

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

16 February 2012

Honourable Speaker and Deputy Speaker of the Free State Legislature
Honourable Judge President and esteemed members of the Judiciary
Leaders of the African National Congress and the Alliance
Honourable Members of the Executive Council and Legislature
Honourable Members of the National Assembly and the NCOP
The National Chairperson of SALGA, the Provincial Chairperson of SALGA and all local government leadership
The Chairperson of the Provincial House of Traditional Leaders
Leaders of the business, sports, traditional and religious sectors
Members of the diplomatic corps, including the Consul General of the United States of America, Mr Earl Miller and the Indonesian Embassy Consul for Economic Affairs, Mr Berlian Helmy
Veterans and stalwarts of our struggle
Comrades, compatriots and friends

It is an honour to address the Legislature, our guests, viewers and listeners at this occasion of our mid-term State of the Province Address. Our sincere appreciation goes to everybody who has taken the time to honour this occasion as we report on our mid-term achievements and challenges, including our vision for the years ahead.

Today, we reaffirm our commitment to serve the people of South Africa, and in particular, the people of the Free State, in pursuit of a non-racial, non-sexist, democratic and prosperous province, where every citizen - African, Coloured, Indian and White- can pursue their full measure of human development and happiness.

Centenary of the African National Congress

On 8 January 2012, the African National Congress returned to its place of birth as we commenced the year-long centenary celebrations of our liberation movement in Mangaung. The founding fathers gathered in the small Wesleyan church in Waaihoek to map out a path towards freedom based on the profound values that are the heart and soul of the African National Congress.

I wish to acknowledge the presence amongst us of the Maphikela and Moroka families: as well as the presence of many of our military veterans of *Umkhonto We Sizwe*. The plight of all military veterans will continue to remain our priority area and we will work closely with the South African National Military Veterans Association to further address these matters.

Allow me, honourable Speaker, to also acknowledge the contribution of former Premiers of the Free State not only to the struggle to attain our political freedom but also in building a post-apartheid democratic state.

As I travelled through the province before and after the celebrations, it became clear that our domestic and international visitors were overwhelmed by the hospitality of the people of the Free State. Let me immediately acknowledge and appreciate the efforts of our communities, black and white, which extended this warm welcome to our visitors.

Selemo sa 1912 e bile mathomo a leeto la dilemo tse 82 le lebisang tokolohong. Nakong ena, ba tllileng pele ho rona ba lefile ka bophelo ba bona e le hore rona re tle re phele monateng wa tokoloho

mehlang ya rona. Dilemong tseo tsohle, African National Congress e ile ya hlahisa baetapele ba ikgethang ba kang Albert Luthuli, Oliver Tambo, Walter Sisulu le Albertina Sisulu, Nelson Mandela, Chris Hani Charlotte Maxeke, Lillian Ngoyi, le ba bang ba bangata.

Banna bana le basadi bana ba ile ba re behela mohlala wa boetapele bo hlokanng boikgopolo, mme ba bopa metheo ya boitshwaro e kgemang mmoho le boitelo, boikokobetso, boitshwaro bo botle le tlhompho. Mehlangeng ya bona re fumana ho kgothala le mafolofolo a ho lwantshana le diphephetso tseo re tobananeng le tsona kajeno.

Honourable Speaker, last year I stated that the Centenary celebrations will never be reduced to a mere project of the African National Congress. It is a celebration of our political emancipation from racism and oppression and the return of fundamental rights to the disenfranchised. It definitely includes the liberation of women from all kinds of oppression and discrimination.

The centenary celebration and the celebration of political freedom achieved since the first democratic election, indeed, belong to all South Africans. It also presents us with an opportunity to pay our respect and tribute to the icons of struggle produced by the Free State province.

The Free State has reclaimed the historical greatness of its people. The founding venue of the African National Congress, the Wesleyan Church in Waaihoek, the Maphikela House in Bloemfontein and the Winnie Mandela house in Brandfort have been declared as national heritage sites. Additional memorial sites that will be prioritised by the national and provincial government will include the 1913 revolt of African women in the Free State, the Moroka house in Thaba Nchu, Bram Fischer's house in Westdene and the Mahabane House in Kroonstad as well as various cemeteries and grave sites of our freedom fighters.

Dit is deel van die kulturele erfenis van die Vrystaat en Suid Afrika. Dit is nie net die erfenis van een spesifieke politieke party nie.

Our efforts to commemorate and give recognition to these historical sites continue to redress the distorted cultural landscape of the Free State. The former residents of Waaihoek, who are now primarily located in Batho, will benefit from the national land restitution programme this year.

Provincial Economy

Honourable Speaker, statistics show that there is a gradual decline in the population growth of our province. In 2001, the Free State housed 6 % of the country's population, but this declined to 5.4 % in 2011. This adversely affects the provincial fiscal envelope and makes it increasingly difficult to achieve the service delivery standards that we have set for ourselves.

We have engaged with National Treasury to submit a compelling case that the funding formula of provinces cannot be primarily based on population statistics but must take into account major factors such as geographical size and the historical economic, social and physical infrastructure backlogs of provinces.

Our provincial economy registered negative growth of 1.8 % during the 2009 global crisis. Recovery has been slow as illustrated by the 2.1 % growth achieved in 2010. Although the growth figures for 2011 have not been officially published by Statistics South Africa, the provincially economy is expected to grow by around 2.8 % in 2011. Undoubtedly we require a comprehensive industrial development strategy for the Free State.

It will require the scale of determination and courage that brought about the realisation of the

Containerised Manganese project in Bloemfontein. This partnership between the Free State Development Corporation and Transnet unlocks the benefits of the central locality of the Free State by linking the mines of the Northern Cape, containerising the manganese cargo in Bloemfontein and transporting it by rail to the Durban port from where it is exported.

