



**Report of the Portfolio Committee on Agriculture, Rural, Economic Development, Small Business, Sport, Arts, and Culture to the Free, State Legislature with regard to the Annual Non- Financial Reports of the Departments of Agriculture and Rural Development, Sport, Arts, Culture and Recreation, Economic Development, Tourism, Environmental Affairs and Small Business and Entities for the 2023/2024 Financial Year**

**21 August 2025**

## **REPORT PROFILE**



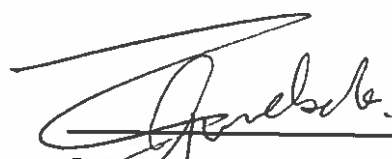

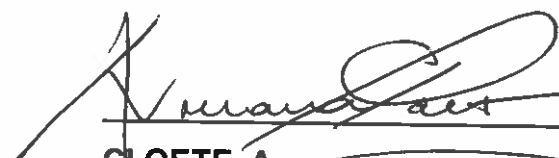
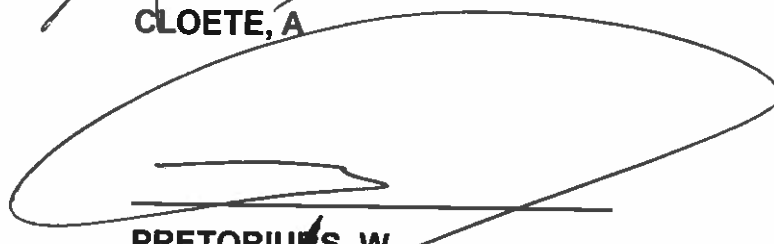
The Portfolio Committee on Agriculture, Rural, Economic Development, Small Business, Sport, Arts, and Culture herewith tables its report regarding the non-financial Annual Reports (on non - financial matters) for 2023/2024 financial year.

Report Compiled by: **Zinhle Mkhiwane**

Report checked and edited by: **Chabana Chabana**

Report for tabling in the House on:

**Chairperson and Members of the Portfolio Committee:**

  
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**MEEKO, T.P.**  
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**KHOABANE, M.**  
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**FOKO, M**  
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**GAREKOE, N**  
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**MOKHABELA, D**  
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**SIGWEBELA, Z**  
**CHAIRPERSON**  
\_\_\_\_\_  
**JANKIELSOHN, R.**  
\_\_\_\_\_  
**TSHABALALA, A**  
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**CLOETE, A**  
\_\_\_\_\_  
**PRETORIUS, W**  
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**NDUNGANE**

## **TABLE OF CONTENTS**

1. INTRODUCTION
2. MEMBERS OF THE PORTFOLIO COMMITTEE
3. PROCEDURE OF THE PORTFOLIO COMMITTEE
4. CONSIDERATION OF THE ANNUAL REPORTS OF THE PROVINCIAL DEPARTMENTS AND ENTITIES FOR 2023/2024 FINANCIAL YEAR
  - 4.1. DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
  - 4.2. DEPARTMENT OF SPORT, ARTS, CULTURE AND RECREATION
  - 4.3. DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM, AND ENVIRONMENTAL AFFAIRS
  - 4.4. FREE STATE DEVELOPMENT CORPORATION
  - 4.5. FREE STATE GAMBLING, LIQUOR AND TOURISM AUTHORITY
  - 4.6. MALUTI - A- PHOFUNG SPECIAL ECONOMIC ZONE
5. RECOMMENDATIONS

## **1. INTRODUCTION**

The Portfolio Committee on Agriculture, Rural, Economic Development, Small Business, Sports, Arts and Culture met with the Departments of Agriculture and Rural Development, Sport, Arts, Culture and Recreation, Economic, Small Business Development, Tourism and Environmental Affairs, the Free State Tourism Development Corporation, the Free State Gambling, Liquor and Tourism Authority to consider their Annual Reports on non - financial matters for 2023/2024 financial year.

