



the premier

Department of
the Premier
FREE STATE PROVINCE

STATE OF THE PROVINCE ADDRESS BY PREMIER F.B. MARSHOFF

26 May 2004

Speaker
Deputy Speaker
Members of the Executive Council
Members of the Provincial Legislature
Marena le Dikgosi
Mayors and Councillors Present
Director General and All Public Servants in the Province
Distinguished Guest, Ladies and Gentlemen
People of the Free State

Let us begin.

Today marks the first term of our Second Decade of Democracy and Freedom. The resounding victory for the ANC on 14 April was a clarion call that we should accelerate the transformation of society into a truly democratic, non-racial and non-sexist South Africa.

On this occasion I stand here to congratulate you Mr Speaker and your Deputy on your election as public representatives of the people of this province.

Congratulations should also be extended to Members of the Provincial Executive Council and the Provincial Legislature, for yours is a demand of commitment, dedication and honesty in discharging your responsibilities to our people.

Speaker,

Our sincerest gratitude is extended to the members of this legislature, who a decade ago laid a foundation of what is truly a vibrant and democratic Free State Legislature.

This includes our Premiers Comrades Mosiuoa Lekota, Ivy Matsepe-Casaburri and Winkie Direko, who steered a ship under a difficult terrain, but stayed true to the ideals of freedom, democracy and equality to all.

We salute and pay homage also to men and women who have passed on Commandant Caleb Motshabi, Pule Leinaeng, Kaizer Sebothelo and many others. We thank them for their tireless efforts in building a democratic Free State.

Speaker,

As we celebrate South Africa's Ten Years of Freedom and Democracy, yesterday we celebrated Africa Day. This is a day that marked the 41st anniversary of the OAU.

We join all Africans in celebrating Africa Day. The Free State will maintain the relations we have built across the continent as part of our contribution to Africa's economic revival. Our province has in the past interacted with the peoples and governments of Uganda, Senegal, Angola, Lesotho to ensure that we expand our economic growth and development in partnership with the continent. We intend to continue building on these relationships to create a better Free State and Africa

Developing an Efficient and Caring Local Government

During the period of elections we observed and rejoiced with our people at the achievements of the last decade of our democracy. At the same time we listened to the issues that people were bringing to our attention - such as the fact that unemployment, poverty and diseases continue to cause harm to their dignity.

We listened, and saw with our own eyes the increase in the single women and children headed households.

We also spoke to victims of crime, and all of these people expressed their desire that the ANC led government, through its contract with the people, should work to create jobs, alleviate poverty and eradicate diseases. They committed themselves to work with government to achieve all of that.

Speaker,

As a first step to addressing these issues, the provincial government, will create an enabling environment for people to create and expand economic opportunities for our people.

In September 2004 we will launch the Expanded Public Works Programme across the province, with particular focus on the nodal points as identified by the National Cabinet.

The Public Works Programme will be labour intensive, thus creating more sustainable jobs for our people, especially women and the unemployed. We will in partnership with Local Government, utilise the Public Works Programme to stimulate local economies through the Municipal Infrastructure Grant by integrating outputs to IDPs and LED Strategies of municipalities, and thereby provide basic quality services.

Within the next three months we will:

- Launch the Rural Housing Plan, which will provide one thousand rural houses in the nodal point of Thabo Mofutsanyana, and Thaba Nchu
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- Implement the Urban Renewal Plan in Mangaung and Sasolburg
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- Mobilise social movements, non-governmental and community based organisations, to participate in Ward Communities to ensure that a people's contract to fight poverty and unemployment is effective
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- Identify and train community development workers
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- Revise our indigent policies, billing and credit control system to ensure those who cannot afford are exempted accordingly. The Exco committee will report to the Executive Council within three months on the implementation of this urgent task
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- Measure, and accelerate, the reach and effectiveness of the provision of quality, free basic services in the province.

In our contact with the people, concerns were raised as well about the so-called VIP toilets.

It gives me great pleasure to inform you that we will phase out VIP toilets in the Free State, and the priority for the implementation of water borne sewerage will be in all old townships across the

province. The department of Local Government and Housing will provide details during the budget speech in June next month.

A Caring Provincial Government

2004 is the International Year of the Family and Children. Through our programmes in the provincial government we want to strengthen and improve the quality of life of families.

The Moral Regeneration Movement will be strengthened in the province to ensure that it empowers communities to join in this people's contract to build a caring and people centred society.

