



2004 STATE OF THE PROVINCE ADDRESS BY PREMIER, MS. I.W. DIREKO

[Friday, 13 February 2004]

Hon Speaker of the House,
hon Deputy Speaker,
hon Members of the Legislature,
our Traditional Leaders,
Mayors and Speakers,
the Director General and other senior managers in the public service and the people of the Free State.

Hope is something that many black South Africans had given up on after the introduction of apartheid in 1948 by the National Party. They had no right to vote, were regarded as aliens in their own land and had no property rights.

These powerful words are an introduction to a piece by the journalist, Vuyo Mntuyedwa, appropriately titled: *A time when hope was born*.

At this point we look back at those dark days with indignation and yet with contentment at the outcome of the National Democratic Revolution (NDR). Today we can confirm that the tide has indeed turned for the majority of our people. The Free State has never been better.

On the run up to the first democratic dispensation, there was an acute nervousness in terms of race relations in this country. On one hand, there were whites who feared for the worst, but still harboured some hope for the best. On the other hand, there were blacks, the historically disadvantaged, who expected the best and nothing but the best and rightfully so.

The ANC led Government was faced with the monumental task of turning a socially divided and poor province that was a bastion of apartheid, into a better place for all the people of the Free State. Faced with the legacy of inequitable distribution of services and resources due to evil policies of the past, the challenge was to create a new democratic and accountable institution. This we did by successfully integrating the former Orange Free State Provincial Administration, the Bophuthatswana and the Qwaqwa bantustans. We had to answer our people's call for a credible public service and a united and prosperous Free State.

The question that we are answering today is, "Where are we now?"

Today, almost 10 years after liberation, the dignity of the majority of our people has been restored. As a nation, we are positive because substantial advances have been made towards establishing a non-racial, democratic and non-sexist society in which poverty eradication is a priority.

My predecessors and I have made a firm commitment as the head of this Government that the reconstruction and development of our people must transform as many of our people as

possible into conscious agents of change for the construction of a winning and humane society, to ensure access to a better life for all.

To this end we need to extricate the Free State from the backwaters and to transform it into a dynamic and prosperous province. We have to consolidate the gains of our democracy politically, socially and economically.

Gone are the days when members of one segment of the society in this country were not allowed to reside or sleep over in the Province because of some unacceptable policies. Gone are the days when blacks were meant to be only the hewers of wood and drawers of water. Gone are the days of inferior infrastructure and Bantu Education.

Despite what the cynics said and despite the deeply divided past, we as the people of the Free State found unity through cultural diversity. We have, despite these and other historical events, emerged as a unified society that is democratic and tolerant towards one another.

Today we look back with pride at the progress that we have made in unifying the people of the Free State. These are the fruits of dedicated and responsible leadership demonstrated by this Government and its people.

The vision, patience and cooperation of the people of this Province ensured that the democratic dividends of the maiden decade of liberation are lucrative. As I have said before, apartheid failed because it excluded the majority in this country. It had no chance of success in this country. Our young democracy will also fail if it excludes the minority in this country. We are called upon to uphold the letter and spirit of the Congress of the People in Kliptown in 1955 that stated:

South Africa belongs to all who live in it; black and white...

Indeed, Mahatma Gandhi was correct when he said:

The things that will destroy us are: politics without principle; pleasure without conscience; knowledge without character; business without morality; science without humanity and worship without sacrifice.

As the Free State Government we continue to draw inspiration from these profound words.

Hon Members, significant progress has indeed been made, but a lot more still needs to be done. We are now poised to build political momentum and political resolve to ensure that we create the basis for further development, now and in the next decade. Our achievements of the first decade of freedom and democracy will form a firm foundation for the next decade and will of course be a launching pad for a successful African Century. Chief among these achievements are:

Transformation of the State

The transformation of the state and its organs was a priority to this Government. The first term of governance was characterised by development of policies and strategies to meet the needs of our people. In the middle of the second term, this Government introduced the Free State Development Plan (FSDP) among others, to ensure that we provide responsive and efficient services to our people. Central to this period was the shift by this Government from the practice of the previous administration of servicing the privileged minority. Our services

are now targeted not only to the majority, but also and most importantly to the poorest of the poor in our Province.

Since its introduction, the FSDP has gone a long way in streamlining and measuring the performance of this Government. Arrangements are now afoot to review the targets of the FSDP. More than ever before, we are convinced that this is the best tool to help us provide a better life for all the people of the Free State.

In 2001 we made a call for a new Free Stater. This call is the precursor to the people's contract to create jobs and fight poverty. I have been humbled by the response we received in this regard. We made a call for:

A Free Stater who displays hard work, perseverance, excellence, ethical conduct and commitment to a better life for all.

The present cadre of about 60 000 public servants heeded that call and embraced the principles of *Batho Pele* (People First). Faced with the challenge of inexperience in management and governance, we closed ranks and dug in our heels. Today we confirm with a great amount of certainty that we have a stable administration, thanks to our managers for the leadership they have demonstrated over the years.

