micro enterprises (MSMEs) participating in the Waste Economy<sup>11</sup>, thus we have injected over two million Rand (R2 000 000) into this sector and also established strategic partnerships, such as the one currently being piloted with Coca Cola Beverages South Africa. This support will continue into 2024/25 via our Separation at Source Programme.

Our commitment to manage and safeguard our environment will further include the following critical outputs:

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<sup>7</sup> BVI 2023/24

<sup>8</sup> BVI 2023/24

<sup>9</sup> BVI 2023/24

<sup>10</sup> SOPA and BVI 2023/24

<sup>11</sup> BVI 2023/24



- Interventions to promote the use of renewable energy in Free State communities.
- Development of a Provincial Air Quality Management Plan.
- Development or adoption of Transition plans for high carbon emitting sectors.
- Support to recycling facilities and buy-back centres.
- Various biodiversity economy initiatives focusing on value addition to flora and fauna products.
- Transforming open community / public spaces into eco-friendly zones.
- Job creation through Expanded Public Works Programme (EPWP).
- Upgrading of the E-Permit system to accommodate the national additions (including Threatened or Protected Species and Convention on International Trade in Endangered Species of Wild Fauna and Flora applications).
- Strengthening the capacity of the Green Scorpions in the Free State.
- Adapting specifications for the renovation or new public infrastructure to provide for mitigation measures relating to climate change principles and green spaces in townships.

## 5. ECONOMIC GROWTH AND JOB CREATION

### 5.1. Economic Reconstruction and Recovery

*Honourable Speaker*, the department will soon finalize the Provincial Economic Reconstruction and Recovery Plan, as well as a Provincial Investment Strategy, which will be utilized to guide provincial economic development and growth going forward.

*Honourable Speaker*, it is important for government to continue providing support, both financial and non-financial, to MSME to ensure that they can grow and be sustainable. In this context, DESTEA launched the **Free State the Youth Business Pitching** competition to support innovative youth-owned start-ups with access to financial and non-financial support, including mentorship from sector specialists.

During 2023, district winners received two hundred thousand Rand (R200 000) each; second prize winners received one hundred and twenty thousand Rand (R120 000) each; and the provincial winner received five hundred thousand Rand (R500 000).

This programme will continue in the new financial year, with collaborations and support from more private sector stakeholders.

In addition, the department has provided financial support to ninety (90) enterprises during the past eighteen (18) months, to the value of forty-nine point nine million Rand (R49.9m), amongst which there are thirty-six (36) female owned and thirty-eight (38) youth owned enterprises, preserving and created more than two hundred and fifty jobs. During the remainder of this financial year, we commit to provide financial support to enterprises, valued at seventeen and a half million Rand (R17.5m)

In acceleration of our support for innovative business ideas, we will strengthen our collaboration with Centres for Entrepreneurship and Rapid Incubator at Maluti, Motheo, and Goldfields TVET, to support start-ups. We have supported eight incubates in the last financial year to the value of six hundred and twenty thousand Rand (R620 000) so that they can start their businesses. One of the shining examples is Ms Bokang Lehloenya, the owner of Wa Rona Food Enterprise (Pty) Ltd, whom the department supported with a Nissan NP200 van in order to facilitate the delivery of products to her clients.

Our support for youth start-ups is a priority for the 7<sup>th</sup> administration. To this end, we will revive our Memorandum of Understanding with the National Youth Development Agency (NYDA) to work together to increase our reach to youth-owned enterprises who need both financial and non-financial support. We will do this by augmenting the NYDA grant funding with a further one and a half million Rand (R1.5m) m in the 2024/25 financial year.

**Honourable Members**, the department has signed a Memorandum of Understanding with Coca Cola Beverages South Africa (CCBSA) to support local enterprises in areas such as business financing and supplier development. Through this partnership, twenty-seven (27) tuckshops, mostly youth-owned, were supported in the area of Intabazwe and Makgolokweng by refurbishing structures or building and procuring equipment worth a total of one point four million Rand (R1.4m).

DESTEA and CCBSA hosted a Youth Business Pitching Competition where CCBSA contributed eight hundred and twenty-five thousand Rand (R825 000) and DESTEA one hundred thousand Rand (R100 000) to enterprises providing laundry and ITC services.

