



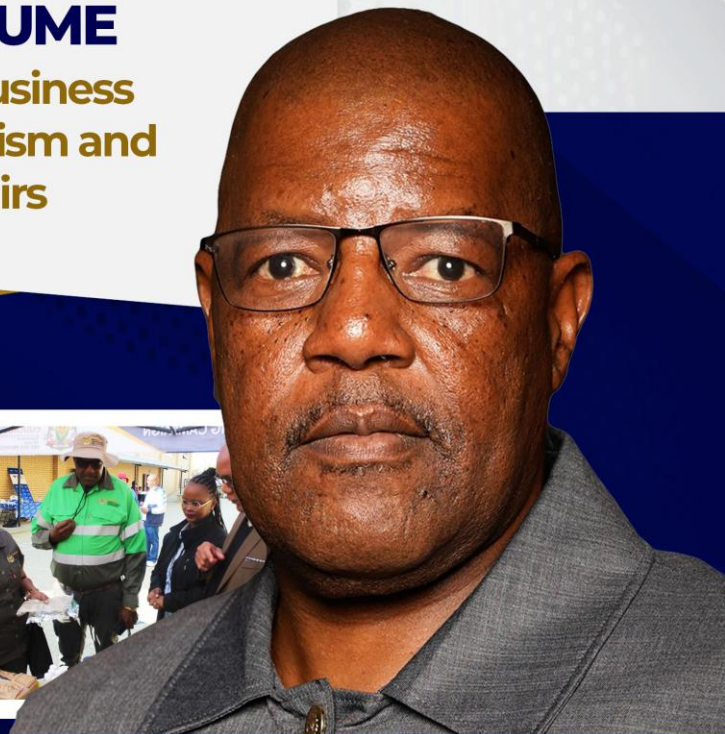
# DEPARTMENTAL **BUDGET VOTES**

**2025**

**VOTE 3**

**HON. M.K MAKUME**

**Economic, Small Business  
Development, Tourism and  
Environmental Affairs**



**FRIDAY, 13 JUNE 2025**



**Fourth Raadsaal,  
Bloemfontein**



**10h00**



**destea**

Department of  
Economic, Small Business Development,  
Tourism and Environmental Affairs  
FREE STATE PROVINCE



**A FREE STATE  
THAT WORKS FOR ALL**



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

**BUDGET VOTE 3**

**HONOURABLE SPEAKER AND DEPUTY SPEAKER**

**HONOURABLE PREMIER MAQUEEN LETSOHA-MATHAE**

**COLLEAGUES IN THE EXECUTIVE COUNCIL**

**HOUSE OF TRADITIONAL LEADERS AND KHOISAN**

**MEMBERS OF THE PROVINCIAL LEGISLATURE**

**ACTING DG AND HEADS OF DEPARTMENTS**

**CHAIRPERSONS OF BOARDS AND CEOs OF PUBLIC ENTITIES**

**ORGANIZED BUSINESS AND CIVIL SOCIETY**

**MEMBERS OF THE MEDIA, VIEWERS AND LISTENERS**

**BOMME LE BONTATE**

Dumelang!

## **1. INTRODUCTION**

**Honourable Speaker**, I stand before this august house today to give account, reflect and most importantly humble myself to the people of the Free State whom in their majority continue to put their future aspirations in the hands of this glorious organisation, the African National Congress.

**‘Tell no lies, and claim no easy victories’**. Allow me to recall the words of one of Africa’s foremost anti-colonial leaders, a great thinker and revolutionary of the 20<sup>th</sup> century—Amilcar Cabral in his analysis of Theory and Practice.

“Always bear in mind that the people are not fighting for ideas but they are fighting to win material advantage, to live better, in peace, to see their lives going forward and to guarantee the future of their children”. These words of wisdom are in line with the



ruling party's political perspective that NO political democracy can survive if the masses of our people remain in poverty, without land and without tangible prospects for a better life.

**Honourable Speaker**, today we are tabling this budget vote at a time when there are global geopolitical tensions that threaten to derail economic growth across many countries. The recent tariff wars are also threatening to annihilate many industries and plunge a lot of people into unemployment and poverty.

The economy of this province has and will continue to remain central to our struggle against historical injustices and present inequalities. This is consistent with one of the priorities in the 7<sup>th</sup> administration: *inclusive growth and job-creation*. To achieve this noble goal, good governance and accountability, as well as building an ethical and capable state, are a prerequisite.

Speaker, our vision for the next five years is to see “***An inclusive, sustainable and growing Free State economy built***”, and we want to achieve this through “***Leading sustainable economic growth and transformation for the benefit of the Free State Province and its citizens, through coordination, integration and mobilization of opportunities, efforts and resources***”.

**Honourable Speaker**, through the actions and commitments we are making today, we envisage a Free State province with a Human Development Index improving to 0.681 (from 0.659) over the next five years, reflecting an economy which is inclusive, and a reduced cost of living. We would also like to see emanating from these actions a GDP growing at an annual rate of at least 1.5% over the same period, which will create more job opportunities.