This mission was deepened by the structured and sustained training and development of public servants in this Province. On 25 April 2003 we launched the Free State Training and Development Institute. Its aim is to enhance the skills of all public servants. Approximately 2 155 public servants have gone through training, among others, in:

- Financial Management,
- Customer Care,
- Secretarial,
- Strategic Management and
- Project Management.

This Institute plays a central role towards achieving the objectives set out in the National Skills Development Act (97/1998) and strategies.

We are succeeding in building a reliable and accountable public service of men and women who are dedicated and committed to providing their best for their people. This is evidenced by both international and national awards received by this administration since 1994.

Among others these include:

- The Commonwealth Association for Public Administration and Management's International Innovations Awards in recognition of our pensions pay out system. All other provinces have since adopted our system.
- The Gold Award from the South African International Trade Exhibition (SAITEX) for the best stalls for four years in succession by our Department of Tourism, Environmental and Economic Affairs.
- The award for the third best annual report to the Department of Local Government and Housing; awarded by the South African Association of Government Auditors.
- The National Floating Trophy for improvement in cataract operations by the Department of Health.
- Acknowledgement for improved financial management by National Treasury.

We have been able to build the necessary capacity that attracted national activities and events. We have, over the period, successfully arranged and hosted the following events:

- The Presidential *Imbizo*, the highlight of which was the satellite link between the President and the first Afronaut, Mark Shuttleworth
- National Youth Day
- World Teachers Day
- World Aids Day
- The National Tourism Conference
- The conference of the African Union of Local Government Associations (AULA).

On behalf of the people of the Free State, I wish to thank those men and women who kept the Free State flag flying even when the going was tough. However, there are those public servants, though in the minority, who are a disgrace to the communities of the Free State in general and the Free State Government in particular.

In his State of the Nation Address, the President said,

We must be impatient with those in the public service who see themselves as pen-pushers and guardians of rubber stamps, thieves intent on self-enrichment, bureaucrats who think they have the right to ignore the vision of *Batho Pele*, who come to work as late as possible, work as little as possible and knock-off as early as possible.

Hon Members, at the infancy stage of our governance, our Reconstruction and Development Plan was hampered by serious financial setbacks. We had to act fast to correct that situation. Financial management capacity has been improved tremendously through the successful implementation of the Public Finance Management Act (PFMA).

After the cash flow crisis of 1997/1998, the Free State Provincial Government introduced tight fiscal discipline, underpinned by prudent financial management. Today about 90% of our creditors are paid through direct bank deposits; minimising fraud and benefiting mostly the small business sector. From a hopeless situation where interest charges were R5.9 million, the Province is now financially stable and able to address macro economic adjustments to avoid negative impact on the provincial budget.

The restructuring of the local government system away from the apartheid local government system was imperative. Defining features such as inequitable service delivery, limited municipal revenue bases and divided communities characterized the old system. The Government has been hard at work towards effecting a thoroughgoing transformation of the inherited undemocratic local government system as set out in the Local Government Transition Act (209/1993).

The plan outlined a three-phased transition to local government, namely the pre-interim, the interim and the final phase.

The pre-interim period covered 1994–1996 and entailed;

- Enactment of the Act that provided a legal framework for the dissolution of the old councils;
- The establishment of 80 pre-interim councils.

The interim period covered 1995 –1999 and entailed;

- Clarity on the role, powers, functions and assigned developmental duties of local government;
- Laying the foundation for the re-demarcation of municipal boundaries;
- The establishment of 99 transitional local municipalities.

The final stage covers 2000 to 2010 and entails;

- Successfully holding the first local government elections on 5 December 2000;
- The establishment of 5 district municipalities and 20 local municipalities.

In partnership with the Flemish Government, the South African Local Government Association (SALGA) and the Free State University, the Free State Government has established the Local Governance Unit (LGU). The objective of this unit is to build capacity in local government in the Free State. Councillors and senior managers are being trained in project, strategic, and financial management.

The execution of the public mandate has been greatly enhanced by our improved interactive governance. The “Exco Meets the People campaign” is growing in stature and popularity. Since the beginning of this campaign, we held 40 community meetings and reached thousands of the people of the Free State.

We have also been able to reach 1.5 million people every month through public and community broadcasts, thanks to the enhanced relationship with Lesedi FM, our local SABC radio station, and all eight community radio stations in this Province. Through these means and with the toll free government line we have been able to interact with the people of the Free State and thereby accelerated delivery.

Over this period, a great deal of effort and time was dedicated to co-operative governance. Strengthening relations between the local, provincial and national governments ensured the co-ordination of government policies, the continued harmonisation of intergovernmental relations and integrated development.