We will upscale this programme during the 2024/25 financial year to ensure that more MSMEs are supported, with DESTEA and CCBSA committing to support tuck-shops in Maluti-a-Phofung Local Municipality and Mangaung Metropolitan Municipality with a two point six million Rand (R2.6m) budget for provision of both financial and non-financial assistance.

The department is also providing both financial and non-financial support <sup>12</sup>to aspiring industrialists in order to transform the patterns of ownership in key economic sectors, as well as to achieve economic growth, transformation and job creation. The FDC has spent over two million seven hundred thousand Rand (R2.7m) in rental incentives at its industrial parks and over twenty-five (25) MSMEs benefited from these incentives.

***Honourable Speaker***, a skills revolution is required for enterprises to remain competitive in the increasingly globalized world. It is for this reason that we will continue to provide financial support to the Botshabelo Digital Hub<sup>13</sup> which is critical in assisting local enterprises with the developing and adopting of new digital solutions.

The Hub offers programmes such as robotics, end user computing and is not limited to MSMEs, but also school activations to encourage innovation in learners (coding, robotics and virtual reality). In this regards, we will set aside five hundred thousand Rand (R500 000) per annum to support the operations of the Botshabelo Digital Hub so as to ensure its future sustainability. Furthermore, we will support enterprises to capitalize on drone technology, by assisting them with training and relevant licensing.

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<sup>12</sup> BVI 2023/24

<sup>13</sup> BVI 2023/24

The department is working with various Sector Education and Training Authorities (SETAs) to ramp up the skills revolution referred to above. In this respect, the department has received funding approval of nine point three million Rand (R9.3m) from the **Manufacturing, Engineering and Related Services Sector Education and Training Authority (MerSETA)** and one million eight hundred thousand Rand (R1.8m) from the **Food and Beverage SETA (F&BSETA)**. The breakdown of these partnerships is as follows:

**MeRSETA funding:**

- ✓ One hundred and sixty-four (164) candidates are currently registered for short skills programmes (Occupational Health and Safety, Suspension Fitter and Vehicle Servicing) for a period of three (3) months, valued at three point eight million Rand (R3.8m).
- ✓ One hundred artisans in the automotive sector, who are currently without relevant certifications, will be registered in the Artisan Recognition of Prior Learning (ARPL) Program, valued at five and a half million Rand (R5.5m).

**F&BSETA funding:**

- ✓ Three hundred (300) candidates/ learners are currently being trained through an accredited training provider, in Food Handling and Food Safety Procedures and Practises.

As part of our intervention towards unemployment reduction —the FDC has entered into a thirty eight million Rand (R38m) funding agreement with UIF for providing skills programmes to two thousand (2000) Free State unemployed beneficiaries through the Labour Activation Programme.

We have committed to retain the current beneficiaries, who are currently being re-skilled in Plumbing, Construction, Environmental Practices and Assistant Chefs, for the next six (6) months. We however require an additional twelve million Rand (R12m) allocation to cover participants' stipends for this period.

**Honourable Speaker**, in the coming year, we commit to enhancing our efforts to grow the Free State economy and create opportunities for decent jobs by providing growth pathways for Free State enterprises.

One of the key ingredients to growth, is access to markets. To this end, we will continue to provide support to enterprises to participate in the African Continental Free Trade Area (AfCFTA) and other platforms through our Market Access Incentive as one of the growth pathways for Free State enterprises.

During the past year, DESTEA assisted ninety-five (95) enterprises to access trade pavilions, expositions, and other marketing platforms, such as our newly developed online *freestatetradeportal*<sup>14</sup>. In the coming financial year, the department will continue to support local enterprises with local trade initiatives, trade agreement participation and market exposure, as well as the following:

- The FDC will further draw support from key stakeholders, i.e. **the dtic** in order to continue with the refurbishment of our Industrial Parks.
- Working with provincial Treasury, we will ensure that the Supply Chain policies of all organs of state in the Free State are aligned with the recently gazetted Public Procurement Act, for the benefit of local Free State enterprises.
- Engagements with communities and business chambers on the implementation of the Free State Integrated Business Support, Licensing and Regulation Act 2024 will take place during this year. These engagements will also extend to the recently approved FSGLTA Gambling and Liquor Act.
- Promotion of e-commerce, as well as end-point delivery services

## **5.2. Trade, Investment Promotion, and Industrialization**

**Honourable Members**, trade leads to faster productivity growth, especially for sectors and countries engaged in global value chains (GVCs). These links allow developing countries to specialize in making a single component, like a keyboard, rather than a

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<sup>14</sup> BVI 2023/24

finished product, like a personal computer. GVCs give them access to foreign technology, expertise, and investment.