The centrality of our Province, our resolve as a Free State government, including our potential as a major player in the movement of goods and the logistics sector have been realised through the inclusion of the Harrismith Logistics Hub project in the Durban - Free State - Gauteng logistics and industrial corridor as announced by President Zuma in the State of the Nation Address.

Mid Term Review

Honourable Speaker, we have initiated a formal mid-term review of our progress in the national and provincial priority outcome areas. This process is expected to be finalised by July this year. However, we are already able to reflect on some of the progress we have made to date:

- Our matric pass rate has improved from 69.4 % in 2009 to 70.7 % in 2010 and 75.7 % in 2011.
- By January 2012, the availability of drugs at our health facilities has improved to 96 % across all districts against the 68 % when we took office in 2009.
- The 2010 provincial crime statistics showed a reduction in only one category of crime whereas the 2011 crime statistics for the Free State showed a decrease in 17 types of crime.
- We have rebuilt 1 thousand 339 dilapidated houses in the towns of Van Stadensrus, Jagersfontein, Kroonstad, Brandfort, Ficksburg, Senekal, Paul Roux and Phuthaditjhaba, handed over deeds of transfer to 4 thousand 338 beneficiaries and constructed in excess of 14 000 houses through various housing programmes.
- We have strengthened the capacity of government immeasurably. This is illustrated by the permanent appointment of 1069 teachers in 2009, the filling of 1898 school- based posts in 2010 and a further 945 school based posts in 2011.
- During 2010, we appointed 250 Emergency Medical Service personnel and filled an additional 828 posts in Health. To date, a further 4435 vacancies in Health were filled during the current financial year, including 677 security officers at 19 health facilities. 297 Masupatsela Youth Pioneers were permanently appointed in April last year.
- Our investment in the future of our youth is strongly illustrated by the implementation of the Provincial Bursary Programme that has resulted in the maintenance and allocation of bursaries to approximately 6000 students in the period 2009 to 2012.
- We improved our job creation opportunities through the Expanded Public Works Programme from 18,115 in 2009/2010 to 32,108 during 2010/2011. The target for the current financial year is to create 26, 979 opportunities and to-date 33thousand 954 work opportunities have been created out of a total of 1, 237 projects.

Amongst the infrastructure projects we have completed since 2009 are;

- The construction of 13 state of the art schools and the upgrade of hostel accommodation at various rural schools throughout the Province.
- Infrastructure projects at five hospitals, the new Multi-Resistant Drug Unit at Kopano Hospital in Welkom and the Forensic Mortuary as well as the Naledi Transport Centre at Wepener and the Philip Sanders Resort in Bloemfontein.
- Various new libraries, the High Performance Training Centre for Boxing at the Free State Sport Science Institute in Bloemfontein and multipurpose sport courts at Vredefort, Heilbron, Petrus Steyn, Luckhoff, Diyatalawa, Mokgolokoeng and Qibing/Wepener, a community gym in

VanStadensrus as well as local talent development centres in Sasolburg (Metsimaholo), QwaQwa (Maluti-a-Phofung) and Thabong/Welkom (Matjhabeng).

- The Thitapole Dam in Motheo, irrigation developments in the Xhariep and Lejweleputswa districts, a poultry hub and water reticulation in Fezile Dabi as well as schools, halls, crèches, solar energy, clinics, houses and sport facilities in the Thabo Mofutsanyane district have been completed as well as the construction of 14 animal handling facilities in four districts.

Honourable Speaker, the provincial government has strengthened its relationship with ESKOM as one of the key stakeholders in our service delivery environment. During the past year, ESKOM achieved 6 559 electrification connections with a target of an additional 1 454 connections this year. During the past year, an additional 6 Compact Fluorescent Light roll-out projects (total of 13 000 residential) and 11 energy efficiency projects were implemented at a cost of R128 million.

This is in addition to the 2.1 million CFL's, 14 684 solar water heating geysers and 24 897 ripple control units that have been delivered since 2007. ESKOM is also constructing a technical training centre in Welkom.

Creativity and Innovation - Cornerstones of an Interventionist Developmental State

Our initiatives to confront the challenges that face us have been frustrated by a plethora of limitations. These limitations range from the global financial crisis to issues closer to home such as unnecessary bureaucratic red tape and, at times, a frustratingly rigid civil service. Overcoming these limitations requires innovation; it requires us to try new things, what academics often refer to as an "alternative development".

We introduced Operation Hlasela in 2009 and stated that; "We are launching an all-out offensive to free our people from the burden of poverty and underdevelopment." In the 2010 State of the Province Address we emphasised that; "In simple terms, Operation Hlasela is a strategy, based on the ANC Elections Manifesto, which focuses on mass mobilisation, intervention, collaboration and partnership to fulfil the notion of "working together we can do more."

Again, in 2011, we addressed the Operation Hlasela approach as follows; "Operation Hlasela is not a stand-alone project that requires additional and separate funding by the provincial government. Operation Hlasela brings together the resources of all spheres of government - national, provincial and local – in a focused manner in order to bring about real and concrete change in the lives and localities of our people."

The township revitalisation programme implemented by the Department of Public Works symbolises our commitment to bring about real change in the lives of our people through the Operation Hlasela approach. It is a joint urban regeneration project between the Provincial and Local spheres of government and is part of government's Integrated Sustainable Rural Development and Urban Renewal Programme. It involves the revitalisation of strategic urban localities through refurbishing of infrastructure.

We have implemented the township revitalisation programme in towns throughout the Free State. We have reached the towns of Cornelia, Frankfort and Tweeling in the Mafube Local Municipality. In the Ngwathe Local Municipality, the communities of Parys, Koppies, Heilbron, Edenville and Vredefort have experienced the benefits of this approach. We have done extensive work in Kroonstad in the Mophaka Local Municipality as well as in the towns of Henneman, Virginia, Odendalsrus and Welkom in the Matjhabeng Local Municipality. The Masilonyana Local Municipality implemented the programme in Winburg, Theunissen, Verkeerdevlei and Soutpan.