## 2. HIGHLIGHTS OF THE 2024/25 FINANCIAL YEAR

Honourable Speaker, last year we stood before this house and made commitments to the people of the Free State on how the department was going to work with them to prevent environmental degradation, protect the biodiversity, develop and support micro, small, and medium enterprises (MSMEs), as well as to grow the Free State's tourism market share. Allow me then Speaker, to briefly reflect on the journey travelled since we last tabled our budget before this august house:

**Honourable Speaker**, the prevention of environmental degradation is a key mandate of this department. In the year under review, we initiated the following actions towards the implementation of the Provincial Climate Change Adaption Strategy in collaboration with DFFE and local municipalities:

- Water harvesting in Wepener.
- Removal of alien and invasive species in Rustfontein.
- Cleaning of rivers in Bloemfontein and Harrismith.
- Tree planting in various places.
- Awareness session for learners and communities in various district.
- Capacity building of municipal officials on the climate change act and other aspects of climate change.
- Promotion of renewable energy.
- Development of the Free State Climate Change Information system.

Furthermore, three hundred and thirty two (332) trees were planted in public spaces, such as schools, clinics, crèches and households in Memel and Wepener and a rural school in Wepener was supported with water tanks for them to adapt to the drier and hotter summers that are causing a shortage of water.

**Honourable Speaker**, with regard to Environmental Management, two hundred and eleven (211) environmental awareness activities were conducted during the past



year, including seven hundred and thirty one (**731**) compliance inspections for compliance with environmental legislation.

In addition, four thousand five hundred and one (**4 501**) biodiversity permits have been issued. Last year, we celebrated 30 years of one of our flagship programmes, Enviro-Quiz. The programme started with only six schools participating, and subsequently grew in numbers; currently, we managed to reach 206 schools across the Province.

The department created more than four hundred and forty four (444) job opportunities through environmental programmes during the past year and also assisted participants to contribute to the Unemployment Insurance Fund (UIF), so that they can claim this benefit after the expiry of their contracts.

**Honourable Speaker**, relating to economic and small business development, the department has achieved much in supporting MSMEs through financial and non-financial support programs. We have, during the 2024-25 financial year, spent a total amount of R17 574 424.76 to support 88 MSMEs which included:

- Thirty two (32) Youth supported through NYDA (R1 194 925,61)
- Six (6) Tourism MSME's focus area and (R 1 544 891.80)
- Twenty two (22) Medium and Small Enterprises in different sectors (R 11 444 608,15)
- Two (2) MSME with blended funding through the NEF (R 3 000 000.00)
- Twenty six (26) Tuck-shops in partnership with CCBSA (R 390 000.00)

We worked with development finance institutions (DFIs), which have a presence in the province, to ensure that thirty four (34) MSMEs are provided with financial support worth R 4 194 925.61. The department also assisted one hundred and sixty (160) MSME's, using different platforms, with exposing their products and creating a value proposition for market access i.e. International and national pavilions, Pop-up markets, Expos, Social Media. Amongst others, on an e-commerce platform. The Botshabelo



Digital Hub, which has become a centre of innovation for young entrepreneurs, was supported with R500 000 during 2024/25.

Through the department's support, **Regardless Couture Enterprise** was successfully selected to represent the Free State province amongst five (5) other participants from different provinces. The business was offered an opportunity to participate in the **Sustainable Design Incubator Programme** that aims to grow designer brands, to submitting their designs, and they were subsequently were approved to supply TGF Group through their online store, known as Bash.

Our strategic partnerships with SEDFA, NYDA, NEDBANK, W&R SETA, MERSETA, and FOODBEV SETA has assisted us to capacitate 1246 MSMEs with basic entrepreneurship skills. A MOU was signed on the 28th of September 2025 between DESTEA and NYDA, upon which, an amount of R1 194 925, 61 was transferred to NYDA to support the thirty-two (32) businesses mentioned earlier.

**Honourable Speaker**, business regulation and by-law enforcement is crucial to creating a conducive environment for businesses to thrive. In this respect, the department conducted about two hundred and thirty-nine (239) pro-active inspections and fifty-five (55) awareness sessions on business compliance with various industry standards through its Consumer Protection unit.

The Free State Integrated Business Support, Licensing and Regulation Act, 2 of 2024 regulations have been published for public comments. We aim to promulgate the operation of the Act once the regulations are finalized and gazetted. In the interim, all district municipalities, together with their respective local municipalities and Business Chambers, have been capacitated on the Free State Integrated Business Support, Licensing and Regulation Act.

We have also finalised the development of the Free State Economic Reconstruction and Recovery Plan which will guide our steps in revitalising the Free State economy.



The department will be working closely with the Office of the Premier in ensuring the alignment and implementation of the Recovery Plan with the revised Free State Growth Development and Development Strategy (FSGDS).