**Speaker**, investing in developing countries holds the power to enhance the lives of its citizens significantly. The right investments can improve infrastructure, provide access to essential services, increase amenities and boost overall human development. These investments positively affect health, education and economic opportunities.

As part of our investment attraction drive, the Free State Provincial Government (FSPG) convened the second Free State Investment Conference<sup>15</sup> on 27 February 2024, as committed in the 2023 SOPA. From this conference, we received investment pledges, mainly in the sustainable energy sector, to the value of eighty one billion Rand (R81bn).

**Honourable Speaker**, we are honored to highlight some investment developments in the province that realized from our investment attraction efforts and commitments going into the new financial year:

- Springbok solar in Virginia—the project entails the generation capacity of one hundred and fifty megawatt (150MW) electrical power through photovoltaic (PV) technology. About four hundred (400) jobs will be created from the project in Matjhabeng Local Municipality. In addition, similar projects are current under implementation in Theunissen and Virginia areas, valued at six point three billion Rand (R6.3bn).
- The Thaba Nchu Smelter has entered Phase Two (2) of its development with an additional investment of two hundred million Rand (R200m).
- The natural gas discovered around Virginia, Matjhabeng LM is a needed catalyst towards economic growth:
  - About, one billion Rand (R1 000 000 000) was invested in phase 1 of Renergen Gas project in Virginia. A further twenty billion Rand (R20bn) will be invested

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<sup>15</sup> SOPA 2023/24

in Phase Two (2) of the project, spread over three (3) years starting from late 2023.

- The department has worked with the Council for Geosciences<sup>16</sup> to produce a pre-feasibility report on mineral and gas opportunities in the Free State. This is ongoing work to be pursued in the new financial year to eventually culminate in new exploration and investment opportunities in the province.

The FDC will focus on aggressive investment attraction through private sector partnerships. The Corporation will unlock investment opportunities by enabling partnerships with the private sector through the utilisation of government owned facilities in order to maximise their economic potential.

In this financial year, we commit to upscaling our support to emerging Black Industrialists in the following sectors: agro-processing, manufacturing, tourism, digital economy, transport and logistics as well as the clothing, textile, leather and footwear; these sectors hold the biggest potential for growth and job creation.

**Honourable Speaker**, as we mentioned in the 2023 Budget Vote, we have started a process to refurbish selected factories that are managed by the FDC and the Maluti-a-Phofung SEZ, aligned to our newly developed Industrialization Policy and Action Plan<sup>17</sup>. To show commitment towards industrializing the Free State economy, the department spent about four million Rand (R4m) in the 203/24 financial year for refurbishment of three (3) factories in MAP SEZ as well as in the Phuthaditjhaba, and Botshabelo Industrial parks for investors who are ready to start operating from the factories in the parks. We are committing another four million Rand (R4m) in the 2024/25 financial year for the same purpose. It must be noted that we will require substantially more resources to address demand for factory space.

Growing the Free State economy remains high on the agenda of this 7<sup>th</sup> administration. It is on this basis that I now request the Premier to establish the Premier's Economic

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<sup>16</sup> SOPA and BVI 2023/24

<sup>17</sup> BVI 2023/24

Advisory Council that consists of men and women that will advise the Premier and the Free State government in facilitating the development and implementation of economic policies that will stimulate inclusive economic growth. Our considered view is that such an Advisory Council should consist of not less than 5, but not more than 10 persons, with a full time chairperson in order to ensure efficiency and effectiveness of same.

**Speaker**, our assessment of the FDC's credit policy suggest that there is a need for urgent reforms to help us in our effort to increase the pace of industrialization, particularly our black industrialist programme. This reforms, we believe, will help improve support to our MSMEs and create the much required jobs.