The Portfolio Committee would like to extend its appreciation to MECs, Heads of Departments and officials of the Departments of Sport, Arts, Culture and Recreation, Agriculture and Rural Development, Economic, Small Business Development, Tourism and Environmental Affairs and the Free State Development Corporation, the Free State Gambling, Liquor and Tourism Authority and Maluti -A- Phofung Special Economic Zone for their contribution and assistance during the meeting's.

## **2. MEMBERS OF THE PORTFOLIO COMMITTEE**

The Portfolio Committee comprises of the following Members:

Sigwebela, Z.	<b>(Chairperson)</b>
Cloete, A	(Member)
Foko, M	(Member)
Garekoe, N	(Member)
Jankielsohn, R.	(Member)
Khoabane, M	(Member)
Meeko, T.P.	(Member)
Mkhabela, D	(Member)
Ndungane, N	(Member)
Pretorius, W	(Member)
Tshabalala, A.	(Member)

### **3. PROCEDURE OF THE PORTFOLIO COMMITTEE**

The Portfolio Committee on Agriculture, Rural, Economic Development, Small Business, Sports, Arts and Culture met with the Department of Agriculture and Rural Development on 14 November 2024, the Department of Economic, Small Business Development, Tourism and Environmental Affairs, the Free State Tourism Development Corporation, the Free State Gambling and Liquor Authority and Maluti -A- Phofung Special Economic Zone, on 15 November 2024 and the Department of Sports, arts, culture and recreation on 04 March 2025 to consider their Annual Reports on Non - Financial Matters for 2023/2024 Financial Year.

### **4. ANNUAL REPORT ON NON - FINANCIAL MATTERS OF PROVINCIAL DEPARTMENTS AND ENTITIES FOR 2023/2024 FINANCIAL YEAR.**

#### **4.1. DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT**

The Head of the Department presented the Annual Report for 2023/2024 financial year and outlined the approved priorities of the Department as follows: -

- a) Economy transformation and job creation
- b) Education, skills and health
- c) Consolidating the social wage through reliable and quality basic services
- d) Spatial integration, human settlements and local government
- e) Social question in safe communities
- f) Building a capable, ethical and developmental state
- g) A better Africa and world.

#### **4.1.1 Challenges as reported to the Portfolio Committee:**

- I. That delayed verification of mechanisation financials to determine classification, contributed to the underachievement on Number of small-holder producers supported.
- II. Under achievement due to peer review sessions rescheduled.

- III. The graduations have been deferred due to delayed students' verification.

#### **4.1.2 Findings and Observations by the Portfolio Committee:**

After briefing and analysis of the presentation of the Annual Report, the Portfolio Committee made the following observations:

- I. The Committee noted and welcomed the presentation by the department.

### **4.2 DEPARTMENT OF SPORT, ARTS, CULTURE AND RECREATION**

#### **4.2.1. Challenges as reported to the Portfolio Committee:**

- I. The implementation of the recruitment and selection processes.
- II. The construction of Wepener/Qibing library was not completed at the time of reporting.
- III. Number of staff appointed through the provincialisation of libraries was not achieved.
- IV. Budget cuts and the reprioritization thereof to other targets.

#### **4.2.2. Findings and Observations by the Portfolio Committee:**

- I. The Committee noted and welcomed the presentation by the department.

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

The Head of the Department presented the Annual Report for 2023/2024 financial year and outlined the Department's programmes which are: -

- a) Administration
- b) Environmental Affairs
- c) Economic Development
- d) Tourism

#### **4.3.1 Challenges as reported to the Portfolio Committee:**

- I. Human resource constraints.

#### **4.3.2 Findings and Observations by the Portfolio Committee:**

After briefing and analysis of the presentation of the Annual Report, the Portfolio Committee made the following observations:

- I. That the department plays a fundamental role in the economic growth of the Province, and it requires a substantial capital empowerment that will grant it an added advantage in improving the state of its entities.
- II. The non-performance of programmes three (Economic & Small Business Development) and four (Tourism) are concerning as they are more service delivery-driven targets.
- III. That the department must improve its performance and implement consequence management on officials who fail to execute their responsibilities.