We are currently conducting further consultations with Business Chambers, Academic institutions and other sector specific industries such as Tourism and Mining and Agricultural Sectors. In supporting the growth of the Free State economy through industrialization and value chain transformation, we have refurbished a factory in Phuthaditjhaba, QwaQwa to benefit thirty (30) clothing and textile operators, consisting of four cooperatives from the local community.

As part of the on-going efforts towards industrializing the Free State economy, the Maluti-a-Phofung Special Economic Zone concluded lease agreements with four new investors in the 2024/2025 financial year, with a combined investment value estimated at **R403, 4 million**, which will create more than two hundred and twenty-nine (**229**) permanent jobs and one hundred and forty (**140**) temporary jobs at full capacity.

**Honourable Speaker**, the department continued to enhance tourism marketing to position the Free State as a destination of choice. To this end, the department held another successful instalment of the Provincial Tourism Careers Expo (PTCE) was conducted on August 2024 and 500 learners participated in the event.

### 3. THE FREE STATE ECONOMY AT A GLANCE

**Honourable Speaker**, let me take this opportunity to briefly reflect on the current state of Free State province economy so that this can serve as a basis for our proposed interventions through this budget vote.

The Free State's economy grew at an average annual rate of **0.38%** over 10 years from **R 191 billion** in 2013 to **R 342 billion** in 2023. The province contributed **4.87%** to the South Africa GDP of **R 7.02 trillion** in 2023 and achieved an annual growth rate of **0.15% in the same year**, which is lower than the country's growth rate of **0.70%**.



**Honourable Speaker**, during the last quarter of 2024, the Free State working age population stood at **1, 9 million**. Therefore, out of the working age group about **1, 2 million** residents form part of the economically active population (EAP). The recent statistics issued by the Statistics South Africa stated that **750 000** were employed and **457 000** were unemployed.

In Free State, the unemployment rate recorded increases, both quarterly by 1.9 percentage points, from **36.0%** (Q3 of 2024) to **37.9%** Quarter 4, and annually with **0.9%** from **37.0%** to **37.9%** (from quarter 4 of 2023 to Quarter four of 2024). The unemployment rate among the youth between 15 to 24 years of age remain the highest at about **68.2%** in the last quarter of 2024 followed by **46.9%** of the population between the ages 25-34 years. Our province, recorded **882 000** of unemployed people, in Q4 of 2024. This figure represents an increase of **0.4%** year-on-year when comparing Q4 of 2023 with Q4 of 2024.

**Honourable Speaker**, the provincial share of tourist arrivals decreased from **10.5%** in Q1 2024 to **7.1%** in Q3 2024. Total Tourist Foreign Direct Spend (TTFDS) for Q3 2024 amounts to **R0.28bn** as compared to the **R0.56bn** in Q1 2024. Over a ten year period, the number of trips by tourists visiting Free State from other regions in South Africa has increased at an average annual rate of **1.14%** from 2013 (**1.91 million**) to 2023 (**2.14 million**). The international tourists decreased at an average annual growth rate of **-0.07%**; and they constitute **20.90%** of the total number of trips, with domestic tourism representing the balance of **79.10%**.

The exports from the province in 2023 amounts to **R 11.3 billion** and imports to **R 17.2 billion**. Therefore, the total trade within Free State is about **0.72%** of total national trade. The province had a negative trade balance in 2023 to the value of **R 5.85 billion**. Specific geographical areas for Free State's exports and imports for 2023 include Africa, Asia, Central America, Europe, Middle East, and North America. Exports of *food, beverages and tobacco products* to a value of **R3.69 billion**



dominated in 2023, followed by *transport equipment (R2.17 billion)* and *metal products, machinery and household appliances with R1.38 billion*)

Our primary sectors such as Agriculture and Mining recorded an increase in 2023; Agriculture and hunting, recorded an increase of **R238.39 million** in exports in 2023 when comparing to 2022. Mining of metal ores recorded a significant increase in exports worth **R173 million** for the same period. Most of the sub-sectors of manufacturing recorded increases when comparing 2023 with 2022.

#### 4. INCLUSIVE ECONOMIC GROWTH THROUGH PARTNERSHIPS

**Honourable Speaker**, we are committed to supporting enterprises to participate in the Africa Continental Free Trade Agreement (AfCFTA), through a Market Access Incentive; we will assist enterprises with access to markets through market events for local enterprises, in partnership with **the dtic** and other strategic role-players. The department has developed the Free State Trade Portal, which aim is to create market visibility for products made in the Free State; this platform is quite crucial for access to markets as it easily links local enterprises with international markets.

In the last financial year, we established a Cluster Development Programme focusing on the clothing, textile, foot ware and leather (CTFL) sector, and this year we will engage our industry players for their inputs. Through this Programme, we consolidate groups of industries, such as clothing and textiles, cement, steel and chemicals, physically in the same location so that they can benefit from shared services and mutual support.

