

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

**BUDGET VOTE 3**

**19 MARCH 2021**

Honourable Speaker of the Free State Provincial Legislature

The Honourable Premier

Colleagues in EXCO and Legislature

House of Traditional Leaders

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

Officials of the Free State DESTEA, Entities and other Sister Departments

Distinguished Guests

**Madam Speaker**, it has been almost twenty-three months when we first stood before this august house and committed ourselves to a “***fight that needs a new breed of economic warriors and battalions of Radical Economic Transformation***”. Our commitment then, which is still our commitment even now, was to ensure that our programme of action would consolidate the support for small business and cooperatives, especially those owned by women and youth. We are still committed to building climate change-resilient communities in order to grow and sustain township and rural economy, tourism as well as preservation of our natural environment.

What we could not foresee, however, was that 2020 would not be like other years in the recent history of mankind. Our lives and plans, individually and collectively were turned on their heads when on the 5<sup>th</sup> of March 2020, the first case of what we now know as Covid-19 was confirmed. Since then various measures have been put in place to curb the spread of infections. These measures include the declaration of National State of Disaster, which was followed by national lockdown on the 23<sup>rd</sup> of March 2020. These measures meant that people movement was severely restricted and the economy was, for all intents and purposes, shut down.

**Honourable members**, the impact of the lockdown brought all sectors of the economy, save for agriculture, to their knees. The government had to respond to the devastation to be expected by coming up with programmes to provide balance between livelihoods and lives. This balancing act required creative maneuvering following the treasury's reprioritization of the allocations. The lockdown revealed serious fault lines in the structure of our economy. Many businesses, particularly small and rural businesses, were facing total demise requiring government to act decisively if these enterprises were to be saved in order to avoid job losses. Today we look back and say, yesterday was indeed worse than today and tomorrow will surely be better than today.

**Speaker** our optimism emanate from the observations and lessons learned in the recent past. As we provide the report of how we navigated through the unprecedented challenges presented by the pandemic and the plans we put in place for the year ahead, our focus will be firmly on the four priorities. These are;

- Our commitment to defeat the coronavirus pandemic.
- Acceleration of economic reconstruction and recovery.
- Improving the capacity of the state.
- Fighting crime and corruption.
- Mitigating the effects of climate change

## **PROVINCIAL ECONOMIC OUTLOOK**

**Honourable Speaker**, our programme of action is aimed at addressing the stubborn triple challenges of unemployment, poverty and inequality. Covid-19 pandemic had a negative impact on our efforts to improve the lives of our people. Despite all these challenges, there is a slight glimmer of hope on which we have to build a momentum of economic reconstruction recovery.

In the fourth quarter of 2020, the Free State's working age population stood at 1.92 million. This represents an increase of 0.4% from the fourth quarter of 2019; with 745 000

employed persons and 374 000 unemployed persons, the province's labour force for the fourth quarter was recorded at approximately 1.12 million. Of the working age population, 798 000 were characterized as not economically active while 80 000 were described as discourage work-seekers. The province's official unemployment rate for Q4:2020 was 33.4%, this is a decrease of 2.1 percentage points quarter-to-quarter and a decrease of 1.6 percentage points year-on-year.

However, youth unemployment remains higher than unemployment for the older population. The official unemployment rate for the youth population aged between 15 and 34 stood at 48.2% in Q4:2020. This figure was 0.8 of percentage point higher than in Q3:2020. The official unemployment rate for the population aged between 35 and 64 was recorded at 22.6% in Q4:2020; 3.3 percentage points lower than in Q3:2020.

The percentage of people living in poverty has decreased from 63.92% in 2009 to 60.21% in 2019, which indicates a decrease of 3.69 percentage points. The population group with the highest percentage of people living in poverty was the African population group with a total of 67.8% people living in poverty. The proportion of the African population group living in poverty decreased by 4.5 percentage points, as seen by the change from 72.3% in 2009 to 67.8% in 2019. We believe that this is an indication of good things to come.

Available statistics indicate that, the Free State's Gross Domestic Product (GDP) increased at an annualized rate of 72.9% in the third quarter of 2020, largely as a result of the easing of COVID-19 lockdown restrictions. The Province has not recorded positive GDP growth since the second quarter of 2019. The largest contributors to positive GDP growth in Q3:2020 were the mining, manufacturing and trade industries. The mining industry increased at a rate of 293.1%, contributing 32.9% to Free State GDP growth; the manufacturing industry increased at a rate of 215.8%, contributing 20.8% to growth; and the trade industry increased at a rate of 136.5%, contributing 21.8% to provincial GDP growth.