Small towns such as Vanstadensrus, Ladybrand and Hobhouse and major urban areas such as Batho, Botshabelo and Thaba Nchu have benefited from the programme. Our continued focus area in Thaba Nchu will include the establishment of regional offices of the provincial government as well as various agricultural and rural development initiatives. *Re batla dikantoro tsa Mmuso Thaba Nchu, e le hore basebelets'i ba dulang Thaba Nchu, t'jhelete ya bona e se felle transporotong.*

We have also reached the heart of the Letsemeng, Kopanong and Mohokare Local Municipalities in the Xhariep district. In Thabo Mofutsanyane, we have brought about significant change in the areas of Diyatalawa, Mokgolokoeng, Maqhekung and Kestell. In the Dihlabeng municipality, the areas of Fateng Tse Ntso (Paul Roux) and Bethlehem have also benefited.

The provincial government's flagship programmes for this year will focus on Botshabelo, Thaba Nchu and QwaQwa. Other priority towns will include Verkeerdevlei, Vredefort, Petrusburg, Arlington, Vrede, Allanridge and Tweeling. Together with our local municipalities, we will also reach our other centenary towns, namely Odendalsrus, Petrus Steyn, Hobhouse and Warden. We will take our innovative and integrated approach towards the revitalisation of infrastructure as well as social and economic development opportunities to these communities.

Seldom before has any government programme been under such sustained and persistent attack as that of our Operation Hlasela approach of simply saying let us try to do things differently by bringing together all of government's resources in a coordinated and focussed manner to ensure maximum service delivery in identified localities.

Improving Quality Basic Education

Honourable Speaker, allow me to acknowledge the learners who are present here today. They represent a segment of all our children in the province, the future of the Free State. Improving the quality of basic education, including early childhood development as well as primary and secondary schooling, is critical in building our future generation. Investing in overall education, including higher education opportunities for the youth and young adults of the Free State is at the heart of our strategy to eradicate poverty.

Our aspiration to improve the quality of basic schooling and higher education through technical colleges for the people of the Free State comprises a wider set of plans that focuses on the following imperatives:

- increasing early childhood enrolment for children older than six months in community established and government funded centres to Grade R
- increasing and ensuring the basic literacy and numeracy skills after Grade 3 of all learners
- investing in the further development of the current 100 and encourage a new set of 100 schools to become high performing schools
- expand the mathematics and science laboratory initiative to all areas, especially within historical disadvantaged schools and communities

It is with great humility that I reflect on the following achievements of the provincial government in the basic education sector:

- We have extended the early childhood development (ECD) programme to benefit 42 thousand 969 children at 810 facilities and 2400 ECD practitioners received a stipend at the end of the previous financial year.

- We have improved the enrolment of grade R learners from 30 thousand 655 in 2010 to 31 thousand 676 in 2011. In total primary schools throughout the Free State offered approximately 1 thousand 107 Grade R classes in primary schools in 2011.
- The National School Nutrition Programme benefits 521 thousand 611 learners from 1181 schools in Quintiles 1 to 3 throughout the Free State. There are 149 functional registered Local Women Cooperatives registered in the 5 education districts of the Province.
- Implemented the policy of no fees schools in all schools in quintile 1 to 3 in order to improve social protection support for 487 768 learners who comprise around 79.13 % of total learners in ordinary public schools.
- Implemented a recapitalisation project in 18 schools in the four districts of Motheo, Lejweleputswa, Thabo Mofutsanyana and Fezi Dabi that include computer facilities and equipment.
- Continued support towards the improvement of specialised agricultural schools and curriculum subjects
- 112 Maths Labs have been successfully installed in schools.
- Installation of the Mindset Learning Channel in two hundred (200) schools across the province by October 2011 to enhance teaching and learning support in mathematics, life and physical sciences, geography and English.
- Ensured the participation of all schools in the Annual National Assessment for Grade 2 to Grade 7 by facilitating the numeracy, mathematics, literacy and language tests.
- Introduced an expanded sports, arts and cultural programme in one hundred and twenty (120) ECD centres, primary and high schools. During 2012, this programme will include a Free State Spelling BEE, Language and Grammar set-works for Grade 12's, and various sports and recreation tournaments for school children

We have acknowledged the achievements of the Grade 12 class of 2011 for their performance in the National Senior Certificate examinations. Schools performing at 80 % and higher increased from 116 in 2010 to 155 in 2011. Forty-five (45) schools in 2011 obtained a 100 % pass rate as opposed to forty (40) schools in 2010. In fact, eighteen (18) schools in the Free State have consistently produced a pass rate of 100 %.

Honourable Speaker, we must extend our appreciation and acknowledgement to educators for their commitment and hard work that have contributed directly to the achievement of these results.

However, there are still serious challenges facing Grade 12 performance as we still have 11 schools that have perennially underperformed since 2009. Six of these schools are in Thabo Mofutsanyana, two in Fezi Dabi, and three in Motheo. The results of the Annual National Assessments for qualifying grades also show that challenges remain to improve the results for all learners in both numeracy and literacy.

In pursuance of our high educational performance vision, the provincial government will over the next year and the years going forward:

- Expand access and increase investment in early childhood development and Grade R, including improved curriculum implementation for Grades R to 12.
- Improve school infrastructure development and maintenance by building five new schools namely Kamohelo; Bopa Setjhaba, Letloholo-Naledi, Ithabeleng and Johan Slabbert Special Schools as well as schools at Vrede and Memel and addressing physical school infrastructure backlogs.
- Increase the number of high performing schools from 45 to 100 schools over the next three years whilst eradicating under-performing schools with a pass rate of below 40 % in Grade 12.