Building on our Value Chains Transformation Model, we will continue to work with other departments, government entities, municipalities as well as industry to ensure that emerging enterprises participate fully in the value chains of all sectors of in economy. It is for this reason that the provincial government will work hard to secure large companies to invest on our massive industrial properties.



**Honourable Speaker**, we will continue working with various stakeholders, such as W& SETA, FoodBEv SETA, SEDFA, NDA, to support MSMEs in areas such as **Business Regulatory and Compliance** by helping businesses navigate legal and regulatory requirements, including registration, business permits, and tax obligations. We will also continue to empower MSMEs through **Training and Skills Development** through workshops and training sessions on business management, financial literacy, and marketing strategies.

We remain committed to advancing skills development across the province, recognizing the critical role of specialized training in enhancing employability and fostering entrepreneurial readiness within our communities. A key milestone in this initiative is the implementation of a new skills development programme through a partnership between the FDC, UIF, and Department of Employment and Labour aimed at training **6,500** unemployed individuals across the province. This programme will run for **six months** and carry a minimum of **60** credits, equipping participants with industry-relevant expertise, with an investment valued at **R188 million** for the 2025/26 financial year.

During the financial year 2024/2025, a total number of 1906 beneficiaries were trained in various fields, offering different programmes such as assistant chefs, construction and roadworks, environmental practice, and plumbing, totalling to an amount of R38million funded by the UIF over 2 years, symbolizing a significant milestone in our educational journey and our commitment to providing accessible education opportunities. This ongoing programme will provide training in various high-demand fields, including Renewable Energy, Plant Production, and Environmental Practice, Water and Wastewater Reticulation, Digital Transformation, New Venture Creation, System Development, Quality Management Systems.



## 5. JOB CREATION THROUGH SUSTAINABLE MSMEs

**Honourable Speaker**, supporting Micro Small Medium Enterprise (MSMEs) is not solely about growing the economy but about building a future where no one is left behind. Our role as government is to create a conducive environment in supporting MSMEs for inclusive growth and sustainability and to achieve such, the department is addressing barriers like access to finance, skills gaps, and market opportunities.

Honourable Speaker, we commit to reach out to MSMEs through our Outreach Programmes in order to understand their realities and critical issues on the ground. This we will do along with our strategic partners and entities with whom we had already started this journey in the 2024/25 financial year; we already led face-to-face engagement sessions with MSMEs in the three districts and are left with two districts that will be visited early in the current financial year.

For the current financial year, the department has partnered with the National Electronic Media Institute of South Africa (NEMISA), Department of Communications & Digital Technologies, NYDA, Vaal University of Technology E-Skills Co Lab to train 30 youth for four weeks in a cell phone repair program. The trained youth will receive tablets, cell phone repair toolkits and basic entrepreneurship skills development (incl. business registration). This collaboration will be impactful, as it will combine funding with the acquisition of skills to support start-ups.

**Honourable Speaker**, we strongly believe that manufacturing is the cornerstone of economic growth and job-creation. The Free State Economic Reconstruction and Recovery plan points to investment in the manufacturing sector as the necessary tonic for the stubbornly sluggish economic growth in the Free State.



To this end, the department and the FDC is focused on ensuring that our state-owned Industrial Parks become a hive of manufacturing activity. To realize this objective, the department will continue to invest in the refurbishment of factories in Phuthaditjhaba, Thaba 'Nchu, and Botshabelo with a view of retaining the current investors and attracting new ones; the department has set aside about seven million Rand (R 7 million) for this purpose in the current financial year.

Honourable Speaker, access to affordable finance is critical to any businesses, especially those that are in the establishment or growth phases. In this regard, **we will be issuing a call for applications for financial support on the 20th of June 2025, in sectors such as manufacturing, tourism, agro-processing, clothing, textile, footwear, and leather (CTFL), and small scale mining.** An online application platform to manage this process is already in place; this will ensure fairness, transparency, and efficiency, for enterprises to submit their applications. We encourage our MSMEs to be on the lookout for this call via the media and our departmental website, and to apply accordingly.

Working with ProudlySA, we will increase the visibility of Free State-produced commodities through our buy-local campaigns. We will also support small scale and artisanal miners with business planning, environmental compliance, and license applications.

**Honourable Speaker**, public procurement is a key lever for industrialisation, re-industrialisation and raising the aggregate domestic demand. One of the priorities is to stimulate the demand side of the economy as well as the supply side in order to improve the pace of economic recovery. In this regard, the department will work with Provincial Treasury to identify the **top 20 most procured/consumed commodities** by provincial government, for targeting for local production and sourcing. This will be one of the ways of stimulating and supporting the manufacturing sector in the province.



The department will investigate the reasons behind a large number of commercial properties standing vacant in Bloemfontein, and through feasibility analysis attempt to revitalize the business centre of the City, simultaneously bring MSME's closer to their target markets. We will also take a leading role in actively advising public sector on matters relating to capital formation, innovation and technology, and economic infrastructure.