In addition to the incentives we provide for industrialization, we will enhance our approach towards blended financing platforms. We will enhance our partnerships with Development Finance Institutions (DFIs), as well as private investors to minimize risk on selected industrialization projects.

**Honourable Speaker**, Maluti-A-Phofung Special Economic Zone (MAP-SEZ) remains a catalytic and viable approach for economic growth in the province. The promotion of local manufacturing and industrialization is key towards employment creation, increasing exports, technology dissemination, and skills development, particularly amongst our youth.

In continuation of our efforts to create a trade-enabling environment for investors, the SEZ will be upgrading electrical infrastructure, improving water reticulation within the zone, and refurbishing factories for investors' occupation as part of the capital projects from the current year's allocated budget. Furthermore, MAPSEZ will enhance security at the zone to combat plaguing vandalism of critical infrastructure. The security improvements will encompass the installation of advanced security infrastructure (i.e. cameras for monitoring hotspots, surveillance room, etc.) in line with Customs



Controlled Area (CCA) requirements. This project is planned to be phased in through the Medium-Term Expenditure Framework (MTEF).

#### **5.4. Business Regulation, Gambling, Liquor and Consumer Protection**

*Honourable Speaker* as part of our efforts of ensuring good governance and customer satisfaction, the department together with the entity will pilot the modernization of business processes at the entity. This pilot will include implementing an on-line licence application platform in order to bring efficiencies in license applications.

Now that the FSGLTA Amendment Bill has been enacted, we will further strengthen compliance with license requirements in order to safeguard our communities and our youth against illegal liquor sales, related violence and crime, as well as compliance with proximity regulations. Similarly, the DESTEA Consumer Protection Unit has conducted one hundred and thirty nine (139) pro-active inspections across the province, in an effort to reduce the distribution of illegal and expired foodstuff and contraband.

The Free State Integrated Business Support, Licensing, and Regulation Act was gazetted in March 2024. This stands as major milestone in our journey towards ensuring that the Free State economy is properly coordinated and supported. This Act, via the support of our local municipalities, will ensure that illegal trade is eliminated and that the Free State enterprises receive the necessary support from government.

The Consumer Affairs Court<sup>18</sup> is a beacon of hope for Free State as it continues to resolve consumer dispute cases, mostly related to the sale of furniture and second hand vehicles. The number of consumer cases resolved outside of court during the past year is forty eight (48), to the value of one point eight million Rand (R1 800 000).

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<sup>18</sup> BVI 2023/24

These inspections and consumer support functions will continue in the next financial year. We will continue with consumer education and buy local campaigns in the 2024/25 financial year.

**Honourable Members**, during the past year, we did extensive work to determine the actual cost of doing business <sup>19</sup>in the Free State, and we are addressing these findings with municipalities, with the assistance of COGTA. In the coming financial year, we will shift our focus to addressing the ease of doing business in the province, in an effort to make the province more attractive for business, and potential investors.

## **6. TOURISM DEVELOPMENT AND MARKETING**

**Honourable Members**, tourism and hospitality sector is a key contributor to the province's economy. Every available body of knowledge indicates that all other industries' including manufacturing, agriculture, art, and culture's growth and success are linked to the tourism industry. We therefore owe it to this important sector to work collaboratively with the private sector to ensure its full recovery for it to exploit its much needed job creation potential. This important sector still remains highly underfunded, which stagnates the growth of tourism in the province.

During the past year, we have concluded more than ten initiatives across the province in an attempt to increase the tourism market share <sup>20</sup>of the Free State. DESTEA assisted forty-two privately owned establishments with grading support<sup>21</sup> and four DESTEA resorts are have been upgraded with funding obtained from the National Department of Tourism.

As part of our commitment to support rural tourism, the department in collaboration with South African Township and Villages Tourism Organization (SATOVITO) held the Intra Trade Conference on 23 to 24 November 2023 in Monontsha, QwaQwa to ensure

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<sup>19</sup> BVI 2023/24

<sup>20</sup> SOPA and BVI 2023/24

<sup>21</sup> BVI 2023/24

the readiness of various tourism products. This session served as a network platform to extend network capabilities of products, speed-marketing skills and a learning platform for growth in the sector; some of the products came from KZN, EC and NC.