I am pleased to announce that the Provincial Executive Council has appointed MEC of Finance, Playfair Morule to be the Patron of and spearhead the programmes and activities of the Moral Regeneration Movement in the province.

Speaker,

Since this is the Child Protection Week, it is the responsibility of all of us to ensure that women and children are protected against all forms of abuse and humiliation. To this effect we extend our appreciation to the Flemish Government who have decided to upgrade our Victim Support Centres.

In our effort to fight crime, on 4 June next month the provincial government will be officially opening the new Batho Police Station. This station will provide women and child friendly services.

Speaker,

In further building a caring society we will in partnership with non-governmental organisations we will accelerate the training of foster mothers and adoptive parents to ensure that we care for our youth and children.

We will provide comprehensive care and assistance to vulnerable families and children by providing transport for those children who travel for 21 kilometres to school this financial year, as well as expand the hostel programme to accommodate a much larger number of farm children.

Speaker,

In building a caring provincial government of the Free State we will advance within the next three months:

- Introduce an expanded School Nutrition Programme to ensure that school children will at least have a meal a day,
- Introduce a subsidy on school uniforms and shoes for children who cannot afford. This will have a spin-off for Small and Medium Entrepreneurs as part of our Black Economic Empowerment programme
- Review all school fees for those who cannot afford. We must afford an opportunity for children to stay at school even when their parents are unemployed and cannot afford.

Skills Development for a Better Performing Economy

The established four Further Education and Training (FET) colleges in their second year of operation play a critical role in the creation of opportunities to address the disparate need to provide skills needed by the labour market. These are made possible through the provision of skills development and Learnerships programmes. These programmes are offered by the FET Colleges in partnership with industry and business.

Learnerships programmes seek to provide the unemployed and the youth in particular with the much-needed skills for them to become part of the mainstream economic development in this country. I also encourage young people to be part of government's youth development initiatives such as the Umsobumvu Youth Fund, which are meant to promote entrepreneurship amongst the youth.

The challenge facing the Adult Basic Education and Training (ABET) sector is to attract more learners, reduce the dropout rate, and to improve the pass rate. We hope that initiatives that are being considered will contribute towards the improved standard of teaching, learning and management at ABET centres.

The challenge of these learnerships is that they will provide much needed skills to the economy, identify scarce skills and provide us with a skills database of graduates in various disciplines.

All learnership initiatives, together with the Expanded Public Works Programme will provide the necessary human resources to expand economic opportunities for the youth, women and unemployed.

Growing the Economy

There is a definite change in the structure of the Free State economy, essentially from a primary dependent economy to a manufacturing, export-orientated economy. The Free State Province recorded an economic growth rate of 3.4% during 2002. This follows a growth rate of -1.2% in 2001. The growth in 2002 was mainly due to contributions from the mining and quarrying industry (1.9%) and the manufacturing industry (0.7%).

In 2002, the largest industries in the economy in terms of their contribution to GDP at market prices, were the finance, real estate and business services industry (14.4%), the mining and quarrying industry (12.6%) and the general government services sector (12.4%) followed by the manufacturing industry (11.7%). The construction industry had the lowest contribution (1.5%) to GDP at market prices of Free State. From the above it is clear that the provincial economy is reasonably diversified than a few years ago. It is less dependent on agriculture and mining - instead the manufacturing and service sectors are beginning to play a far greater role in the provincial economy.

The average real economic growth rate of Free State over the period 1996 to 2002 was 2.0%, whilst that of the country was at 2.8%.

The Free State economy in 2014

The sectoral thrusts, which will be taken forward in the next decade, are:

- * Tourism;
- * Petro-chemicals down streaming;
- * Agro-industry; and
- * Gold jewellery manufacturing.

To address these sectoral thrusts, and following from the Free State Development Plan's (FSDP) strategic objectives, a number of focus areas need our considered attention. As citizens of the Free State, we agree to the challenge of encouraging equitable distribution of the benefits created by economic growth. This is particularly pertinent in the South African context where the majority of citizens were previously disadvantaged in their ability to participate in (amongst others) economic opportunities.

This legacy persists today, while South African economic management has reversed macroeconomic instability in most areas, a major concern centres on the inability of the formal sector over the past ten years to generate sufficient employment opportunities for job-seekers (with the exception of highly-skilled labour). Furthermore, the patterns of ownership, management and control of the South African economy are little changed from those at the time of democratic transition, and inequality remains a pressing constraint to growth and development.