## 6. TRADE, INVESTMENT AND INDUSTRIALIZATION

**Honorable Speaker**, the FDC continues to explore meaningful and mutually beneficial partnerships with the private sector to fulfil its mandate. It will double the efforts to attract private investors to utilize their capabilities and resources to improve its aging infrastructure, attract more investments into the province, and create much-needed jobs. In Thaba 'Nchu, the entity has recently concluded partnership with a property development company to redevelop and manage the Ratlou Shopping Centre.

This partnership has seen a commitment of **R193million** for the redevelopment of the center over 24 months, with **400** jobs to be created during the construction phase and local businesses benefiting from the project. This project is expected to start in the first quarter of 2025/26 financial year. Once concluded, the facility will improve the shopping experience to the local community and expedite service delivery processes, by housing various government departments and entities.

The FDC Property Portfolio remains a key vehicle sustaining the entity's long-term viability. There are a number of FDC clients who are not meeting their monthly financial obligations and such conduct undermines this situation. To this end, I have instructed the FDC to spare no effort in recouping all outstanding debts, which runs into millions from defaulting clients.



**Honourable Speaker**, as part of its contribution towards the government's programme of security of tenure, to ensure home ownership, the FDC will work together with municipalities in Mangaung and Dihlabeng to issue title deeds to qualifying **1,882** beneficiaries of government-subsidised homes.

**Honourable Speaker**, the Maluti a Phofung Special Economic Zone (MAPSEZ) remains a catalytic and viable approach for economic growth and the acceleration of job creation through manufacturing and commercial activities that are promoted and conducted on preferential taxation terms, supported by good infrastructure development.

The respective entity has executed and completed their projects in during the 2024: upgrading three 11KV existing substations for a value amount of **R900 000**, Installation of 11KV electrical Mini sub at gate 1 for a total amount of **R821 000**.

The MAPSEZ has installed CCTV cameras at the Greenland substation and monitoring control room which amounted to **R500 000**, repaired all the damaged panels on the perimeter fence and razor wire at all hot spot areas for **R500 000**. The entity further contracted a cleaning company to address illegal dumping within the zone and **R500 000** will be allocated for the current financial year. The planned refurbishment of factory No 10, to accommodate NNTA Rabbit Abattoir (Pty) Ltd, is estimated to amount to **R600 000**.

The entity will also implement intensive refurbishments of factory No 26 to accommodate Clan Leslie (Pty) Ltd, estimated at **R622 000**, renovation and refurbishment of factory No 22 to accommodate Rovno Sauce, at an estimated cost of **R419 000**. Upgrading of electrical infrastructure and maintenance of streetlights within the Zone will amount to **R850 000**, MAPSEZ roads maintenance to restore and



improve deteriorated roads is estimated to amount to **R472 000**, and investment promotion through branding of the park to **R674 000**.

In line with the requirements of the SEZ Act, MAPSEZ has finalised and submitted a 2025-26 Corporate Plan to the DTIC Minister. Currently, the entity has an investment pipeline of **16** investors with an estimated total investment value of **R 3.26 billion** and is expected to create approximately **1 243** jobs during the 2025/2026 MTEF period.

An additional investor, Walk of Life (Pty) Ltd (fruit packing and apple concentrate manufacturing facility) intends to construct a **7200m<sup>2</sup>** factory on site 108 in the agro-processing precinct, utilising their own capital and Clan Leslie Estates (Pty) Ltd (fruit packing facility) will work with Walk of Life in relation to supply of apples for further processing.

In efforts to provide more opportunities for MSMEs within SEZ, Rovno Sauce will be operating a sauce-producing plant as part of the MAPSEZ's new MSME block, built specifically for small enterprises. The entity will be upgrading the electrical infrastructure, improving water reticulation within the zone, and refurbishing factories for investors' occupation, as highlighted earlier, as part of its capital projects from the current year's allocated budget.

The entity will continue with security enhancement project in the zone to combat vandalism, protect investors and employees in the park as well as ensuring compliance with the requirement of South African Revenue services for handling of bonded goods. The entity will also work with the DBSA to implement infrastructure projects in the park. A total of **R32, 4 million** allocated for investment in infrastructure development over the 2025/26 MTEF period.

**Honourable Speaker**, we will continue with activating pledges and partnerships from the 2024 Investment Conference 2024. This approach will be augmented with a continued investment drive in the local alternative energy sector, as well as skills



development in the alternative energy labour market. The department will endeavour to unblock funding, regulatory, municipal challenges inhibiting investment and implementation progress.

Building on the success of the 2nd Investment Conference, we will employ an investment attraction anchored on the five pillars in order to attract and promote more investment in the Free State:

- **Showcase Success Stories:** Highlight the achievements of current projects, through press releases, and social media campaigns. Demonstrating tangible results and positive community impact can attract more investors.
- **Investor Relations:** Establish and maintain strong relationships with existing and potential investors.
- **Public-Private Partnerships:** Pursue and foster collaborations between the government and private sector.
- **Red tape reduction:** Continue to provide robust support services to assist investors in navigating regulatory requirements and accessing local resources.
- **Marketing and Branding:** Develop a strong marketing campaign to promote the Free State as a prime location for renewable energy investments.

