

**STATE OF THE PROVINCE ADDRESS  
DELIVERED BY THE HONOURABLE PREMIER OF KWAZULU-  
NATAL, MR ES MCHUNU**

**27 February 2015**

## **Recognition of Dignitaries**

His Majesty the King, Hlanga Lomhlabathi  
Madam Speaker  
The First Lady of KwaZulu-Natal  
Honourable Minister of Small Business Development  
Honourable Members of the Provincial Executive  
Honourable Members of the Legislature  
Members of the Royal Family  
Mayors  
Amakhosi and Members of Traditional Councils present  
Councillors of Local Government  
Your Excellencies, Members of the Diplomatic Corps  
The Director-General  
Heads of Department and Public Entities  
Business Leaders  
Religious Leaders  
Leaders representing the Youth, Women and the Disabled;  
Distinguished Guests  
Fellow South Africans  
Citizens of KwaZulu-Natal  
Ladies and Gentlemen

I greet you.

## **Introduction and scene setting statements**

This month of February marks twenty five (25) years since the world witnessed a historic moment of Nelson Mandela's release from Victor Verster Prison. He walked as a free man with his fist clenched high in victory salute. Mandela's release on 11 February 1990 was not only a triumph of human spirit, but a moment that set in motion our march to a truly democratic South Africa.

As he addressed us from the balcony in Cape Town, he reminded us of the values of servant leadership and humility that came to define his life and the time he spent with us as a free man.

Mandela's life was about justice.

We thank him for reminding us that "poverty just like slavery and apartheid is not natural. But is man-made and can be overcome and eradicated by the actions of human beings."

We thus want to use the symbolism of that historic day in 1990, as our own journey towards freedom from the bondage of poverty and underdevelopment. It will not be easy and may look impossible. That journey starts with this State of the Province Address.

Madam Speaker and Honourable Members, I stand before you to deliver on behalf of our Provincial Executive Council, the State of the Province Address of 2015. Firstly, let me express our appreciation to His Majesty for his address at the opening of our Legislature yesterday. We also thank His Majesty for gracing us with his presence here today. We have noted your words of wisdom, the concerns you have raised and the comments you made in yesterday's address. We have a firm belief in working in harmony as government with the Royal Household as we seek to develop our Province to be a world class place to live in.

Madam Speaker, during our last State of the Province Address, we juxtaposed the current reality of our country and Province with the endless possibilities they hold for current and future generations. These realities are on the main, issues of variable development and are informed by our unpleasant past. Despite the prevalence of poverty and other socio-economic challenges that are facing us, KwaZulu-Natal remains a province with endless possibilities. This is what we will be dealing with here today.

Niccolo Machiavelli author of the famous book, "The Prince" once wrote, "It must be considered that there is nothing more difficult to carry out, nor more doubtful of success, nor more dangerous to handle, than to initiate a new order of things."

We have initiated new things Madam Speaker, and have stumbled here and there, but our resilience paid off. We were able to deliver on all those commitments we had undertaken to do in the first One Hundred days. It was precisely this reason that as the Executive Council, we resolved to have rolling programme of 365 Days commitment aimed at keeping our eyes firmly on the ball. We have done this to ensure that all new things we have initiated produce the results we strive for.

Madam Speaker, this government has continued to do what is possible and what we believe can change the lives of the people of our Province. To borrow words from the Russian Philosopher who was deeply opposed to imperialism and colonisation in Europe, Mikhail Alexander Bakunin, I quote, "By striving to do the impossible, man has always achieved what is possible. Those who have cautiously done no more than they believed possible have never taken a single step forward."

This government has taken not one, but several steps forward because we believe that our collective wisdom, together with the people, can take this province and the country forward.

We are doing this inspired by messages of support we received from the public. On the 24<sup>th</sup> February we had our Provincial Prayer Day in Ladysmith, where interfaith religious leaders prayed for our Province, its people and all its elected leadership. We stand before you filled with divine strength and hope for a better tomorrow. The scripture in the book of Proverbs correctly teaches us that "when the godly are in authority, the people rejoice. But when the wicked are in power, they groan."