The provincial economy is expected to grow by 3% between 2020 and 2021. This projected growth is expected to be driven by growth in the mining, utilities, trade and transport industries. Growth in the mining industry is forecast at 7%, utilities at 9% while trade and transport are each estimated to grow by 4%.

Total trade within Free State is about 0.53% of total national trade. Free State Province had a positive trade balance in 2019 to the value of R 2.73 billion. The merchandise export from Free State Province amounts to R 8.2 billion and as a percentage of total national exports constitutes about 0.63%. The exports from Free State Province constitute 3.26% of total Free State Province's GDP. In terms of regions, the province mostly exports to Africa (86%), Asia (3%), Europe (2%) and North America (2%). Merchandise imports of R 5.47 billion constitute about 0.43% of the national imports. Regionally, the province receives imports mostly from Asia (34%), Africa (30%), Europe (23%) and North America (6%).

## **ACCELERATING ECONOMIC RECOVERY**

**Honorable Speaker**, there is no arguing that the onset of Covid-19 accentuated poverty, inequality and unemployment in our country. Our economic reconstruction and recovery plan, should unapologetically address the tight grip that the monopolies have on the economy. We have to create and support our own economy in order to expedite real economic recovery that will benefit the majority in this province. To do that, we need to cease being rule takers of the white monopoly capital but be rule creators. Our task is to develop new skills and resources to enable us to coordinate the private sector activity and aligning it with the public sector to identify new opportunities for businesses owned by blacks, particularly women and young people. This is the only way to respond to the economic calamity brought upon us by the pandemic.

## **Towards a value chains economic transformation approach**

**Honorable Members**, in response to the call for accelerated economic recovery in our province, we have developed a Value Chains Economic Transformation Approach, which seeks to bring together all stakeholders to regulate and develop value chains in strategic sectors of the economy.

As part of sharpening this approach for implementation, and as a precursor to the development of an Economic Recovery Plan, we are developing Master Plans for specific sectors of the Free State economy.

To this end, work has already started in the development of the Master Plans for the following economic sectors;

- Agro-processing;
- Communications and Digital Economy;
- Clothing, Textiles, Leather and Footwear;
- Automotive;
- Biodiversity economy;
- Financial Services;
- Steel and Metals;
- Mining and Mineral Beneficiation;
- Chemicals, Energy and Green Industries; and
- Land and Property Development.

It is anticipated that these Master Plans will be completed by July 2021. The strategies contained in the Master Plans, which would have also been canvassed with the industry, shall be a necessary input for the Provincial Economic Recovery Plan, which we plan to roll out during the 2021/22 financial year.

## **Localization and Industrialization**

**Speaker**, experience from developed and developing economies has shown that public procurement is a key lever for economic growth, development, industrialization and raising aggregate domestic demand. Our industrialization programme is focused at Maluti-a-Phofung Special Economic Zone (MAPSEZ), Phuthaditjhaba, Thaba 'Nchu, and Botshabelo industrial areas. A pipeline of lucrative local and international investments have been secured by MAPSEZ to the tune of R2.3 billion to date. Five of these investors with investment to the value of **R1.1 billion** have started operating within the SEZ. In total, these investors will create **466** permanent and temporary work opportunities once they are all fully operational. To date, the operational investors have created **103 jobs**.

As announced in the past, work is underway to upgrade Botshabelo and Phuthaditjhaba Industrial parks in order to attract new investors. These parks are an important source of employment to the people of the Free State. To date seventeen thousand six hundred (17600) permanent jobs have been created in these areas.

We will continue to put emphasis on industrialization as a key ingredient towards economic growth, recovery and transformation. Through industrialization, we will unlock productive potential of our province's productive assets for massive localized employment. Working with the FDC, we will this year establish an **Industrialization Support Incentive** for our current and prospective industrialists in the province with a particular focus on manufacturing. This allocation will be intended to assist the Industrial Parks in the radical implementation of our industrialization drive as well as to attract the much needed investments by providing rental and operational cost subsidies. The Industrialization Support Incentive will be divided into three categories, namely:

- **Established Manufacturer's Incentive:** To provide support to established manufacturing enterprises with critical financial intervention in order to ensure sustainability of operations

- **Emerging Manufacturers' Incentive (EMI):** To provide enterprises in priority sectors at the incubation or start up stage, who are in manufacturing and industrialization, with factory space, equipment and grants to support business operations.
- **Informal Manufacturers' Incentive (IMI):** To provide informal/unregistered manufacturers with raw material, machinery, factory space, equipment and grants to support manufacturing and industrialization operations.