Strategic partnerships and synergies underpin our co-operative governance programme. The following milestones have been achieved in this regard:

- The Premier’s Mayors Forum to ensure the implementation of integrated development planning;
- The PROVLOC Forum that serves as a platform for consultation between the Provincial Government and municipalities;
- MECLOGA where the MEC for Local Government discusses day to day management issues with municipalities and plan intervention strategies; and
- The Aids Council.

It is through these relationships that we have managed to successfully hold:

- The Provincial Housing *Lekgotla*;
- The Free State District Health Conference;
- The Free State Growth and Development Summit; and
- The cleansing and healing ceremony.

On the international front we have established relations with a number of African and other foreign countries. In line with the New Partnership for Africa’s Development (NEPAD) we

have established cooperation with these African countries in our efforts to deal with the challenges of NEPAD:

- The Province Bei in Angola; and
- We continue our cooperation with and participation in the Lesotho South Africa Joint Bilateral Commission of Co-operation.

In countries beyond Africa our partnerships will ensure co-operation in the areas of investment, education, health, sport, culture and other areas of mutual concern. We have links with:

- The Flanders Government of the Kingdom of Belgium;
- Antwerp Province in Belgium;
- Saskatchewan Province of Canada;
- Matanzas Province of Cuba;
- The People's Republic of China;
- Australia; and
- The Republic of Ireland.

Human Resources Strategy

Hon Members, we have pledged in the Free State Development Plan that we will make the development of our people a priority. Central to this promise is a strong human resources development strategy. That strategy has as its base, access to quality education.

We are encouraged by the improvement of the grade 12 pass rate from 42.3% in 1999 to almost 80% in 2003. This is a 90% increase in four years and way above our own expectation and our FSDP target of 65% in 2005. This achievement was made possible by the successful implementation of the Holistic Intervention Programme and the general improvement of the culture of learning and teaching in our schools.

Special mention should be made of the performance of township and farm schools. The number of black children who are among the top hundred students has improved tremendously. The number of township schools that obtained a 100% pass rate has tripled. The number of township schools that obtained a 90% pass rate is up from 8 in 2002 to 54 in 2003. More than anything else, I am humbled by the Semajan farm school near Mangaung; who achieved a 100% pass rate in 2003 due to interventions of the Department of Education.

The continuous improvement in our matric results is just the right tonic for closing the skills gap in the Free State. That our learners and educators are picking up the momentum on subjects like Mathematics, Biology and Science is gratifying. Our answer to joblessness and economic growth in the Free State is the introduction of new skills in the labour market. Improving matric results and learnerships in our Further Education and Training (FET) Colleges remain the centrepiece of our skills development strategy.

It is for this reason that this Government introduced the bursary scheme to help us change the skills profile in the Free State. More than 21 000 students have studied and still study in different fields throughout the country. In the same way we salute the partnership between Standard Bank and the Free State Youth Commission in establishing a scheme that will finance students interested in banking and insurance.

Hon Speaker, I am truly heartened by the performance fever that our children have caught. On Sunday, last week, I came across a group of students from Wongalethu in Bethulie in the Xhariep District attending extra classes on Sunday. With such determination a 10% annual improvement is within reach. Let us give credit to our children. They are making waves.

This is another example of how our people are committed to our dream of a new Free State. Our dream was and remains to be:

To build a new Free State; someone who has a culture of caring, who is willing to face challenges, who can compete without fear, who is educated and learned, disciplined, trustworthy and efficient.

Survival, development, care and protection of the vulnerable.

At the heart of the Provincial Government's efforts, during the first decade of liberation, to create a better life for all has been a commitment to provide effective services for development, care and protection to the most vulnerable sectors of the populace; especially women, children, people with disabilities, the elderly and frail who are under severe pressure to cope with the devastating impact of poverty, HIV/Aids, unemployment and other social ills.

The development of women in the Free State is high on our priority list. Let me mention a few Free State women who have taken opportunities brought about by this democracy. These include:

- Ms Matankiso Sello , the Free State Female Farmer of the Year;
- Ms Paballo Mokuele of Pabi's Guest House who recently represented the Free State in London;
- Ms Tarina Terblanche of EAC Tannery; and
- Ms Lily Kgware of Afrotique who has found new markets in Uganda.

Steady progress is being made in recruiting and retaining women to senior management positions in this Government.

Domestic violence and in particular violence against women and children is still a great source of concern to this Government. One woman who perishes at the hands of an abusive man is one death too many. Comprehensive integrated services for victims of domestic violence are available at various crisis centres in the Free State. This is a joint specialised service provided by the departments of Justice, Health, Social Development, Safety, Security and Liaison, as well as the South African Police Service and various NGO's. These centres have administered antiretroviral prophylaxis to 174 victims of rape.

I wish to pause at this stage and thank those men who support the protection and promotion of women's and children's rights. Your efforts do not go unnoticed. Once again these are the building blocks towards a new Free State that we can all be proud of.