We thank those who wrote to us and made calls to suggest what we should prioritise. We have listened to you, and we believe that our plan and our identified interventions for the Province, will respond in a meaningful way to your concerns and wishes. **Whilst we are moving forward with speed in service delivery, we are mindful of the mammoth task and expectations that our people have placed on this government. Failure is not an option.** We are happy that we are unlocking with vigour new potential areas to make this Province better than before.

Compatriots, the remains of the son of the soil, and renowned journalist Mr Nat Nakasa have been brought home from USA, and buried in the Heroes Acre. Thanks to this government of KwaZulu-Natal together with national Department of Arts and Culture. The journalist who not so long ago was known as a “Citizen from No Where” is now known to be a citizen from Chesterville, KwaZulu Natal, in the Republic of South Africa. We further commend His Excellency President Jacob Zuma for facilitating the repatriation of the remains of JB Marks and Moses Kotane from Moscow, for reburial in the land of their birth.

Madam Speaker and Honourable Members, the 2015 State of the Province Address is being delivered in the absence of one of our own, the late Honourable Mtholephi Mthimkhulu. We remain indebted to his family for allowing us to share with them a father, a companion and a brother. This House is less richer without his dynamism and resolve. We sincerely hope that the Mthimkhulu family will always find solace in knowing that his time in the Legislature and in the Executive Council took our Province to a higher level. Engathi umphefumulo wakho Makhulukhulu ungaphumula ngokuthula.

We thank eThekweni Municipality and the people of KwaZulu-Natal as a whole for the support extended to the Meyiwa family. You truly demonstrated “Ubuntu” and gave it a better meaning. Senzo Meyiwa carried the flag of KwaZulu-Natal high, and inspired many aspirant football players. In his moment of eternal silence, he united our nation in their condemnation of acts of crime and violence. He remains a true national hero.

We take this opportunity to convey our deepest condolences to all the families of the nine victims who died in Nongoma and a further two in Mthonjaneni, all because of the lightning incident. The Provincial Government of KwaZulu-Natal assisted these families to bury their loved ones in dignity. We also remember the eight school children who died when the bakkie they were travelling on crashed onto the wall at Imbali Township. We further remember the families who lost their loved ones in a church collapse in Nigeria. Our thoughts are also with all those in our beloved Province who lost their loved ones since the last State of the Province Address. May their souls rest in eternal peace.

Madame Speaker, it is my singular honour and to rise before this house here today to deliver the 2015 State of the Province Address and to announce that the theme of this address is –

***“Consolidating progress we have made, and stepping up the pace to achieve radical socio-economic transformation to end Poverty in our Lifetime”***

We do so with due recognition that 2015 is the year of the Freedom Charter. As we celebrate the 60<sup>th</sup> anniversary of this Charter, we do so in the full knowledge that this charter remains the beacon we use to ensure that we remain grounded and on course to deliver a better future for all the people of the Province of KwaZulu-Natal. It is our roadmap to full liberty!

Among us we have K. Swaminathan Gounden who is one of the few remaining political activists who participated in the Congress of the People in Kliptown in 1955. That gathering drafted the Freedom Charter that forms the basis of the South African Constitution. Gounden was fired from his job in a shoe factory in Jacobs after he returned from Kliptown. His activism goes back to the 1940s in the Magazine Barracks where his family was politically active.

He joined the Communist Party in 1944, marking 70 years in the organisation in 2014. Trade union activity was also central to his work. He was active in the underground structures of the African National Congress for which he was detained for three months in the mid-1960s. With the revival of the Natal Indian Congress in the 1970s, he served on its executive. He was among those selected to attend the launch of the United Democratic Front in Cape Town in 1983. Gounden is the author and co-author of several articles and books on community struggles and trade unionism. He is now 86 and lives in Asherville.

Today, just as 60 years ago, we remain steadfast in our resolve and commitment to pursue the noble goals of ensuring that the people shall govern, to have equal rights, equality before the law, a shared economy and access to land for those who work it, a right to work, to education, to housing, security and comfort, in an environment of peace and friendship.