Investor engagements are underway for the preparations for the 3rd Free State Investment Conference. The event has become our cornerstone of our efforts to attract investment and foster partnerships that unlock immense potential for our region. This year the conference will place a deliberate focus on the Tourism sector. Through targeted investor engagements, we aim to highlight the unique opportunities within Tourism in the Free State.

As a province, we will actively participate and support the critical and catalytic developments such as Vaal River City Region Development, which will closely integrate with our industrialization and cluster development programmes. It will also guide housing, road, school and health facility development in the involved areas of the province.



We will actively pursue the development of the Karoo Corridor, which will include the Xhariep Lake Development Initiative Based on the Spatial Development Framework of the province. This initiative will closely link to our Tourism vision of the Free State is not a Province to go through, but a Province to go to. Flowing from this, a logical spin-off of this development will be targeted support to small business development, which will include tourism guides, adrenalin activity providers, accommodation and restaurants.

## 7. BUSINESS REGULATION, AND CONSUMER PROTECTION

**Honourable Speaker**, the Free State Consumer Affairs Court is an instrument intended to alleviate challenges that consumers experience when they have complaints that are not resolved by businesses, because the majority of consumers could not afford to litigate where their rights are infringed.

The Consumer Affairs directorate will continue investigating reported cases and conclude them within a 90-day period, and further encourage mediation before the matter is referred to Court.

The Department, through the Free State Integrated Business Licencing and Regulations Act No: 2, 2024, proposed changes, which address key areas for safeguarding local business interests and restoring safety and health standards in township businesses. The Act is essential to support local economies and sustain community growth. This ensures that production, sales and profits remain within local borders, directly benefiting South Africans and promoting local job creation. The Consumer Affairs, together with other stakeholder will intensify the inspections around the Free State to ensure the safety of the Free State people.

Since the directive by the President of business Registration, we have received about 11 800 applications across all districts, and 5 299 of these are from foreign nationals. Illegal activities driven by foreign syndicates have threatened township spaza shops, flooding markets with counterfeit goods. The Free State Integrated Business Licencing



and Regulations Act No: 2, 2024 propose stringent penalties, including hefty fines, imprisonment and immediate shutdowns of illegal shops.

Our communities deserve businesses that are safe and legal. With relevant stakeholders, Department of Economic Development and Tourism will not allow criminal syndicates to exploit our townships any longer.

To protect consumers, especially children against food borne illness, the Department encourages formal registration for spaza shops, with mandatory health checks. Registered businesses must meet strict standards, ensuring our children are safe and that our communities are protected.

To support this sector, the Department of Small Business Development together with the Department of Trade, Industry and Competition, launched **a R500m Spaza Shop Support Fund in April 2025**, whose purpose it is to provide financial support to registered South African-owned convenience and spaza shops.

This funding will be used towards upgrading and purchase of productive equipment. I encourage South African tuck-shop owners to grab this opportunity and apply in numbers and the department stands ready to assist with applications.

The department will work closely with our sister department to ensure that Free State-based MSMEs benefit from this incentive. The department is also setting aside eight million Rand (R8 000 000) to assist Free State spaza shops with stock, refurbishment, and equipment (*all details will be on the application platform referred to earlier*).

## 8. THE FREE STATE AS TOURISM DESTINATION OF CHOICE



**Honourable Speaker,** our vision for tourism in the province is tourism spending increasing from 7.09% to 10% of GDP over the next five years. To achieve this goal, we have concluded the Tourism Sector Strategy 2020-2030, which identifies key areas to grow the tourism sector:

- Collaborations
- Product development
- Skills development
- Security

**Honorable Speaker,** consistent with our vision of bringing new products to the market, the Department of Tourism has assisted the province to upskill **15** new entrants who are undergoing Nature and Culture Guiding training in preparation for the launch of the Dinosaur Interpretative Centre situated at the Golden Gate Highlands Park. This is one of the new tourism products that adds to the already existing wealth of products in the region. These Tourist Guides will be able to generate their own income by providing tours to both international and domestic tourists.

As part of creating job opportunities, an advert has been issued for the training of new entrants to the Vredefort Dome Interpretative Centre, and these Tourist Guides will also be upskilled in Nature and Culture Guiding.

We will continue having regular stakeholder engagement sessions to ensure that programmes such as the Provincial Tourism Careers Expo (PTCE), Tourism Service Excellence Champion Awards, WTM, Tourism Month activities, Summer Campaign, Provincial Tourism Indaba become a success. These remains the departmental flagship programmes as they have shown to be major drawcards from visitors within and outside the province.