The Provincial Government introduced programmes targeting vulnerable children. We have established a transformed youth and child care system that is child-centred and based on inter-sectoral work. Central to this programme is regular review, assessment and placement of children in a less restrictive environment. Residential care facilities for children were transformed from large centralised institutions towards smaller decentralised units which are closer to the communities of origin. Established children's homes include Memorial Children's

Home in Mantsopa, Welkom Youth Centre in Matjhabeng and Waterbron Youth Centre in Mangaung.

The protection and development of people with disabilities have been institutionalised within the Provincial Government. Additional resources have been allocated to enable us to look after this section of the community. Four workshops for the repair of assistive devices have been established in Heilbron, Smithfield, Botshabelo and Petrusburg. Our Vocational Evaluation & Rehabilitation Centre continues to assess, observe and evaluate our people with disabilities for specific skills and abilities.

We have also responded to the recommendations of the Integrated National Disability Strategy in making most of the government buildings accessible for people with disabilities.

Our Government is deeply committed to the development of its youth. To this extent we have resourced and capitalised the Free State Youth Commission much more adequately, such that together with other role players it creates an enabling environment for youth development objectives to be realised. Very soon we will be adopting the Integrated Youth Development Plan for the Free State, which is a benchmark for the Government to implement programmes on economic development, job creation, human resources and skills development, broadening and promotion of ICT and Commercial Education, as well as the development of sport, arts and culture for our youth.

We acknowledge the significant progress made by the Free State Youth Commission in its endeavour to build a broad youth front for youth development. For any democracy to flourish there is a need for a strong civil society movement and in this regard, their efforts to work with all youth formations on programmes such as Voter Mobilisation, the National Youth Service Programme and the implementation of poverty alleviation and economic participation programmes is commendable.

The Free State Youth Commission, in partnership with the FDC and other role players, will this year launch the Provincial Youth Fund, aimed at young entrepreneurs. We must however make the point that whereas there are institutional and organisational mechanisms to pursue youth development, it is the youth themselves who must be masters of their own destiny. Our youth must understand that their primary and principal task is their participation in the reconstruction and development of their country. They must be the first to volunteer to serve their communities with pride in the true spirit of *Letsema*.

Hon Members, today more than 482 000 beneficiaries receive social security grants, compared to 129 000 in 1997. This includes 240 000 children under the age of 9. Our uptake of social security grants grows by 10 000 people monthly. In the true spirit of *Batho Pele*, we have made and we confirm our commitment to the people of the Free State that our turn around time for pension applications will be 25 days and no more. From the day of the lodging of the application to the day of approval or otherwise, it should take 25 days and no more.

The HIV prevalence rate among pregnant women in the Free State Province is stabilising. From 1996 to 1999 the average increase was 3.5%, compared to 1% from 1999 to 2001. The prevalence according to the antenatal screening survey was 28% in 2002, compared to 30% in 2001. This is an indication that the Free State is well within its target of 27.9% in March 2005 as per the Free State Development Plan. The Free State Government is ready for the implementation of the Comprehensive HIV/Aids Treatment, Management and Care Plan. Prevention remains the cornerstone of this plan.

The core package of prevention of mother to child transmission is available in all districts. All 31 hospitals in the Province provide Nevirapine. The more people know their status, the easier it will be to deal with and manage the pandemic. There are 207 operational voluntary confidential counselling and testing (VCCT) sites and 235 trained lay VCCT councillors in the Province.

Free State Economy

Our efforts in strengthening the competitive advantage of the Free State are bearing fruits. Positive developments are evident in our economy. The Free State has become more diversified and hence less dependent on agriculture and mining than a few years ago. Exports from the Free State have increased from approximately R974 million in 1999 to approximately R1 334 billion in 2000, representing an increase of 37%. Exports contribute approximately 3% of the Free State Gross Domestic Product (GDP).

The Free State is appropriately referred to as “the bread basket of South Africa”. The gross value of the agricultural produce of the Free State is estimated at R2.2 billion. About 33% of the national production of maize, and 49% of wheat are produced in the Free State. 24% of all cattle and 20% of all sheep in this country are found in the Free State.

*We are after all not that poor.

#The question remains, “In what form are all these products exported and who adds value where to the Free State’s agricultural resources?”

We are convinced that our strategy of the promotion of diversification of our agricultural produce and agro-processing is our answer to these questions. Promotion of vibrant local economic development and a strong manufacturing base is the pedestal from which we could tackle these issues. In this way we will not only empower our people but it will in turn create much needed jobs in the Province.

We are at a stage where we have to do everything in repositioning the Free State Province. It is time for the Free State to re-invent itself. I reiterate my call to the captains of industry in our Province to share with us their business strategies and see to what extent they support our policies and plans as Government. That some, if not all, multi nationals and mining houses that operate in the Free State have their headquarters in other provinces should not be the reason to short change us.

Outlining economic challenges and the struggle against poverty in this country, President Mbeki once said:

In this context, it is observed that our country is characterised by two parallel economies; the first and the second. The first economy is modern, produces the bulk of our country’s wealth and it is integrated within the global economy.