- 100 % delivery of learning and teaching support materials to all schools. We will also ensure the provision of safe and secure support environments for schools and this must specifically include safe scholar transport.
- All schools must have connectivity by the end of 2013.
- We will upscale our investment in school and public libraries, in communities throughout the Province. Over the forthcoming years, new public libraries will be established in Letsemeng, Nketoana, Manguang, Kopanong, Masilonyana, Naledi, Mohokare, Dihlabeng, Phumelela, Ngwathe, Metsimaholo, Maluti A Phofung, Matjhabeng, Mantsopa, and Moqhaka.

Long and healthy life for all Free State citizens

Honourable Speaker, in pursuance of improving healthcare and a healthy life for all our citizens, the government, in partnership with the health care providers, will over the next year and the years going forward:

- Continue the process of re-engineering primary health care in all districts and municipalities to expand access to primary health care services, especially through outreach programmes to households and communities. This will include the employment of the fully trained 600 community health workers into family health teams in 47 wards within the Province
- Continue combating HIV and AIDS and decrease the burden of disease as a result of tuberculosis (TB). This will include the initiation of all HIV-positive pregnant women on the highly active antiretroviral treatment (HAART). This intervention will increase the number of adults and children on the programme from the current 132 thousand 552 to an anticipated total number of 146 thousand 424. Our HIV/AIDS education and awareness campaigns will be intensified.
- Decrease maternal and child mortality by accelerating cervical and breast cancer scanning and ensuring coverage of 90 per cent of children under the age of one year to be vaccinated through the expanded immunisation programme.
- Strengthen our health systems effectiveness through the allocation of 100 student bursaries for deserving medical students to study in Cuba. The strategic intent of this programme of study is to systematically improve the availability of medical doctors in rural and underserved areas in the province. I am sure that you would have noticed that these bursaries have already been advertised and I want to encourage our young people to participate in the application process.
- Ensuring the extension of the availability of health care facilities through building of new clinics at Ngwathe / Mandela, Viljoenskroon and Jacobsdal using modular technology. In addition, we will reassess the requirements for clinics according to the spatial population development demographics as we are aware of the immediate need for clinics in Cornelia, Viljoenskroon, Schonkenville, Brent Park, Heidedal and the rural areas of QwaQwa.
- Building of community health centres at Pelonomi Hospital in Bloemfontein, Matlakeng in Zastron, Amelia (Sasolburg), the rural areas of QwaQwa and Maletsatsi Mabaso (Botshabelo).
- The planning and design phases of the Mangaung District Hospital and the Free State Psychiatric Hospital have been completed and these projects will proceed to construction. Good progress has been made with the construction of the Mantsopa District Hospital in Ladybrand and the Trompsburg Hospital and should be completed by the end of the forthcoming financial year. The maintenance of health facilities within the province will continue to receive priority attention.
- QwaQwa has been selected as one of the pilot sites of the National Health Insurance (NHI).
- The qualifications of medical professionals in all public health facilities will be verified in view of the recent challenges acknowledged by the Health Professions Council.

All people in the Free State are and feel safe

We contribute to the fight against crime together with our national partner departments and institutions in the security and safety cluster. Our civilian oversight role has resulted in the monitoring and evaluation of police stations with the aim of improving community police relations and to assess the implementation of the Victim Empowerment Programme. There are currently Victim Support Rooms at 61 police stations in the Free State and the provincial government has established 9 shelters for victims of crime since 2009.

We will continue to mobilise and encourage communities to establish community police forums in partnership with the South African Police Services at all 109 police stations in the Free State.

I wish to make special mention of the Security Training Programme which was launched last year. A total of 2400 learners, comprising of reservists, patrollers, government employees, military veterans and unemployed youth are targeted for the first phase of the training. One thousand 640 of these are already registered for training in various towns of the Free State.

The implementation of the Rural Safety Strategy as well as the functionality of the Cross Border Crime Prevention Forum and the Border Safeguarding Forum will result in continued joint operations targeting specifically cross-border stock theft and other related crimes.

Continued action against substance abuse, specifically amongst the youth of the province, will be targeted. The “Ke Moja – I’m fine without drugs” programme has been linked with the “Tiisa Thuto Safer School Project” and is currently being implemented in 75 schools.

One of the major challenges facing our environmental sector is rhino poaching. We have established the Provincial Joint Rhino Committee comprising of the Department, the Green Scorpions, the South African Police Service, the South African Revenue Service, the National Prosecuting Authority and the South African National Defense Force.

Decent employment through inclusive economic growth

Honourable Speaker, Statistics South Africa reports that the unemployment rate in the province increased by 2.3 %. This happens in the midst of our intensive job creation strategies aimed at utilising labour-intensive approaches such as the Expanded Public Works Programme.

There is no doubt that we have to upscale our Expanded Public Works Programme (EPWP) programme and utilise strategies to ensure that we undertake minor infrastructure projects through labour-intensive approaches. We also need to upscale our work in the establishment and development of cooperatives.

Subsequent to the adoption of the New Growth Path as a framework that is essentially aimed at accelerating job creation, we have reiterated the fact that the key focus of the economic policy for the Free State province must be to achieve and sustain faster growth over an extended period of time in order to significantly increase labour absorption. The finalisation of our customised Growth and Development Strategy will concretise a shared vision and plan for our province in line with Vision 2030 being developed by the National Planning Commission.

Major projects

Major projects announced during previous years have begun to materialise. This includes the launching of the Kraft Paper Manufacturing Facility during April 2011 and construction is expected to commence in the new financial year.

The Harrismith Logistics Hub (now part of the Durban – Free State – Gauteng corridor) and the N8 corridor development remain some of the major projects that will unlock and stimulate the economic growth of the Free State.

The Passenger Rail Association of South Africa (PRASA) has finalised the feasibility study of the Kimberley - Bloemfontein - Maseru Rail link and this project has been identified as one of the prime rail investment projects in South Africa. Our work on this project in partnership with the national Department of Transport, PRASA and other stakeholders will continue.