An amount of **R10.112 million** will be set aside for this purpose over the MTEF. We will in due course, working together with our entities, announce further details on how this incentive will operate.

## **Public Procurement**

**Honorable members**, as part of our Value Chains Economic Transformation Approach, we shall be working with all sector Departments, Entities and Municipalities, to ensure that portions of their Goods and Services Budget is dedicated towards procurement from local businesses owned by Blacks, women, youth and persons with disabilities.

To this end, we have developed the Provincial Procurement Framework whose purpose is to provide guidance on how this is to be executed within the existing legal prescripts. The intention of this framework is to integrate SMMEs into state procurement through linkages to various provincial governments spend. The commodities that are targeted in the first phase of the programme are those utilised in the infrastructure sector (such as bricks and related cement material, roof trusses, paint, furniture), linen, school nutrition, among others. The value chain transformation will be evident in that our SMMEs, particularly youth and women, will play a key role in production of these as well as logistical aspects such as transport and packaging of these produce to where they are required to be used.

**Speaker**, experience from developed and developing economies has shown that public procurement is a key lever for economic growth, development, industrialization and raising aggregate domestic demand. We shall ensure that our attempts to transform the

economy are biased to the historically disadvantaged communities. We shall join hands with all stakeholders to ensure that we achieve radical socio-economic transformation, to ensure that the management and control of the economy benefits the people of the Free State as a whole, the majority of whom are African and female.

### **Enterprise Support**

The Free State economy, much like the South African economy, is characterized by structural flaws which derail growth, development and transformation. The Covid-19 pandemic sharply exposed these fundamental structural flaws. It is evident that the SMME sector became the biggest victim of the effects of Covid-19. Many of our survivalist enterprises who, unlike big and established business, do not have ready access to finance capital and savings, were hit very hard by the effects of the pandemic

In order to save these small businesses which are mostly in our townships and rural areas, the department established the Provincial Covid-19 Relief Task Team consisting of DESTEA, Provincial Treasury, SALGA, and Chambers of Commerce to ensure that Free State enterprises also get the opportunity to apply for incentives announced by national departments. In addition to this, these enterprises, were invited to apply for Provincial Economic Recovery Incentives which we announced on the 17<sup>th</sup> June 2020. On closure of the application window, 2 171 complete applications had been received. Through an open, transparent and fair process all received applications went through a screening process by a panel of selected adjudicators. Of these, 1 215 enterprises have so far been approved and 750 formal businesses and informal businesses have thus far been given a life line to the total value of R71 million.

Some of the challenges our enterprises encountered when applying for incentives from national departments pointed to a lack of collaboration among business formations in the Free State. We call upon these bodies to work hard at honing the technical and bargaining skills if we are to win the battle against the invasion of the informal settlements and township by big business which throttles and chokes township business.



**Honourable Members**, one of the contributing factors for low success rate for funding applications by Free State enterprises is low compliance to business rules and regulations. Most of our businesses do not register for tax with the South African Revenue Services, and they do not register their employees with department of labour for UIF. To remedy the situation we plan to run a campaign to help our businesses to improve compliance during the 2021/22 financial year.

**Speaker**, the need of our SMMEs to improve their business astronomically is overshadowed by the miniscule budget allocation for this critical intervention. With our diminished allocation, we have a budget of **R17,779m** for enterprise support in the 2021/22 financial year. We shall therefore only afford to offer non-financial support to SMMEs in the upcoming year. Very few enterprises will access our financial support due to these extreme budgets cuts to our department.