#### **Maloti Drakensberg Transfrontier Programme (MDTP)**



We will continue with collaborative work together with the KZN, Eastern Cape and the Kingdom of Lesotho because we have an important programme that assists in developing linkages with neighbouring destinations and collaborating on product packaging that will allow for product diversification of tourism offerings and also strengthen stakeholder relationship.

### **Lake !Xhariep Initiative**

The vision of the Lake! Xhariep initiative aims to establish a tri-provincial project (cross boundary), unlocking the vast conservation, tourism and investment potential of the Gariep area. We have developed a Terms of Reference (TOR), outlining the scope of work as well as roles and responsibilities of all stakeholders involved. This initiative has great tourism growth potential and the department will be participating fully.

### **Market Access**

The department will assist tourism MSMEs to engage and access tourism buyers in various markets, using various platforms. Currently, Free State Tourism enterprises benefit from platforms such the Africa Indaba, Meetings Africa, World Tourism Market (WTM) South African Township and Village Tourism Organization (SATOVITO) and NAMPO etc.

### **Niche Development Potential**

As per the Free State Tourism Sector Strategy, we have identified niche development areas such as Health and Wellness, Sports, Agri-tourism, Dark Tourism, Glamping, Culinary Tourism, and Adventure. These areas are of utmost importance as the consumption of tourism activities has moved away from mass tourism to special interest tourism activities. Therefore, we need to move with market trends to ensure readiness when support is needed for tourism enterprises venturing into these spaces.

The promotion of rural tourism has a potential to assist in preserving our heritage. In this regard, I have already met with Morena e Moholo Montoeli Mota to explore areas of collaboration in making the awarding-winning Witsieshoek Mountain Lodge to be a destination of choice. Equally, I have also met with Morena e Moholo Moremoholo



Mopeli on improvement that should be done around the precinct where the statue of Morena Paulos Mopeli was erected; this area holds the history of Bakoena ba Mopeli and must be preserved for posterity.

Our rallying motto: ***Free State in a place to go to, not to go through*** encourages visitors to spend more time in the Free State to explore the natural beauty of the province. Consistent with this motto, the department has already started refurbishing its Resorts and Reserves.

We aim for each resort to have a star grading and we have prioritized the following resorts for this intervention: Sterkfontein, Maria Moroka, Sandveld, Koppies Dam, Phillip Sanders, Tussen die Riviere, and Gariep Dam. We are committed to improving the visitor experience at these facilities.

## 9. ENVIRONMENTAL PROTECTION AND CONSERVATION OF BIODIVERSITY

**Honourable Speaker**, the Constitution of the Republic of South Africa confirms everyone's right to an environment that is not harmful to their health or wellbeing. This must be achieved through legislative measures that prevent pollution and ecological degradation as well as to promote conservation.

**Speaker**, we are worried about the increasing non-compliance with the National Environmental Management Act No. 107 of 1998. In this regard, the department will increase its efforts in preventing environmental degradation. To this end, the department will strengthen its enforcement efforts and capacity to prevent environmental degradation and pollution. The department will also start the process in the current financial year to develop the provincial State of the Environment (SOE)



report which then then guide the department of areas for intervention in the medium to long term.

Climate change and its impact has become an unpleasant reality for many communities. Interventions to promote the use of renewable energy sources in the Free State will continue to be prioritized. In this regard, we will continue to work with both private and public sector to increase investments in renewable energy developments and other energy efficiency interventions.

We will continue to with our partnership with National Cleaner Production Centre to assess the high-energy consumption factories on energy efficiency and make recommendations on required interventions to reduce the consumption.

The department will also continue working with various stakeholders to implement actions identified in the Free State Climate Change Adaptation and Implementation Strategy as well as to develop the Climate Change Information System in partnership with Department of Forestry, Fisheries, and the Environment (DFFE).

The Executive Council has taken a resolution for the province to actively implement the National Greening Strategy of 2006. To this end, the province has developed a framework for the implementation of the Free State 1 Million Tree Programme with a target of planting about 20 000 trees in the first year. This programme will contribute towards mitigating the harmful effects of climate change, contribute towards household food security when trees are integrated into food gardens or orchards are established.

Trees and forests provide many other benefits such as storm water control, minimizing soil and wind erosion, windbreaks during stormy weather and promotion of biodiversity and provision of recreational facilities when integrated into other landscapes such as



parks for communities. We will also use this initiative to ensure that open community / public spaces are transformed into green eco-friendly zones.

**Honourable Speaker**, it is concerning that none of the landfill sites in the province are complying with their license conditions. The office of the Auditor General South Africa (AGSA) has raised three material irregularity findings in Ngwathe, Metsimaholo, and Mangaung Metropolitan Municipalities related to non-compliant landfill sites. In this respect, the department will increase its support to municipalities' function through the Waste Management Forum. The department will work closer with the National Prosecutions Authority (NPA) to make sure that parties that transgress the National Environmental Management Act are brought to book.