The second economy (or the marginalised economy) is characterised by underdevelopment, contributes little to the GDP, contains a big percentage of our population, incorporates the poorest of our rural and urban poor, is structurally disconnected from the first economy and the global economy and is incapable of self-generated growth and development.

Thousands of men and women who make a living by selling their wares at street corners, bus stops and taxi ranks in this Province are the embodiment of the second economy. These are men and women who have chosen to put their shoulders to the wheel. We have to turn these people into thoroughbred entrepreneurs.

Our chance to do so is through opportunities presented by government tenders. To succeed, however, we should deal with the unacceptable practice of others who get government contracts and sell them to unscrupulous business people. This practice should be stamped out because it amounts to misrepresentation and frustrates efforts aimed at black economic empowerment.

Gambling with government contracts is a dangerous practice. A system of tracking and evaluating every tender and the tendered is being developed and soon we will catch all those who engage in fronting and other illegal activities.

Last year November the Free State Government held the Growth and Development Summit. This was in our pursuit to find answers to problems encountered in our economy. Through this summit, the social partners, namely the Free State Government, organised labour, business, the youth and the community, sought to address the following important issues:

- More jobs, better jobs and decent work for all;
- Addressing the provincial investment challenge;
- Advancing equity, developing skills, creating economic opportunities and extending services for all.

To this end, we have established a monitoring and evaluation system, structured as follows:

- A steering committee comprising of labour, business, community, youth and the Government;
- Four sectoral committees with the following thrusts:
 - Tourism;
 - Petro-chemicals down-streaming, Research & Development of Pharmaceuticals;
 - Agro-industry; and
 - Gold jewellery manufacturing.

Driving this process is the effective use of sector strategies based on sector co-ordination and partnerships in identified sectors that are needed to transform the provincial economy towards equitable employment creating growth.

It is, among others, for this reason that the Free State Provincial Government established the Free State Provincial Development Fund. The objectives of this fund are:

- To enhance the development, rehabilitation and utilisation of the provincial infrastructure in order to afford domestic and foreign investors comparative and competitive advantages;
- To encourage private sector specialised skills training and resource building in the Free State provincial economy;
- To ensure technological progress and assimilation in value-added processing, manufacturing and assembling;
- To maximise job creation opportunities in the formal sector of the Free State provincial economy through diversifying and growing the manufacturing base of the Province.

Cultural and Sport Tourism

We have come to a stage where we can no longer be content with the current level of the Free State as a tourist destination. Our assessment indicates that there is a huge potential for this sector. A conscious decision has been taken that resources will be made available to enable us to claim our rightful place in the tourism sector in this country.

The Mangaung African Cultural Festival (Macufe) is fast gaining the status of the biggest cultural tourism event in Southern Africa after attracting 130 000 people in 2003. Macufe has become a powerful tool through which arts and culture in all its variety and forms represent a major force of communication between people. Participating in artistic and cultural activities and expressing ourselves through these mediums is imperative in building mutual respect and in preserving our heritage.

Macufe has a special place in building a united society in the Free State. Once again I reiterate my earlier call that all the people of the Free State - black and white, young and old and of different cultural and religious backgrounds - should seize the opportunity to build a better Free State through the celebration of our cultural diversity.

We wish to thank everybody who has been supporting this venture. We thank the people of Africa, South Africa and the Free State - black and white, young and old. Let us make Macufe even bigger and better.

In the same way we should use other festivities to unite the special people of this Province. Mention should be made of the following:

- The Ficksburg Cherry Festival in Setsoto;
- The Gariep Water Sport Festival in Tokologo;
- The Phillipolis *Wit Blits* Festival in Letsemeng;
- The NAMPO Maize Festival in Bothavile;
- The Bloem Show in Mangaung; and
- *Die Reitz Bielie Mielie Fees* in Nketoana.

If we are serious about tourism in the Free State we have to turn each one of the people of the Free State into a tour guide. It is only if we do so that we will experience the needed 'lift off' of the five tourism routes we launched some time ago. These are;

- The Rock Art route;
- The Goldfields route;
- The Maluti route;
- The BBT route; and
- The 4 X 4 route.

It is critically important at this stage to clear the air in respect of the Phakisa Moto GP because much has been said and written about that recently. The Phakisa Major Sport Events and Development Corporation was not established to sponsor events, teams, or individuals but to promote and facilitate events throughout the Free State, bringing the benefits to the Province through:

- TV exposure;
- Sport tourism;
- Sport development;
- SME development,
- Job creation; and
- General economic benefits.

This Government is not in the business of running businesses. We are in the business of creating an environment that can assist the people of the Free State to engage in business. I hope that it is clear that this Government never intended running Phakisa. It is of significance however, that the Phakisa Freeway is one of the top five racing circuits in the world. This is a facility of world standard which the Free State and South Africa should be proud of. It is important to mention that the five year promoter's agreement between the Phakisa Corporation and Dorna, the owners of the Moto GP series, expired in April 2003.