### **Access to Markets**

**Honourable Members**, lack of markets for SMME is the second biggest challenge after difficulty in accessing funding. The high rate of collapse of SMME in the first 12 to 18 months of their existence can be attributed to the difficulty to attract business or to participate in the mainstream economy. As part of our enterprise support programme, and the contribution to economic recovery in order to save jobs and create new ones, we put together a unique Market Access Assistance Programme in conjunction with the FDC, through which enterprises supported by the department are provided advertising space in local and national media to improve their profiles and chances to secure business or clients. To date, 55 businesses supported by the department were given a life time opportunity to sell their services and products on Lesedi FM, Radio 2000, ten community radio stations and on social media platforms. Collectively, these enterprises reached **1 751 000** potential clients.

### **Retail Initiatives**

**Speaker**, we are continuing with the revitalization of the township economy as the centerpiece of our Enterprise Support Programme aimed at ensuring that local economy remains in the hands of local entrepreneurs. In November 2020 we announced the

partnership between DESTEA, Pick n Pay and ABSA to establish an exciting Pick n Pay Market Stores in our townships. This concept combines the support of Pick n Pay's supply chain with the store owner's discretion to procure certain locally produced items directly from their own suppliers. Applicants should be entrepreneurs with identifiable track record and should demonstrate willingness to contribute their skills, time and money into this business.

Similarly, following a careful study of retail patterns in the township, we have developed a Distribution and Wholesale Programme. This initiative is meant to provide bulk buying support through distribution and wholesale for informal businesses in the townships. This exciting distribution and wholesale opportunity is meant for local wholesalers and distributors that are made up of committed and dedicated people who are currently running a wholesale or a distributor looking to upscale or those running a successful organized business for over 3 years or Stokvels with credible business, organizational and financial acumen.

### **Skills and Career Development**

**Honourable members**, our commitment to create our own economy is intended to ensure that young people in our province are the center piece of our inclusive economic growth. We do not believe that we can grow the economy with the generation of job seekers. To this end, together with Standard Bank we introduced the Yes4Youth programme which is meant, not only to provide the unemployed youth with work experience, but also to introduce them to the world of business and all its intricacies in order to inculcate the spirit of entrepreneurship. Working with 35 SMMEs that benefited from DESTEA's Enterprise support programme, sixty (60) young people with skills in electronics, accounting, business management, economics, food and waste sectors among others, have been placed in these businesses as part of our business skills and career development programme.

## **Stokvel Support**

**Honorable members**, stokvels contribute to the township economy and community development, among others, by creating socio-cultural cohesion as well as creating opportunities for microbusinesses. Their massive buying power remains untapped and lately it is being exploited by big business with owners of the capital having no say in the way their money is spent or invested.

To address this, we have introduced the Stokvel Support programme in an effort to ensure that these stokvels become players in the mainstream economy as we create our own economy. The focus of the programme is to improve stokvel administration, financial literacy and cultivate investment culture.

In the next financial year we will finalize and implement the Stokvel Master plan which among others, will train stokvel members in Sales Management; Cooperative Principles; Bookkeeping; Market Readiness; Human Resource Management; Conflict Management and Brand development

## **Economic Reforms to create sustainable jobs and drive inclusive growth**

**Speaker**, we shall ensure that our attempts to transform the economy are biased to the historically disadvantaged communities. We shall join hands with all stakeholders to ensure that we achieve radical socio-economic transformation, to ensure that the management and control of the economy benefits the people of the Free State as a whole, the majority of whom are African and female.

The interventions we are introducing are aimed at saving existing jobs, as well as create new ones. We must admit that our budget will never be enough to enable us to fully execute our economic recovery programme but we commit to introduce an integrated approach working with willing spheres of government to realize this objective.

The Free State Gambling, Liquor, and Tourism Authority (FSGLTA) will explore the licensing of a Bingo Operator as a new mode of gambling License. The current FSGLTA amendment bill before legislature include a provision for electronic bingo operation. The Authority will also explore the feasibility of rolling out the Fourth casino license in the province.

## **Consumer Education and Protection**

**Honourable members**, during 2020 we saw an increasing number of contravention of section 110 of Consumer Act 68 of 2008. Taking advantage of our people during the lockdown, many businesses would unduly hike their prices, sell expired and illicit goods. In the fight against this working together with other law enforcement agencies we conducted seven hundred and twenty (720) inspections in ninety two (92) businesses and residential areas throughout the Free State. During these operations, 677 were found non-compliant and cases were opened at different police stations.