A Technical Cooperation Project to support Small Medium and Macro Enterprises has been established in partnership with the International Labour Organisation and the Government of Flanders. This partnership aims to train and mentor approximately 2000 Small Medium and Macro Enterprises and is expected to contribute significantly to job creation.

In recognition of the potential of the tourism sector to contribute significantly to economic growth, the provincial government will continue to support tourism initiatives such as the Bethlehem Air Show, the Cherry Festival in Ficksburg, the Phakisa Power Boat Festival, the Tour de Free State and the Free State 500 NASCAR. These initiatives do not only offer economic benefits but also support the provincial government's social cohesion programme.

We have undertaken the restructuring of our provincial public entities, specifically the Free State Development Corporation and the Free State Tourism Authority. Further consideration must now be given to improve and strengthen the governance structures and arrangements of these provincial public entities and the extensive recommendations of the Auditor-General will be implemented.

A comprehensive recovery and turn-around plan for the Free State Development Corporation must be finalised in order to position it as a new vehicle to drive economic development. Until this process has been finalised, specific measures will have to be implemented to ensure that small businesses in distress do not become victim to the inherent challenges of the Corporation. These measures must include the placing of a moratorium on the foreclosure of businesses in distress. We have initiated a process that will ensure that such measures will comply with the required legislative frameworks.

Re tla potlakisa ho thehwa le ho hodiswa ha dikoporasi, haholoholo indastering ya theksthaele. Ana e tla ba a mang a mawa a tla re thusa ho tsosa botjha dibaka tse kang Qwaqwa le Botshabelo. Ho lebelletswe hore phumantsho ya diyunifomo tsa bahlanka ba sephethephethe, dinese, dikolo, bahlanka ba tshireletso le dithoko tse ding tse amanang le mmuso di tla tsamaiswa ke di co-operatives. Phepho ya bana dukolong e lokelwa ho etswa ke di co-operatives. Ha re Hlaseleng unemployment! Ha re Hlaseleng bofuma! Ha re Hlaseleng botswa!

We have made significant progress with the in-sourcing of identified services at our public service institutions, specifically with regard to the permanent employment of cleaners and security officers. As existing contracts to render these services reach their termination date, the further in-sourcing of identified services will continue. I wish to acknowledge and appreciate the support that we have received from organised labour, specifically NEHAWU, with this initiative.

Hon. Speaker, one of the objectives we had set ourselves was to correct some of the injustices to which our workers were subjected to during the past. When QwaQwa ceased to exist as a so-called homeland, a number of female workers were transferred from their place of residence to take up

employment as cleaners for the provincial government in Bloemfontein. During our interaction last year with cleaners of the provincial government, it was agonising to realise that these mothers had spent more than a decade away from their families in some of the lowest-earning income categories in the public service.

Today, 18 years later, we are finally able to announce that Me Malitaba Tshabalala, Me Makolo Mahlomaholo, Me Puseletso Moeketsi, Me Linah Motsoeneng, Me Mantoa Motsima, Me Manthati Motsoeneng and Me Dimakatso Mphuti have been transferred back to their place of residence, QwaQwa, with immediate effect.

Campaign with employers and labour

Honourable Speaker, throughout recent years we have been speaking about the state of the provincial economy and the imperative for job creation. As we elevated job creation as one of the major priorities of government, we understood that it is our role to create a conducive environment within which job creation can take place. We also understood the critical roles and responsibilities of the private sector and organised labour in this regard.

The reality is that the state of the provincial economy will not improve and job creation will not be achieved if we do not take concrete and decisive action. During the forthcoming year, I will initiate an intensive campaign together with employers and organised labour with the intent to ensure that all stakeholders cooperate in planning and implementing programmes that will deliver the real and concrete jobs that the Free State people and economy requires to bring about meaningful change.

Power Generation

A self-sustainability model is essential for the Free State to achieve its economic growth strategy. The Province needs to become a net exporter of goods and services to other Provinces and countries. This can be achieved by maximising on its strengths, addressing its weaknesses and developing mitigation strategies for current and potential risks.

The development and value adding of mineral resources within the province is one of the strengths that can be capitalised on. However, this cannot be realised if the country cannot supply adequate cheap electricity in order to enable the development. There is a need for the Free State to generate its own electricity in order for it to have greater control of its destiny. Power generation becomes a value adding activity in the value chain for the exploitation of the Free State coal reserves.

According to the Department of Energy, the Free State consumed about 9,740 Gigawatt-hours of electrical energy in 2009. About 63% of the power consumed in the Free State is provided by Eskom, with the Free State municipalities distributing the balance of about 37%. Eskom supplies mostly the mining, industrial and commercial customer whilst municipalities supply predominantly domestic customers.

The Free State customer base is anticipated to grow once infrastructure projects such as the development of the province's coal reserves have commenced. Lesotho also offers the potential of an alternative power market.

The Free State provincial government will be engaging with national government and State Owned Enterprises to realise the objective of establishing a power generating plant in the Free State.

Deployment of Broadband Infrastructure

In 2007, the South African Government approved the building of an information Society. Information and Communication Technology (ICT) Infrastructure is the foundation to the development of an information Society.

The development of a Broadband Policy is in line with world trends. It is critical for the Free State to achieve the goal of digital inclusion, enabling universal, sustainable and affordable access to ICTs by all, and to provide sustainable connectivity and access to remote and marginalised areas at both Provincial and Municipal levels.

In line with the mentioned strategic objectives, we shall strive to increase the penetration of Broadband in the Province to ensure the realisation of the goal of an all-inclusive information society that can enjoy the economic benefits associated with Broadband in both urban and rural areas.

A skilled and capable workforce to support an inclusive growth path

Honourable Speaker, the provincial government has implemented a comprehensive programme to ensure that we contribute to the creation of a skilled and capable workforce.