Looking into the future there are a number of factors, which need to be considered if PPPs are to take roots in the Free State. It is evident from the preceding paragraph that government and the private sector have a variety of critical roles in the development of the provincial economy. The successful partnership between both sectors will depend on the observance of the distinctive role of one against the other, and building on it.

The vision that we have for the Province is developing it as Free State's Agro-industry Hub. There is value in the production of commodities, but the real economic incentive lies in adding value to products. Although some processing infrastructure exists, most produce still leaves the province unprocessed. This leaves a scope for further investment in this industry.

The structure of the growing season is such that each variety of fruit grown in the Free State arrives on the Northern Hemisphere markets about 3 weeks ahead of those from other Southern Hemisphere competitors, thus yielding premium prices.

Land is plentiful, water resources are good and soil conditions are amongst the best in South Africa. This sector is economically significant, because of the abundance of agricultural resources and products.

The agro-food complex (inputs, primary production, processing) contributes approximately R124bn to South Africa's GDP and employs 451 000 people in the formal sector. Exports of processed agricultural products amounted to R17.2bn in 2001. The Free State Province presents substantial opportunities for the beneficiation of agricultural products, hence the efforts of establishing an agro-industry hub in the province.

There are strategic opportunities in developing certain high-value niche export markets, as well as broader-based domestic markets. The latter thrust is low value and high volume, but is liable to expand both the range of products widely demanded, as well as provide small business and job creation opportunities.

High-value products such as organic produce, essential oils and medicinal plants represent opportunities for both small business development and expansion of export markets.

Infrastructure Development

Speaker,

Government will need to ensure that many people gain access to economic opportunities as government encourages public funds investments in labour intensive projects.

We will accelerate investment in projects that are labour intensive as part of the expanded public works programme. This should contribute to job creation, opening up local economic initiatives for the poor and the unemployed.

The key challenge always remains how people are brought on board to benefit from investments by government. The department of Public Works, Roads and Transport and Local Government and Housing will provide further details on infrastructure investment and development and the Expanded Public Works Programme.

Development of Tourism

Speaker,

We are delighted that South Africa will host the 2010 FIFA Soccer World Cup. Clearly, Africa's Time has Come.

There can be no doubt that the 2010 provide huge economic opportunities for broad based Black Economic Empowerment in the tourism industry.

I have effectively appointed the MEC for the Department of Tourism, Environmental and Economic Affairs, to head a Provincial Executive Council Economic Development and Job Creation Cluster to investigate:

1. Economic opportunities to tourism product owners
2. Undertake an impact assessment to evaluate investment opportunities for tourism as an economic driver
3. Advise labour intensive infrastructure investment and development by government and the private sector, in particular road infrastructure development, reliable and safe road network in the province.

I will receive an input assessment and economic opportunities report from the Cluster by the end of August 2004.

The provincial government, in partnership with local government and the private sector, will ensure that we maximise the benefits of the 2010 Soccer World Cup as well as ensuring that broad-based Black Economic Empowerment is the major beneficiary of the World Cup in the Free State.

In order to enhance our capacity in terms of harnessing the potential of this sector, I wish to announce that the Free State Government intends establishing a Free State Tourism authority during this calendar year so as to ensure effective marketing of the province as a tourist destination.

Speaker,

Increased agriculture production is key to this economy. Increased export of processed agricultural products is equally important, as well as the security of farmers across the province.

Very little has been done to improve on the living conditions of farm workers. Some of the workers live in conditions of squalor and abuse and without a living wage. We will prioritise engagements with our social partners, employers and labour leaders to attend to this very urgent issue.

The department of Agriculture will in due course unveil a programme of ensuring that all benefit and gain access to the Agricultural Credit System as announced by the President during the State of the Nation Address.

The programme will essentially be aimed at assisting small and emerging farmers, rapid release of land for commercial use and other interventions necessary in partnership with the Land Bank.

Speaker,

To ensure that our economy delivers for the benefit of all our people, not only is the provincial government investing in infrastructure development and tourism, we have embarked on the following:

1. The review of Access to Credit by Small and Medium Enterprises
2. Restructuring and repositioning the Free State Development Co-operation. We will re-define the roles and responsibilities of all provincial parastatals to ensure that they play a key role in investment and opening local economic opportunities
3. We will review the provincial procurement system to ensure that government procurement encourages opening economic opportunities for Black Economic Empowerment
4. We will launch two new cooperatives to stimulate local economic development by focusing especially on unemployed youth and women within the next three months.