We continue to provide consumer education and protection to customers who received raw deal during the procurement of products and services. To this end, so far seventy six (76) customers have reported cases to DESTEA's Consumer Protection Office valued at R3 038 805.00. Thirty five (35) of these cases have since been resolved at investigation stage. In the twenty four (24) cases before the Consumer Court, during November and December, eleven (11) cases, have been decided with further thirteen (13) cases remaining on the roll.

To address some of the challenges our business are encountering in our townships, we have begun a process of review business by-laws across all municipalities with a view of strengthening them where necessary. We will continue to focus on enforcement of business by-laws to curb trade in illicit goods, building of illegal business structures, and trading without business permits. Furthermore, we have initiated the development of the Free State Economic Development Bill which soon be published for comments from the members of public. This legislation, once passed, will ensure that certain economic activities in the Free State are reserved for Free Staters and South Africans ONLY.

## **SUSTAINABLE ENVIRONMENTAL MANAGEMENT**

**Speaker**, every living organism relies on Good air, good water and good earth for survival. The health of the planet influences our own personal health and well-being, as well as that of our families, communities, societies and economies. The interdependence of society, economy and environment is the foundation of the concept of sustainable development.

Writing in the foreword to the White Paper on Environmental Management Policy, in 1997, the late Hon. Peter R Mokaba MP, Deputy Minister of Tourism and Environment said “Equitable access to and ownership and control of, renewable and no-renewable natural resources by South Africans, black and white, poor and rich, male and female is critical to our survival as a country. Conservation and sustainable use of these environmental resources and their protection depends on changed behaviour by all individuals, households and private and public institutions. These changes must affect the process of resource extraction, spatial development, appropriate and clean production, waste minimisation and population control strategies in order to guarantee a higher quality of life for all”

### **Waste Management**

Economic development, a growing population and increasing rates of urbanization in South Africa have resulted in increased waste generation which undermine efforts in implementing effective waste management among our communities. A number of issues continue to be challenges for effective waste management.

Among the biggest contributors to this challenge are, but not limited to, ineffective data collection systems and lack of compliance and enforcement capacity, lack of education and awareness amongst stakeholders within the waste sector, operational costs for management of waste, support for waste reduction at local government level, availability of suitable land for waste disposal, lack of structured incentives for reduction, and recycling and/or reuse of waste.

The National Waste Management Strategy advocates for five (5) distinct steps.

- **Avoidance and Reduction:** Products and materials must be designed in a manner that minimizes their waste components
- **Re-use:** Materials can be used for similar or different purposes without changing form or properties. This approach seeks to re-use a product when it reaches the end of its life span.
- **Recycle:** This involves separating materials from the waste stream and processing them as products or raw materials.
- **Recovery:** Reclaiming particular components or materials or using the waste as a fuel;
- **Treatment and disposal:** Treatment refers to any process that is designed to minimize the environmental impact of waste by changing the physical properties of waste or separating out and destroying toxic components of waste before disposal.

To address some of these pertinent issues, we will work together with our municipalities in an effort to improve compliance and create awareness.

When the pandemic hit South Africa there was already an economic crisis. The country now has to increase efforts to help us recover. The green economy presents such recovery opportunities. In this regard I have received an Industry Waste Management Plan for the informal waste sector.

This industry plan promises to sufficiently place the informal waste sector at the center of the efforts to restore growth, transition to a low carbon economy and kick-start implementation of the Reconstruction and Recovery Plan.

### **Conservation of Biodiversity.**

**Madam Speaker**, conservation of biodiversity is getting increasingly important as the vastness of the vastness of earth's natural environment continues to shrink due to modern developments and various land uses. We therefore salute landowners who have seen the importance of putting their land up for this purpose.

I have recently signed the documentation of the intention of declare 24 hectares of the proposed Upper Wilge Protected Environment. This will soon be gazetted in Provincial Gazette. A further 7000 hectars of the proposed Eeram Protected Environment was assented to by the relevant landowners recently within the dwindling grassland areas of the eastern Free State. The grasslands is not only essential for food production, they are also critical for the water production (filtration) and for carbon sequestration which will ultimately be critical in our fight against climate change.

### **Fight against Environmental Crime**

Our fight against environmental crimes though increased activities and visibility by our Environmental Management Inspectors (EMIs) has resulted in a radical decline in the number of Rhinos unlawfully killed in the province. Only 9 incidents were recorded and all these on the same private ranch and apparently within the same time frame.