The Free State Training and Development Institute was launched in 2003 by former Premier Winkie Direko. The purpose of the Institute is to facilitate in-house skills development of the highest standard, based on identified skills gaps, to officials employed by the Provincial Government, municipalities and other entities through an integrated training model comprising of skills programmes and in-service short courses.

The extent of government's investment in the training and development of its public service is evident from the fact that 3129 public servants attended training at the Institute during the 2009/10 financial year. A further 2014 attended training in 2010/11 and to date in the current financial year, a total of 3366 public servants have already attended training and development courses.

I am pleased to report that since we assumed office in 2009, 2 thousand 823 young people benefitted from learnerships and skills programmes in various fields, implemented by the provincial government in conjunction with Sector Education and Training Authorities (SETAs). An additional 1 350 young people started training programmes during August 2011.

A clear exit strategy for beneficiaries of learnerships and skills programmes are required. One of the aspects that we will further explore is the placement of these beneficiaries with service providers who benefit from government procurement.

An efficient, competitive and responsive economic infrastructure network

Honourable Speaker, as mentioned in the 2012 State of the Nation Address by President Jacob Zuma, over the coming year we will work tirelessly with other stakeholders to improve the movement of goods and economic integration through the Durban-Free State-Gauteng logistics and industrial corridor. An increased focus will also be placed on the design, building and maintenance of the transport system and roads in the province, especially within communities and important service roads to boost transportation of goods and services such as our agricultural produce to various domestic and international markets.

We will intensify the implementation of our plans in finalising the N8 Corridor Development programme in order to provide economic and social benefits to the communities of Bloemfontein, Botshabelo, Thaba Nchu, Tweespruit and Ladybrand. There will also be infrastructure improvements at the Soetdoring; Koppiesdam; Willem Pretorius and Maria Moroka resorts.

Vibrant, equitable and sustainable rural communities with food security for all

The provincial government introduced Mohoma Mobung as the provincial growth and development strategy for the agriculture and rural development sector. It is a multi-year mega Public and Private Partnership business concept that deals with income generation through farming in the rural area of the province, the creation of on- and off-farm agri-business, value chain enterprises and Black Economic Empowerment.

Ons het aansienlike vordering gemaak met die implimentering van inisiatiewe wat ons in die verlede aangekondig het. Dit sluit in:

- Implementation of Mahau, Boitumelo, Tshepiso, Aganang and Oppermans Irrigation schemes in the Xhariep district area to utilise 3000 ha of water rights.
- Twenty two mentorship contracts were signed to provide support to 295 farmers.
- Agro-processing have been extended at Wilhelmina through provision of additional processing equipment for fruit, a dairy parlour and dairy animals and extending production. In partnership with Potato SA and the Department of Rural Development and Land Reform, agro-processing of potatoes at Makgolokoeng both through planting and the imminent construction of a processing plant where frozen potato chips will be processed.
- A dairy project will be established in Vrede that is expected to create an additional 150 jobs.
- We are in the process of implementing thirty-nine fish tanks at the Xhariep Fish Hatchery for the production of fingerlings in the three towns of Springfontein, Koffiefontein (Gotswametsing) and Bethulie. 13 Fish tanks will be established in each of these areas and the Xhariep district has been identified as a fish hub for the next three years.

Honourable Speaker, allow me also to recognise the immeasurable contribution of our established farming sector that contributed R188 million to the provincial economy through the export of animals and animal products to SADC and European Union countries .I would like to specifically mention:

- Mr Almur Smit from Parys who exports layers to Lesotho;
- Mr Edwin Claassen of Sasolburg who exports red meat to Lesotho, Namibia, Swaziland and Botswana.
- Supreme Poultry from Botshabelo that exports poultry meat to Lesotho and Namibia, and
- Mrs Terblanche who exports hides and skins to European countries.

It is important to emphasise that South Africa is a constitutional state and there will be no land-grabbing that takes place in the Province or the country. We call upon all Free State farmers, black and white, to work together to maximise agricultural output that will increase food security for us all.

Sustainable human settlements and improved quality of household life

The integration of our communities must be the starting point that drives human settlements, because this will inevitably lead to sustainability in economic development and social inclusion. The government of the Free State is mindful of the legacy of apartheid spatial development that continues to haunt the democratic South Africa and the Free State Province.

Our human settlement approach is driven by our resolve to improve the quality of life for our citizens. Our intention over the years going forward is that our citizens, in particular the historical disadvantaged, must be provided with shelter. Clearly, the process of providing ownership of houses has ensured the creation of relative economic assets and security to many members of our society.

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

The project is aimed at addressing the housing needs of persons in the R3 500 to R12,000 per month income bracket, who do not qualify for RDP houses and struggle to obtain home loans from commercial banks. A similar partnership was entered into with the Moqhaka Local Municipality for the construction of 2,000 Mixed Housing Development units in Viljoenskroon and Kroonstad.

Whilst we will continue to consolidate our housing delivery programme, we must be critically aware of the need to maintain the highest level of prudence in the management of service-delivery as well as the appropriate planning of municipal services. Over this year, we will focus on improving municipal area development that leads to social and economic development. This renewed focus will be preceded by comprehensive performance planning that delivers on needed improvements in targeted areas.

Mohlomphehi Speaker, Selemong sena se tlang re tla tsepamisa maikutlo haholo phethelong ya diprojeke tsa bodulo tse sa phethelwang. Ke boetse ke laetse hore re lokela ho qoholla bodulo ba maqheku, haholoholo ba dilemong tsa bomashome a supileng, le ho feta, bao esale ba le lenaneng le emetseng matlo ho tloha ka 1994. Ruri re hloka ho shebana le ditlhoko tsa karolo ena ya baahi ba rona e hlokang tlhokomelo hanghang. Re tla etsa meralo ya tlhabollo e ditjeho di lekaneng hantle, ya dilemolemo, e sa shebanang le ditshebeletso tsa motheo feela, empa e tla isa ntshetsopeleng ya moruo le bophelo Botshabelo, Thaba Nchu le Qwaqwa.