#### **4.4 FREE STATE DEVELOPMENT CORPORATION**

The Chairperson of the entity briefed the Portfolio Committee on the Annual Report of the entity for 2023/2024 financial year as follows:

- a) The promotion and development of small, medium and micro enterprises.
- b) To assist Free State based small, medium and micro enterprises with funding by advancing loans.
- c) To assist Free State based small, medium and micro enterprises in financial distress.
- d) To promote investment and trade within the Province, and to identify, analyse, publicize and market investment and trade opportunities in the provincial economy, in such manner and by such means as the Board of Directors may from time to time deem appropriate; and
- e) To initiate economic empowerment projects that would benefit the Free State;
- f) To undertake, at the request of the responsible Member or other Stakeholders or Agencies, activities for which the necessary resources can be raised and



which, in the opinion of the Board of Directors, will contribute to the strengthening of the provincial economy.

#### **4.4.1 Challenges as reported to the Portfolio Committee:**

- I. The financial position of the FDC hampers the achievement of targets.
- II. No adequate cash flow to finance loans.
- III. Due to the state of factories, the entity struggled to attract investors.

#### **4.4.2 Findings and Observations by the Portfolio Committee:**

After briefing and analysis of the presentation on the Annual Report, the Portfolio Committee made the following observations:

- I. The outstanding maintenance in most commercial and industrial properties affects new leases.
- II. There are more clients interested in properties due to lower rates charged by the entity.
- III. That clients are not willing to confirm the number of people they have employed, which affects the reporting by the entity.
- IV. The Committee has welcomed the report as presented.

#### **4.5 FREE STATE GAMBLING, LIQUOR AND TOURISM AUTHORITY**

The Chairperson of the entity briefed the Portfolio Committee on the Annual Report of the entity for the 2023/2024 financial year as follows:

- a) The Authority's purpose is to promote legally compliant, responsible, sustainable and transformed gaming and liquor industries through effective licensing, regulating and reporting on the position the Free State Province as a tourist destination of choice.

#### **4.5.1 Challenges as reported to the Portfolio Committee:**

- I. Budget constraints at the entity.

- II. High litigation costs.
- III. Phakisa Raceway maintenance and sustainability.

#### **4.5.2 Findings and Observations by the Portfolio Committee:**

After briefing and analysis of the presentation on the Annual Report, the following observations were made:

- I. The Committee has welcomed the report as presented.

#### **4.6. MALUTI -A- PHOFU SPECIAL ECONOMIC ZONE**

The chairperson of Maluti - A – Phofung Special Economic Zone briefed the Committee with the following objectives:

- a) To attract foreign and domestic direct investment, to accelerate exports and imports for economic growth and job creation.
- b) To encourage beneficiation activities that promote value added benefits creating a prosperous trade city and functional trade ecosystem.
- c) To establish manufacturing opportunities and creating regional and international trade environment.
- d) To stimulate social economic benefits for regional development.
- e) To develop world class infrastructure in support of targeted economic activities.

##### **4.6.1. Challenges as reported in the Portfolio Committee:**

- I. Governance issues between the SEZ and the FDC, with regards to the unbundling and transfer of assets
- II. The challenge of water and electricity at the entity affects investments.
- III. There is a lack of capacity relating to human capital at the entity.
- IV. Lack of Capital within the entity.

#### **4.6.2 Findings and Observations by the Portfolio Committee:**

After briefing and analysis of the presentation on the Annual Report, the following observations were made:

- I. That the entity achieved an Unqualified Audit Opinion.
- II. Due to financial constraints, the entity could not achieve some of its targets.
- III. The Committee has welcomed the report as presented.

### **5. RECOMMENDATIONS**

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

- I. The Department must improve its performance and implement consequence management on officials who fail to execute their responsibilities.
- II. The Department be allocated substantial capital empowerment to enhance its capacity to drive economic growth in the Province. This investment will provide the Department with a strategic advantage in strengthening the performance and sustainability of its entities.

5.2 That the Departments and entities must address all the challenges that were raised on the report. The report should be submitted to the Committee within 30 days after the tabling of the report in the house.

5.3 The report be adopted by the House.