### **Wildlife Economy**

Black Game Ranchers (BGR), and relevant value-adding enterprises, will be supported via various training interventions in order to facilitate their participation in the mainstream wild life economy. To this end, a Special Adjustment Appropriation Bill to support 40 Black Game farmers (who include women and youth) with various species of game for the current financial year has just been finalized. We will continue with these efforts to transform this sector and bring in new players most of whom did not have access to such opportunities in the past. This programme will now prioritize women and youth.

### **Wetlands**

Wetlands are commonly associated with valleys floors and are mostly recognized by dense stands of reeds, sedges and other aquatic plants, though not all these characteristics are not typical for all wetlands. Nonetheless, collectively all of these different wetlands types provide a consistent and clean supply of water at no charge to society.

The services provided by wetlands, however, extends beyond providing water, and includes other benefits such as providing an environmental that supports a range of

economic activities such as tourism (e.g. the Seekoeivlei Nature Reserve in the Free State or St Lucia in KZN ) or providing material, such as fish, that can be harvested and sold or consumed to support livelihoods.

Managing wetlands has proven to be challenging and requires basic knowledge of where they are in the landscape and where other landscape feature are relative to the wetlands. The Free State Department of Economic, Small business Development and Tourism (FS DESTEA) has taken the lead in this regard and has developed a new and innovative approach for mapping wetlands not previously used in South Africa. The hope is that this new mapping approach, which has also been adopted by the South African National Biodiversity Institute (SANBI) for improving the National Wetland Inventory (national map of wetlands), will provide new and better information to support improved wetland management in the Free State.

## **TOURISM DEVELOPMENT & MARKETING**

**Madam Speaker**, the tourism sector has been the most devastated sector by COVID-19 pandemic globally. By late March 2020, hotel occupancy which was down 50% year-on-year and, with the rest of the sector, has declined further to effectively under 5%. A study we conducted to determine the extent of the impact of COVID-19 in our province's tourism sector, revealed that some tourism businesses could not pay salaries thus had to lay off staff. The study also established that only 32.34% of our tourism establishments applied for Tourism Relief Fund announced by the National Department of Tourism.

### **Product Development**

In the quest to support the recovery of the sector, we will inter alia provide training workshops and seminars on recovery and on strategies tourism enterprises can adopt to gain a competitive advantage in the new normal that the tourism sector has to embrace in order to survive.

We will also align with the national Tourism Recovery Plan which focuses on three strategic themes namely “protect and rejuvenate supply; re-ignite demand and strengthen enabling capacity”.



We will ensure that we promote and support initiatives like the newly launched Tourism Equity Fund which seeks to inter alia fund commercially viable and sustainable majority Black owned tourism enterprises with a minimum of 51% black ownership, women, youth as well as enterprises in rural areas and townships, to help create jobs, alleviation of poverty, fight inequality and promote growth of black controlled tourism enterprises

### **Eco-Tourism**

Part of our response to the Covid-19 in order to navigate the balance between livelihood and life was to identify DESTEA-managed resorts as quarantine sites. For that purpose some of these sites had to be refurbished to make them fit for purpose. In the new financial year, department will undertake major upgrades of bulk services at Sandveld Nature Reserves which is very popular with nature enthusiasts as well as routine maintenance across all resorts and reserves. Collateral benefit from this arrangement saw the Department of Communication & Digital Technologies through SA Connect agreeing to improve connectivity of these sites. Nine of these sites will be fully connected by the third quarter of the next financial year.

**Honourable members**, these facilities will be the center of our tourism revitalization by positioning the Free State as an inland destination of choice by conducting various activities for our people to enjoy the abundant fauna and flora in our province. To return to preCovid-19 levels where 117496 visitors generating more than R8 million for the fiscus enjoyed these facilities, we intend putting together an exciting “travelling differently” programme to give our people and visitors new experiences through game drives, bird watching, fishing, hiking, and camping.

We are going to rigorously host major and unique events in our nature reserves, where families and groups will be given opportunity to enjoy the tranquility offered by these nature’s facilities while also enjoying their normal weekend fun.

People will now be able to interact with the mother nature at ease and in an affordable manner, without necessarily destroying these natural resources. The similar drive will be extended to youngsters at schools to appreciate nature at their younger age.