From the inception phase, the development of these plans will be done in consultation with communities and all relevant stakeholders. We will also involve the appropriate national government departments, national agencies such as the Development Bank of South Africa (DBSA), Industrial Development Corporation (IDC), ESKOM and TRANSNET. I will convene a Premier's Town Development Summit to discuss the implementation of the plan with potential investors and social partners.

We will embark on an extensive programme to identify housing beneficiaries during March this year together with our Community Development Workers, Ward Committees and local municipalities.

In addition, we will consolidate human settlement infrastructure development of social and rental housing in Masimong Harmony, G Hostel, Silver and Dark City and Brandwag. The Brandwag social housing project in Mangaung entails the conversion of municipal flats into social housing and aims to increase the social and economic integration of the area and targets low-income earners as beneficiaries. All tenants who are currently staying in the project area and who fall outside the target market must relocate.

Responsive, accountable, effective and efficient local government system

Honourable Speaker, despite various improvement in some of our municipalities in the Free State during the past two years, much still have to be done towards creating viable and sustainable municipal service delivery.

We believe that government should achieve this by ensuring that municipalities have sound financial and administration systems, by building a strong revenue base that not only encourages, but also hold the users of municipal services accountable for the payment. In conjunction with the political leadership within municipal councils and their management teams, we will work towards the delivery of quality and sustainable municipal services and improve participatory democracy where

communities to facilitate community involvement in governance and development in their areas.

The 2009/10 audit outcomes of municipalities, showed an improvement in the audit outcomes of six municipalities, whilst 13 municipalities remained unchanged and one municipality regressed. The audit outcomes of municipal entities showed an improvement in two instances whilst three remained unchanged.

In the forthcoming year, we will be deploying teams of suitable qualified and experienced personnel, comprising of both the provincial and national sphere of government as well as the private sector, to the Mafube, Ngwathe, Tokologo, Nala, Phumelela, Masilonyana and all Xhariep municipalities to provide sustained support over a longer term period.

Many challenges remain in ensuring access to basic services for all our people and in the strengthening of municipalities. We, therefore, will make infrastructure repairs of sewerage and systems, water and electricity supplies with municipalities and the stakeholders within the water and electricity industries in Wesselsbron, Lusaka (QwaQwa), Parys, Odendaalsrus, Ficksburg, Botshabelo, and in Mangaung in the areas of Isithwalandwe, Khayelitsha and Phase 9.

In addition, honourable Speaker, the implementation of the extensive Cleaning and Greening campaign throughout the Free State will be intensified.

Honourable Speaker, I wish to call upon all public servants within the provincial and local government sphere to ensure that we place the interests of the communities that we serve as our foremost priority and that we make excellent service delivery standards the norm of our daily work. Equally, honourable Speaker, allow me to acknowledge and appreciate the role of all our public servants, including organised labour, in bringing about meaningful change in our service delivery environment.

Cooperative governance

The Provincial Executive has through various interactions with the President and the Ministers of Finance and Transport requested national government assistance for the provincial Departments of Treasury and Police, Roads and Transport. Progress on the national assistance will be measured and monitored on a regular basis over the period of intervention.

Dealing with corruption and fraud

Honourable Speaker, the Department of Public Service and Administration must initiate a review of the regulatory framework for the management of conflict of interests of public servants. The current framework provides for the compulsory disclosure of financial interests of public servants who form part of the senior management service. By September 2011, the Free State achieved a compliance rate of 95 % for the submission of financial disclosure forms by its senior management to the Public Service Commission.

There is, however, no such requirement regarding the disclosure of financial interests of public servants below the level of Director. Not surprisingly, the majority of the identified cases of conflict of interest involve public servants who fall outside the senior management service and therefore have no disclosure obligations to meet.

I have requested the Minister of the Department of Public Service and Administration, the Public Protector, the Auditor-General and the Chairperson of the Standing Committee on Public Accounts (SCOPA) to provide us with further advice on this matter.

The Office of the Premier and the Provincial Treasury are coordinating a process where all instances of identified conflict of interests, as reported by the Auditor-General, are investigated by the relevant Provincial Department and appropriate action will be taken by the relevant department. A report on such action taken will be filed with the Provincial Treasury and the Office of the Premier and will be provided to the Auditor-General.

The Provincial Treasury is also coordinating a process to ensure that reported irregular, fruitless and wasteful expenditure reported by the Auditor-General are properly investigated by the relevant departments and, where possible, corrective action is taken. Such corrective action may include disciplinary action against officials responsible for causing irregular, fruitless and wasteful expenditure to be incurred and the possible recovery of monies from such public servants or service providers.

Youth Development

Honourable Speaker, the Free State province produced young lions who would have been able to make an invaluable contribution to the achievement of our political and economic freedom. I wish to pay our respect to the late Manniki and Boiki Motlohi, Nathaniel Melthalfe Teboho, Freddy Basholo, Solly Mdingi, Sipho Mutsi, Teboho Sikisi, Thengiwe Ndlovu, Scotch Moeketse and Master Nakedi.

These young lions embodied the spirit of youth leadership youth produced by the African National Congress. They were strong-willed, vocal and principled. They displayed a profound knowledge of the founding principles and values of the African National Congress, the struggle for a better life for all people of the Free State and they understood the dynamics of generational leadership. Indeed, their absence leaves us much poorer.

Youth unemployment is not only a statistical matter, but it is at the core of the quality of life, as it negatively affects the welfare, livelihood, development and progress of youth. There is obviously an imperative for us to act decisively to intervene and arrest the challenges of youth unemployment.