**Speaker**, our province is endowed with stunning natural settings, cultural interactions, our rural hinterland, mountains, rivers and dams, including our small dorpias and villages. The department together with the Free State Tourism Gambling and Liquor Authority (FSGLTA) will continue with the #freeyourmindexplorethefreestate campaign, to be launched during the September tourism month themed “Tourism and Peace”. This approach is consistent with our motto: **Free State province – a go to and not go through Province.**

We acknowledge the important role played by sports tourism in the province, as it has impact in destination competitiveness, promoting the Free State as a preferred sports tourism destination. We have seen sports as a drawcard for increased tourist visitation e.g. Bafana Bafana vs Zimbabwe, Springboks vs Portugal and Chiefs vs Young Lions.

Furthermore, we have identified the need to increase the number of quality tourist guides, as they are the first point of contact for tourists when they arrive in our destination. Four Tourist Guides from the Matjhabeng Local Municipality will be undergoing Mandarin Phase Three – Cultural Immersion training from 04 to 26 September 2024 in China.

**Honourable Speaker**, supporting tourism enterprises remains an integral part of tourism support and development. In terms of tourism development and growth, together with the FSGLTA, we also commit to the following:

- Implementation of the Provincial Tourism Career EXPO, Annual Tourism Service Excellence Champion Awards, Wild Wonder Event, Small Dorpie Legacy Awards, Tourism Month, and the Provincial Tourism Indaba. We will be promoting provincial dams as large scale tourism destinations, with emphasis on the Lake Xhariep area, van der Kloof Dam, Sterkfontein Dam, Bloemhof Dam and commercial tourism activities along the Vaal Dam, river and tributaries.

- We will strengthen our collaboration with sector departments to support niche events such as adventure, heritage and culture, culinary tourism, educational tourism and professional and school sport events.
- Focus will be placed on tourism development along the R26 towards Rouxville on the N6.
- We will work with all affected parties and stakeholders to ensure that regulatory bottleneck are resolved in order for the Vredefort Dome precinct to open for tourists. We acknowledge the work that the National Department of Tourism is already doing in establishing the necessary infrastructure on site.
- We will vigorously market and promote the Maloti Drakensberg Transfrontier Park.

## 8. CONCLUSION

The aforementioned programs will have to be implemented meticulously so that we, as the Free State, can achieve the priorities as set by government.

**Speaker**, we will need both human and capital in order to achieve the above. I will request the Honourable Premier to arrange a meeting between myself and my colleague, the MEC for Finance, so that we can look at how best do we capacitate this department in order to effectively contribute to inclusive economic drive.

Let me conclude my speech by quoting what Martin Luther King Jr. said in his 1967 book, *“Where Do We Go from Here: Chaos or Community?”*

***“First, the line of progress is never straight. For a period, a movement may follow a straight line and then it encounters obstacles and the path bends. It is like curving around a mountain when you are approaching a city. Often it feels as though you were moving backwards, and you lose sight of your goal; but in fact you are moving ahead, and soon you will see the city again, closer by.”***

Our progress is not a straight line: there will be obstacles and sometimes detours, but we are committed to move forward towards the noble goals we have set ourselves.

**Honourable Speaker**, we now table before this house, the 2024/2025 budget allocation to the department of six hundred and sixty-six million six hundred and fifty four thousand Rand (**R666 654 000**) distributed across the department's programmes as follows:

<b>Programme</b>	<b>Budget (R'000)</b>
<b>Programme 1: Administration</b>	<b>190 788</b>
<b>Programme 2: Environmental Affairs and Conservation</b>	<b>219 829</b>
<b>Programme 3: Economic and Small Business Development</b>	
- DESTEA	92 261
- FDC	6 000
- MAPSEZ	40 000
- FSGLTA	103 755
- <b>TOTAL:</b>	<b>242 016</b>
<b>Programme 4: Tourism</b>	<b>14 021</b>
<b>or 2024/2025</b>	<b>666 654</b>

**Speaker**, I would like to take this opportunity to thank my organization, the ANC, and the people of Free State for showing confidence in me to lead this difficult portfolio in our agenda of ensuring inclusive growth and creating a new economy. I thank the support and guidance of the portfolio committee, my colleagues within the Executive Council, officials in both the department and entities, and of course my family for always providing me with support.

**I Thank You.**