## **BUILDING AND STRENGTHENING STATE CAPACITY**

Our department, like all other sections of the public service, was not spared the brutality of the pandemic. In response to this unusual situation, the department established a Business Continuity Committee (BCM) chaired by a Compliance Officer (CO) whose purpose is to ensure that the department continues to provide services to citizens of the province. The BCM also ensures that all the necessary health protocols are observed at the workplace and all infection incidents are properly managed. The department recorded a total of 80 positive cases since April 2020, with 77 recoveries and 3 fatalities.

The Employee Health and Wellness unit continues to offer psycho-social support to employees who are affected and infected by this novel corona virus. We have also established a sickbay as per Employee Health Wellness Programme (EHWP) Strategic Framework to enable us to deal with any Covid-19 cases at the workplace.

### **Capable, Ethical and Professional Workforce**

Our vision is an autonomous developmental state driven by the public interest & not individual or sectional interests; embedded in South African society leading an active citizenry through partnerships with all sectors of society.

Public servants are the fuel that drives the wheels of service delivery. Our people deserve a public service full of people with a culture of service, professionalism, competent but above all responsive to the needs of the people they serve. A newly structured customer care office reporting directly to Head of Department and the MEC will be established in the beginning of the financial year. This office will handle all customer related issues to ensure that Batho Pele is a reality and not just a compliance matter.

Lazy and disrespectful officials will face serious consequences in order to ensure that the department only retain a high caliber of professionals. All those with no interest of our people will not find space in DESTEA.

## **Leadership**

We envisage a new generation of Senior Managers who are expected to master state craft by among others, setting clear goals & strategy shared by all in the organisation; exercise leadership: **lead by ideas, not by rank; identify & cultivate top talent**; build a cadre of effective professionals; engage in **high-level financial planning & budgeting**; leading change through people; being accountable and holding others to account and empowering others

## **Governance and control**

One of the most critical tenets of an effective department is improved governance. In this context we have sharpened our Risk and Audit capability. Our Risk Management unit continuously monitors the performance of the department to ensure that emerging risks are mitigated. On the other hand the Risk Management Committee plays an oversight role to ensure that internal controls are tightened. Internal Audit activities are also placed under the supervision of independent audit committee to minimize if not to eradicate adverse findings by the AGSA.

## **Fight against Corruption**

We have also established Ethics Committee which will, among others, enforce Public Service Code of Conduct which set standards of ethical behavior and integrity for public servants which include financial disclosures.

We have also put in place whistle blowing policy which will encourage members of the public, employees and former employees to report suspected or nefarious action under protected discloser environment.

## **Planning Monitoring and Evaluation**

During the past year the department has adopted the new DPME Framework for Strategic and Annual Performance Plan. This new framework moves away from the old goals and objectives planning to a focus on impacts, outcome and outputs.

Implementation of annual performance plans are monitored to measure progress towards the achievement of planned targets so that monitoring findings can be used to improve performance, future planning and budgeting.

Monitoring is planned and conducted continuously by collecting data on specified indicators, verifying, storing the data, analysing and reporting the findings, which are subsequently used to provide management, oversight institutions and the public with information about the extent to which implementation of the annual performance plan has progressed.

## **CONCLUSION**

In conclusion, Speaker, I would like to take this opportunity to thank my organization, the ANC, and in the main, the forever roaring young lions, the ANC Youth League, together with all Progressive Youth Alliance structures, for showing confidence in me to lead this difficult portfolio in our agenda of ensuring inclusive growth and creating a new economy. I thank the support and guidance of the portfolio committee, my colleagues at the department and entities and of course my family.

I further dedicate all these efforts to my late mother, Kelebone Alina Mohale, who has always motivated me to REMAIN FOCUSED, TO WORK HARD despite any difficulties encountered, to be SELFLESS, and to LOVE and CARE for everyone, especially the POOREST OF THE POOR, with a hope that one day all our lives will be changed and we will all find economic emancipation and realize better life for all.

**Madam Speaker we now table before this house the 2021/2022 budget allocation to the department, as follows:**

<b>Programme</b>	<b>Budget (R'000)</b>
<b>Programme 1: Administration</b>	R185 787 000
<b>Programme 2: Environmental Affairs</b>	R181 370 000
<b>Programme 3: Economic and Small Business Development</b>	R227 037 000
<b>Programme 4: Tourism</b>	R 10 628 000
<b>Total Allocation for 2021/2022</b>	<b>R 604 792 000</b>

**I Thank You.**