Honourable Speaker, between September to December 2011, the Executive Council met unemployed graduates from all districts in order for us to understand the scale and dynamics of graduate unemployment in the Province. A database of unemployed graduates has been developed by the Office of the Premier. This will form the basis for targeted strategies and programmes to be developed together with our private sector partners to proactively address this challenge.

We are pleased to announce that ESKOM has confirmed that they will draw 150 candidates from the unemployed graduate database for placement in internship programmes in the human resource, engineering, communications and finance fields.

Through the provincial bursary programme, we continue to generate requisite skills that are necessary to support the New Growth Path and the development priorities of the Free State Province. The Office of the Premier, the Central University of Technology, the local government and private sector will be cooperating in the development of a programme that will result in the placement of students who require experiential training to complete their qualifications.

For the 2012 academic year, we have allocated an additional 1500 new bursaries to deserving students to study at various Universities and Colleges throughout the country. Last year we also announced the "One Laptop – One Bursary Holder"-programme. I am pleased to acknowledge the contribution of the private sector such as Standard Bank, Vodacom, Morar Incorporated and Price Waterhouse Coopers. The Members of the Executive Council, executive mayors and mayors and other local government leaders as well as senior public servants have all pledged to make personal contributions to this programme.

During 2009 a total number of 336 bursary holders completed their studies. The graduates, who did not find employment, were all taken up in internship programmes in various government departments.

During 2010, a total number of 242 students completed their studies. 22 of these students were employed in the private sector and 181 were employed in government.

The preliminary statistics for 2011 suggest that a minimum of 200 students would have completed their studies. As in the past, those graduates of the bursary programme who do not find other employment, will be accommodated in learnerships in the respective provincial departments and provincial public entities.

An overview of the progress we have made in the youth development sector include the following:

- The National Rural Youth Service Corps (NARYSEC), the *Re Jala Peo* programme, household profiling to inform the Comprehensive Rural Development Program (CRDP) and War on Poverty (WoP) and the establishment of youth development cooperatives focusing on primary production, marketing, manufacturing and processing.
- The Tourism Ambassador Programme, the Hospitality Youth Initiative and the Training of Chefs programmes focusing on facilitating youth empowerment in the tourism and hospitality sector.
- The National Youth Service and the implementation of apprenticeship, learnership and contractor development programmes.

Hon Speaker, these examples illustrate the significant extent to which the provincial government has translated its youth empowerment and development policies into practice. Some of our priorities in this regard will include:

- The possible expansion of the National Youth Service and existing youth development initiatives
- Facilitating the introduction and/or improvement of appropriate career guidance at secondary school level in consultation with Student Representative Councils, institutions of higher learning and other stakeholders
- Creating an environment conducive to promote youth entrepreneurship linked with business development support and.
- The establishment and development of youth cooperatives.

We acknowledge, honourable Speaker, that we could further strengthen the coordination of initiatives between the National Youth Development Agency as well as the provincial and local spheres of government. The participation of the NYDA in the provincial cluster system will facilitate the prioritisation of youth development issues.

I will also be convening a Free State Youth Indaba within the next three months where we will create an opportunity to interact with all youth on matters relating to empowerment and development.

Social cohesion

Honourable Speaker, allow me to report that refurbishment projects are in progress at 17 special schools and we have appointed 19 social workers at special schools. We have also established services for the visually impaired at 15 libraries at a rate of 3 per district.

Our efforts to ensure the inclusion and mainstreaming of our most vulnerable sectors, specifically the disabled, women and children, in the programmes and initiatives of government will continue. Specific focus will be placed on ensuring that substantial progress is made in ensuring that we meet our targets in the employment and empowerment of women and the disabled. The provision of assistive devices and our focus on inclusive education will be maintained.

We will continue our support and involvement with identified sports codes such as Free State Rugby and our rugby team, the Cheetahs. The Free State provincial government will actively support the initiatives to ensure that the Cheetahs retain its status in super rugby. Our soccer teams, Bloemfontein Celtic and Free State Stars, are ensured of our unwavering loyalty and support.

Implementation of our programme aimed at the upgrading of school and public sports facilities will continue. The first phase of design of the upgrade of the Seisa Ramabodu Stadium has been completed and construction has commenced. The roll-out of community gyms will be included as one of our priorities to promote and achieve a healthier lifestyle for all of our people.

The expansion of various sport, arts and culture programmes to all sectors throughout the Free State will be promoted. During this term of government, we will also ensure the establishment of the Keizer Sebothelo and Lister Skosana Museums as these will further extend the scope of preservation and promotion of the Free State's cultural heritage.

Honourable Speaker, the significance of our initiatives to encourage and promote reconciliation towards achieving social cohesion should not be under-estimated. I want to urge all people of the Free State to participate in these initiatives, including Mandela Day and the annual Reconciliation Walk that we initiated last year.

The Summer Olympic Games will be hosted in London this year. I am sure we are all unanimous in expressing our support and well wishes to the South African sportsmen and women who will make our country proud during these Games.

Allow me to use this opportunity and join the rest of South Africa to extend heartiest congratulations and good wishes to the wife of the late former ANC Treasurer General, and SACP general secretary, Moses Kotane, who turned 100 years old on Sunday the 12th of February.

Conclusion

Honourable Speaker, I would like to invite the members of this House, the media and the general public to accompany us on a public visit to verify the progress we have made against the objectives we have outlined for ourselves. The details of these verification visits will be announced over the next few days.

Honourable Speaker, there is no more appropriate way to conclude than by emphasising President Zuma's referral to the wisdom of ANC Women's League founding president Charlotte Maxeke who said in her Presidential address to the National Council of African Women. *"This work is not for yourselves - kill that spirit of self, and do not live above your people, but live with them. If you can rise, bring someone with you"*.

Let us Hlasela!

Laat ons Hlasela!

Ha re Hlaseleng!