We appreciate the response to the Executive Council's position that the private sector should seize this opportunity and make Phakisa Freeway the pride of the Free State by ensuring maximum utilisation of the facility and thereby maximise economic benefits; not only to Matjhabeng but also to the whole Free State. The initiative by the Matjhabeng and Lejweleputswa municipalities in this regard is a step in the right direction.

Land Reform and Agricultural Development

Access to and ownership of land, particularly for the previously disadvantaged, is at the centre of our land reform and agricultural development programme. In the old dispensation all municipal farms were leased and utilised by white commercial farmers. Except for previous homeland areas, black farmers could not access these farms, restricting their animals to graze in and around the townships.

To date 33 000 hectares surrounding townships in 47 towns throughout the Free State have been acquired and made available as commonage to previously disadvantaged farmers. A further 100 000 hectares of agricultural land have been redistributed from white owners to black farmers. The Land Bank has also settled 217 farmers through loans in this Province.

The first decade of liberation has also seen about 15 000 households receiving ownership or security of tenure in the communal areas of the Free State. Out of about 3 000 land claims lodged in the Free State, more than 800 have been settled.

Whilst significant progress has been made on cultural and racial relations in this Province, in some cases relations among some farming communities need attention. This matter is not only the concern of the Free State Government, but bothers even the National Government. During his visit to the Xhariep district recently, the Deputy President gave an instruction that talks be held, as a matter of urgency, with the commercial farmers in the best interest of harmony and co-existence on our farms.

Like many parts of this country, the Free State has been ravaged by the continuing drought. Grazing land, agricultural and household water, crops, livestock and job losses are the biggest problems. About 6 000 cattle and 80 000 sheep have been lost due to drought. In some cases only 5% of summer crops were planted with no expectation of yield. It is estimated that almost R99 million will be needed to alleviate the situation.

The Free State received R10 million for immediate relief to emerging farmers. Affected households will also receive food parcels worth R300 per household for the next three months. This is going to be a very difficult time in the Free State – we need all the cooperation and support we can muster.

Safety and Security

In the run up towards the first democratic elections, enemies of the people tried hard to plunge this Province into chaos. Agent provocateurs sowed anarchy among our people. The farming community was the worst hit. There were farm attacks on farmers and farm workers were intimidated and assaulted. Our law enforcement agents have successfully dealt with this phenomenon and it continues to receive their attention. The remnants of this reared their ugly heads recently when a disgruntled farm worker razed his former employers' house down and a renegade farm manager chased a farm worker throughout the farm with a tractor until he ran down his modest house.

Cynics predicted how chaos and anarchy would be the order of the day in the new dispensation. Some scoundrels ran military camps in the Ficksburg area; beating war drums. Today, on the eve of the third democratic election, some insignificant detractors, in the same area of Ficksburg, are running military camps, misleading our people. This Government will not condone these irresponsible acts. Let me assure you, we will nip it in the bud and ruthlessly so.

The Free State Development Plan outlines strategies and projects for the creation of a safe and secure environment for the people of the Province. To this end, a climate survey to determine the perception of communities on service delivery by the South African Police was conducted last year.

All 114 police station areas in the Free State Province were included in the survey. This was further complimented by the toll-free line, where the public could lodge compliments for and/or complaints against the South African Police Service. The biggest concern and complaint is the non-availability of vehicles. General complaints were about vehicles being misused by police officers and that some vehicles were withdrawn from active police duty for administrative purposes. In some instances respondents indicated that crimes reported could not be attended to as no vehicles were available on a specific day.

A major concern for me is the fact that 7.1% of respondents indicated that they have bribed or in some instances have attempted to bribe a police officer to obtain services. We cannot be a society that lives on bribery and corruption. The police should enforce the law and communities should uphold that law. The Moral Regeneration Movement that we launched in 2002 is one big step in bringing us closer to a clean society. This is our chance to take the lead and show the whole nation how working together; the police, the community, the faith based organizations and the Government, can build a corruption free society. Together we can make it.

Driven by the concern of the increasing criminal activity in some parts of this Province, closed circuit television (CCTV) cameras were installed in Matjhabeng. The cameras were installed in both Thabong and Welkom. We will flush out all criminals who have turned Welkom into their safe haven – they come all the way from Gauteng. [Laughter] The Thabong Police Station is currently compiling a comparative study on CCTV before and after its installation in Matjhabeng.

Public Infrastructure

The provisioning of sustainable infrastructure remains at the core of the reconstruction and development of the lives of the majority of this country. Available infrastructure was openly biased to previously whites only areas with rural areas the worst hit. Our mandate as Government has therefore been and remains the redress of the legacy of the past.

To this end this Government, through its policies, undertook to provide productive community assets in the form of community halls, schools, clinics, hospitals, access and feeder roads and access to technology.