The FDC Board will provide the Provincial Executive Council with a report on the restructuring and repositioning of the institution by the end of August 2004.

Speaker,

The provincial Executive Council at its recent Lekgotla resolved that there should be a comprehensive review of the Free State Development Plan and growth strategies for the province. . We are in the process of reviewing our priorities in order to align them with our 2004 ANC Manifesto of government's work for the next decade until 2014.

A Healthy Free State

Speaker,

The challenge we face with health is the provision of primary health care and broadening access to quality of health for all our people. This is our continuous and lifetime challenge.

We are obliged as a government to provide free basic health care to children and the elderly. Those in rural areas of our province, the farm workers, the unemployed, should benefit from a dependable and accessible health care system.

As part of expanding basic health care to all our people, we will implement the following initiatives within the next three months:

1. We will unveil the Provincial Health Promotion Plan. This is a plan that will ensure that we fight against the preventable lifestyle diseases of TB, malaria, diabetes, hypertension and asthma. Individually these diseases kill more people than what is known. They are a strain on our national and

Free State economy. Our Health Promotion will ensure that we pay particular attention to prevention and education on preventable lifestyle disease.

2. We will roll out the ARV programme to each district of the province. There will be a site in each district. We are pleased to inform the House that the roll out began at Bongani hospital in Welkom in May of 2004, and by the end of this calendar year there will be roll out at each site in every district.

As a caring government, we are committed to build partnerships with other stakeholders in building a people's contract to fight HIV and AIDS, TB, Malaria, Diabetes, Hypertension, Asthma, Malnutrition and other diseases.

We remain committed to the implementation of the Plan of Management, Care and Treatment of HIV and AIDS, which was approved by Cabinet last year. This comprehensive plan emphasises the importance of prevention in the fight against HIV and AIDS.

We urge all people to refrain from risky lifestyles that will expose them to HIV and AIDS. The comprehensive plan makes it possible for people to be tested and counselled on how to stay negative. Our emphasis is stay negative!

3. We will launch the new Integrated Emergency Control Centre with a toll free number 10177. This Integrated Emergency Centre will be the first of its kind and it will be a rapid response emergency centre. The centre will provide assistance for all road accidents, health emergency services and any disasters around the clock.

4. We will unveil new Emergencies Services with a new and better-equipped fleet with highly trained personnel.

5. A comprehensive Road Safety Programme with schools will be launched in partnership with the department of Education.

Good Governance and Administration

Speaker,

To achieve the objectives of eradicating poverty and unemployment we need a dedicated cadreship of public servants, capable of delivering a quality service to the people of the province.

We have no place for lazy, absentee public servants.

We have no place for corrupt and greedy public servants.

We will uproot fraud and corruption wherever it rears its ugly head in the public service. We are determined as well to pursue legal action against all those in the private sector who entice public servants to be corrupt.

Speaker,

Again, to achieve all of the objectives of creating a better life for our people, we will need to put in place an effective, efficient co-ordination mechanism at the nerve centre of government in the Department of the Premier.

To this end we will be strengthening the Department of the Premier to ensure that:

- (a) It provides effective co-ordination, evaluation and monitoring of progress on the implementation of
- (b) policy and government programmes
- (c) It provides constant feedback from communities and stakeholders on government service delivery
- (d) Effective implementation of government and Executive Council decisions

This task is urgent, especially for government to have early warning system that will indicate any deficiencies in the implementation of our programme.

Building Partnerships for a People's Contract to Create Work and Fight Poverty.

Speaker,

The Free State is a better place than it was more than a decade ago. We have made good and extensive progress as the provincial government in the past decade of freedom and democracy.

Government cannot carry out alone the responsibility to create work and fight poverty.

In partnership with all social partners, labour, the private sector, institutions of civil social society, we can build effective partnerships to create work and fight poverty in the Free State.

To this effect, we will, within the next three months, engage extensively with all stakeholders to share in the development a programme of action with the provincial government. We shall give effect to the issues raised by our people during the campaign.

Speaker,

We commit ourselves, as a provincial government, to play our part, working with communities and other partners, to play our part in forging a People's Contract for a Better South Africa in the next decade.

Speaker,

The Free State Provincial Government cares for its people. Ours is a caring province.

I thank you.