Part of the solution to the problem of waste is to promote initiatives such as 'reduce, recycle, and reuse.' In this respect, we will be working with municipalities' to promote Waste Separation at Source programmes as well as to support recycling enterprises with both financially and non-financially.

We have noticed increased cases of sewer spillages into the environment. We will work with municipalities and the Department of Water and Sanitation, as well as other relevant stakeholders, to ensure that these spillages are halted.

We will continue with our Capacity-Building Programme for Waste Separation from source in schools by increasing the number of schools participating in Eco-Schools programme. We will also continue with the Enviro-quiz School Competition as part of our efforts of ensuring that learners have environmental sustainability awareness.

South Africa is currently holding the G20 Presidency and is hosting the G20 Summit in November 2025. The Free State hosted the G20 Initiative on Bio Economy (GIB)



meeting as part of the consultations leading up to the summit. Bio Economy is defined as the use of renewable biological resources to produce food, energy and industrial goods, which supports sustainability.

Biodiversity conservation is a key criterion in the aspirational principles and criteria for a sustainable bio economy. It is thus imperative that biodiversity protection and conservation be prioritized, and in this regard, we shall continue with our efforts of protecting our flora and fauna, and will strengthen measures to prevent illicit trade in protected species.

We will also support biodiversity economy initiatives focusing on value addition to flora and fauna products; these initiative will include donating game to emerging game farmers, support of traditional healers and herbalists with responsible use of flora. Monitoring the carrying capacity of each protected areas is important for optimal management of fauna and flora species. We will continue with implementing game auctions (for both carcass and live game packages) as a tool for both conservation management and revenue generation.

The Peoples and Parks programme has ensured that people living near protected areas are able to benefit from such facilities. In May this year, we will co-host the induction programme of the new Free State Peoples and Parks executive committee with DFFE at Sandveld Nature Reserve.

We will create more EPWP job opportunities through the Clearing of Invasive Alien Species Initiative as part of biodiversity management in our Protected Areas, and through cleaning and greening our towns interventions. This is with the aim of promoting clean environment, conservation, and poverty alleviation by promoting sustainable environment practices. Furthermore, DESTEA will continue to intervene



within municipalities in Climate Change and Environmental compliance matters in striving for sustainable development.

## 10. BUILDING A CAPABLE, ETHICAL, AND DEVELOPMENTAL ORGANIZATION

**Honourable Speaker**, in order to improve the departmental efficiency resulting from the planned migration of the Environmental Affairs function to the Department of Agriculture and Rural Development; and to respond to budget challenges broadly faced by the Public Service, we are going to amend our Organisational Structure so that it speaks more directly to efficiency, effectiveness and service delivery.

**Honourable Speaker**, the department is on a mission to improve business processes through its Modernization Plan. This will allow the department to deploy various IT solutions to improve its business processes. The department is currently engaging the State Information Technology Agency (SITA) to develop platforms for Business registration (for municipalities and COGTA) and Liquor Licence regulation for the department and the FSGLTA. These solutions will assist the department in serving its clients expeditiously.

**Honourable Speaker**, we are proud to indicate that the department has improved its audit outcome to Unqualified, and furthermore two out of our three entities have received improved audit outcomes during the last audit. The department received two consecutive unqualified audit with findings opinions from AGSA; we are working hard to achieve an unqualified audit with no findings opinion in the current audit cycle.

Service delivery cannot improve unless we insist on good governance! To this end, the department instructed all SMS members and SCM officials to undergo vetting by State Security Agency; this process is on-going. We are also in process of conducting



skills audits within the department, which will assist us to effectively adjust our organizational structure to be responsive to our dynamic operational environment.

The department has fully complied with financial disclosure processes in 2024, and we are glad to say, that after our lifestyle reviews, there was no need identified to continue with any lifestyle audits in the department.

## **11. CONCLUSION**

Let me conclude by thanking the Honorable Premier for her continued support and guidance. Equally, I would like thank my colleagues in the Executive Council for the support and cooperation.

Let me also thank the officials in the department and our public entities for always going an extra mile to ensure that the mandate of the department is achieved.

I owe my gratitude to my political home, the ANC for entrusting me with the privilege of contributing to our vision of serving the people of the Free State with dignity they deserve.

My utmost gratitude is reserved for my family for their continued support and sacrifice particularly during those long periods of absence from home when I am taken away, sometimes days on end, to execute the responsibilities vested on me.

*Honourable Speaker*, I now table before this house, the 2025/2026 budget allocation to the department of **Seven hundred and five million, six hundred and forty one thousand Rand (R705 641 000)** distributed across the department's programmes as follows:

Programme	Budget (R'000)
Programme 1: Administration	189 717
Programme 2: Environmental Affairs and Conservation	152 397
Programme 3: Economic and Small Business Development	255 505
- DESTEA	
- FDC	105 750
- MAPSEZ	6 000
- FSGLTA	40 000
	103 755
Programme 4: Tourism	108 022
Total allocation for 2025/2026 FY	705 641

I Thank You.