On 18 September 2003, this Government officially inaugurated the R130 million bypass and link roads between the traditionally black, coloured and white communities of Thabong, Bronville and Welkom. This was an important socio-political contribution to this community. That is the reason why this bypass was named after Titsha Vanga, a prominent young leader of that area who is no more.

This Government believes that every citizen has the right to optimal health. For this reason, the ANC led Government is committed to the promotion of health using the Primary Health Care Approach as the underlying philosophy for restructuring the health system. Primary health care (PHC) forms an integral part of both the country's health system and of the overall social and economic development of our communities.

To this end, 79 refurbishment projects designed to rehabilitate all 31 hospitals were completed through our Hospital Reconstruction and Development Programme. Similarly our Clinic Building and Upgrade Programme has significantly enhanced health infrastructure, particularly in our rural communities. 59 new clinics were built and 55 clinics were upgraded bringing all 229 clinics to measure. This is the reason why we have among the best hospital stock in this country and we do not apologise for it.

The provision of affordable and decent housing to our people is an important tenet of the reconstruction and development of our people's lives. In 1994 the housing backlog was 250 000. Many of our people now own their own houses for the first time in their lives. Our housing programme has delivered 91 496 houses in the Province over the past nine years.

Hon Members, let me warn those who take advantage of this programme, meant to assist the poorest of the poor. We are aware that in some cases one person for one reason or another has been allocated more than one house. We are also aware of some people who acquire this benefit when they do not qualify for it. There are also those who rent out or sell these properties and then go back to informal settlement. We are hard at work searching for these cheats and we will find them and deal with them accordingly.

We are proud to announce that 98% of the population of the Free State have access to water with 92% of poor households receiving free basic water. Almost 300 000 households have access to electricity in the Free State.

To date there has been a reduction of the classroom backlog from 165 to 49 schools. In comparison to 71 platooning schools in 1994, there were only 36 schools platooning in 2003. We sincerely wish to thank former president Nelson Mandela who, through the Nelson Mandela Foundation, has managed to ensure the building of four schools in our rural areas.

Black Economic Empowerment

The Free State Provincial Government prides itself that it is pro-active and is the forerunner as far as the development and implementation of good government practices are concerned.

One of the many examples is the procurement system, which was established in the Free State Provincial Government soon after the Tender Board was made redundant by the Public Finance Management Act. Apart from the fact that it fully complies with the principles contained in the Constitution, the PFMA, Treasury Regulations and the Preferential Procurement Policy Framework Act (5/2000), it gives effect to the Government's policies of Black Economic Empowerment and the speedy delivery of services to those we serve. In terms of our procurement system, preference is given to historically disadvantaged individuals, SMMEs, locally manufactured products, local content of what is supposed to be delivered and economic development with specific emphasis on the promotion of the Free State Development Plan.

Many upcoming entrepreneurs in the Free State have benefited from the awarded tenders. We have to guard against making the rich richer. We will do everything to ensure that our aim of promoting and empowering historically disadvantaged individuals, small business and the Free State economy, is not compromised.

I have full confidence in the integrity of the procurement system and apart from the fact that it fully complies with the principles of transparency and fair decision taking, the number of court cases in which the adjudication of tenders were disputed, decreased dramatically.

Government remains the biggest single procurer of construction work and products in this country. It is therefore important to leverage this important resource through preferential procurement to empower our people. During 1994 an amount of R140 million was spent on infrastructure construction. No work was allocated to BEE companies that year. During the past 10 years R1.3 billion has been spent on infrastructure construction. R562 million of this money, representing 43% of the total expenditure was paid to BEE companies.

The pace of empowerment however increased dramatically in the last three years. In this period R679 million was spent on infrastructure construction and R472 million was spent on BEE companies. This represents 70% of the total infrastructure construction. In the 2003/2004 financial year, 76% of the amount for infrastructure construction was paid out to BEE companies.

One major stumbling block in the development of SMMEs in particular among emerging contractors is financing. This fact impacts negatively on delivery targets of the Government; particularly regarding capital infrastructure. To remedy this problem, a directive has been given that emerging contractors should be paid within 30 days. They deserve it after all. To further enhance their chances of executing their contractual work, start-up financing has been arranged with the FDC and ABSA Bank. Where appropriate, this process is facilitated by cessions to enable direct payment. One will have to say, "Do not buy a Mercedes Benz, pay your debt."

The Integrated Sustainable Rural Development Programme (ISRDP)

Responding decisively to the demands of the poorest of the poor in the Free State, thirteen anchor projects valued at R163 million have been completed in the presidential nodal area of Thabo Mofutsanyane. These covered a wide spectrum of services including:

- The Setsing shopping complex;
- The Basotho Cultural Village;
- The establishment of renal, psychiatric and eye units and the upgrading of maternity wards at the Mofumahali Manapo Mopeli Hospital.
- The provision of sports facilities and a clinic to the victims of the floods in the Bluegum Bosch area.
- The Fika Patso water purification plant and the building of about 6 000 houses has been completed.
- The Diyatalawa Apple Project and the Mount Paul dairy and the hydroponics farming project are some of the development projects meant to revitalise and boost socio-economic makeup of that area.

In our endeavour to deal with unemployment, 25 944 temporary employment opportunities and 6 486 permanent jobs were created.

Towards 2014

Hon Speaker, what have been outlined so far are the dividends of democracy that were declared to our people in the first decade of democracy and freedom. We indeed move on with the full knowledge that our people's lives have changed. We also know that right at the beginning we asked them to be patient. We told them that historical injustices could not be redressed overnight.

As we begin the second decade of democracy, we make fresh commitments to our people. More than ever before, we know that our people would like this Government to deal with the challenge of unemployment, poverty and turning the economy around.

According to the latest SABC/Markinor opinion poll for 2004, nine out of every ten South Africans are concerned about unemployment and the need to create jobs. Poverty, crime and HIV/Aids are other important issues our people want their government to address. Our people have spoken and they will speak again with their votes on 14 April 2004. As we continue with one-upmanship and horse-trading and political point scoring, we should know that our people are hungry and want work.

Key responsibilities in times ahead include continuous support to ensure stabilisation and continuous improvement in local government transformation. We have to ensure that the required infrastructure for free basic services and delivery of decent housing to our people exists.

Our response to this huge mandate is our call for a people's contract to create work and fight poverty. Now is the time for everyone to put his or her shoulder to the wheel! Our first step is the acceleration of the implementation of the Free State Provincial Development Plan. We commit ourselves to selecting from many possible interventions, those which hold the promise of the greatest possible impact in the shortest possible time to accelerate investment, job creation, improved efficiency and productivity, greater social equity, as well as fairer distribution of economic opportunities and rewards, while undertaking serious social dialogue on broad policy implementation.

We commit ourselves to further enhance people's skills and self-reliance. To this end learnerships were established in agriculture, construction, furniture making, hair care, ABET, ancillary health, information technology, financial management and early childhood

development. Further Education and Training (FET) Colleges are at the centre of this process.

Our intention remains putting emphasis on building a long term capacity for communities to be self-sufficient in terms of their food and nutritional needs, while at the same time protecting and improving the health status of vulnerable young children. To achieve this, the Primary Schools Nutrition Programme for needy primary school learners in 30% of the schools in the Free State is benefiting about 142 000 deserving children and is to be expanded.

Our resolve to fight the HIV/Aids pandemic is a deep one. For this reason plans are at an advanced stage to implement the antiretroviral component of this plan. By the end of this year, one treatment site per district will be established. The study and assessment of the impact of HIV/Aids on the public service will be concluded by the HSRC in due course.

The tourism potential of the Free State needs a further push. Known for its hospitality, the Free State is a paradise for eco-tourism and has an abundance of animal and bird life as well as flora that can be seen at various nature reserves throughout the Province. We cannot afford to neglect this asset. The time has arrived for the Free State to make a mark in the tourism industry. When we gather in this House at this time next year we should demonstrate the inroads we have made in this regard.

In conclusion, hon Members, there is no doubt in my mind that the journey of the last nine years, though difficult, was an eventful one and will be a memorable one. I speak with confidence and knowledge that our people's lives have changed and that the Free State has changed. My dream of a new Free State and a united Free State for a better South Africa and a better world is on track.

I commit myself to solid strategic relationships among all the role players in the Free State. We have to build on this foundation to improve the quality of our information for improved interactive governance in this Province. The Free State is on the right track to re-invent itself. Yes, we can build the people's contract to create jobs and fight poverty on the strong principles of change and continuity.

It is only appropriate and befitting at this stage of my address to allow my inner most self to speak to you. As I come to the end of a fulfilling term of office, I would like to express my most sincere gratitude to God in the first place. I also wish to acknowledge the unwavering support I received from hon Members of the Exco – I thank you for making me last for five years, and not just three months. [Laughter] I will walk off with dignity and gratitude for your support.

I am indeed privileged to have participated in the achievements of our Province during the past five years. I am humbled to be honoured by this opportunity of being a leader of the people in the name of the principles for which they stand. Believe me when I say that it is an inspiration to serve a province that has risen from the ashes, despite all the challenges, and be exemplary to the rest of the country in many respects.

As we approach the third democratic election, let us do so with the knowledge that we have been triumphant against oppression and we should continue to support the Government in its quest to win the war against poverty and underdevelopment.

I wish all the people of the Free State and South Africa; the different political parties the best in the elections, although I cannot assure you of any meaningful successes, but I wish you well. [Laughter] Let us all work towards a peaceful and fair election.

Hon Speaker, as our people take the lap of honour in the celebration of our very first decade of liberation, we say that we have learned over this period that it is not of importance how you start the race but how you finish it.

I thank you.