**Building on the progress we have made thus far**

Madam Speaker, this State of the Province Address is a special one as it marks the end of the first five year cycle in the implementation of the National **Development Plan (NDP)** and our own **Provincial Growth and Development Plan (PGDP)**. The significance of this is that we have now moved into the first year of the second five year term of the NDP and the PGDP and have now shifted our focus to the 2015 to 2020 period and targets expressed in these plans. We are particularly focussed on the year ahead.

It is therefore important that we should reflect on what it is that we have achieved and where it is that the Province finds itself, on our way to achieving the Vision we have set for 2030.

Madam Speaker, let me highlight to this House some of the most significant achievements we have accomplished thus far on this journey, but more specifically since the last State of the Province Address delivered on 26 June 2014.

As we report on these achievements, we are doing so with due recognition and appreciation to those that have worked tirelessly to ensure that we take our Province and Country forward. We do not only recognise the efforts made by government, but also the contributions made by business, labour and our communities as key partners in this growth and development process.

During the June 2014 Address we had recommitted the Government of KwaZulu-Natal to remain resolute in our commitment and dedication to the vision, goals and targets set in the National Development Plan (NDP) and our own Provincial Growth and Development Plan (PGDP). I am therefore pleased to inform Honourable Members that we have further strengthened our alignment with the NDP and the 14 Outcomes expressed in the Medium Term Strategic Framework (MTSF).

As a Provincial Executive, we have reviewed our own strategies and plans and adopted the 2014 Version of the PGDP. All Departments have also developed new Five Year Strategic Plans, aligned to the NDP and PGDP for the period 2015 to 2020. We are therefore ready to start the second five year term of the NDP and PGDP, but we are also ready to start the new financial year on 1 April 2015, well prepared with programmes and projects to propel us on our trajectory to 2030.

We now also have a rugged institutional arrangement in place through the **18 PGDP Action Work Groups** where we have created space for government and all its development partners to work together in refining the plan and keeping it relevant, but most importantly to drive implementation.

The progress we are reporting here today is therefore verified information via these PGDP Structures, and we are also confident to make the commitments we will make in this address, reassured in the knowledge that there are structures and systems in place to deliver on these commitments in a coordinated and integrated manner. We are also committed to further strengthen and support these structures to promote unity in action amongst all our development partners and to reinforce our relations.

**We are motivated about the fact that in our Province we have:**

- **Increased employment** from 2 170 000 in 2010 to 2 419 000 in 2014, despite a lower than anticipated economic growth rate. The Quarterly Labour Force Survey for the 4<sup>th</sup> Quarter of 2014, published earlier this month, reported that employment in this quarter increased by 101 000, while unemployment decreased by 105 000 and the unemployment rate declined by 3,3 percentage points to 20,8%;

- Successfully concluded an **Operation Phakisa or Ocean Lab** approach by conducting a **Poverty Eradication Lab**, as well as a **Lab on the Development of the Makhathini**. These processes have yielded very specific programmes, with clear timelines, responsibilities and resource allocations and we are currently finalising the institutional arrangements for the implementation of these programmes in an integrated manner;
- Participated in the declaration of **Dube Trade Port (DTP) as an Industrial Development Zone**, which is the first step to having this area declared as a Special Economic Zone (SEZ) as soon as this legislative framework is promulgated later this year. This declaration now paves the way for large international investors to pursue the very favourable incentives to promote in particular our export capabilities.
- The **Richards Bay IDZ** has completed its Mater Plan to guide the most efficient development and servicing of its existing land parcels and to acquire new strategically located land. This IDZ which is also set to become a SEZ linked to the Port of Richards Bay, provides the Province with an ideal platform to promote our declared intent to maximise opportunities related to the ocean economy, manufacturing, beneficiation, as well as new and innovative oil and gas energy options. These opportunities will be further enhanced by the development of a dedicated container handling facility in the Port of Richards Bay, which is in advanced stages of discussion with Transnet.

The provincial department of Public Works is our implementing agent of choice for infrastructure development in the Province. We are pleased to announce that over the past year, the Department has completed 49 schools, 13 hospitals and 16 clinics. Overall infrastructure spend in the Province across the budget votes of the 16 provincial departments is R10, 6 billion.

Infrastructure investment is a key priority of both the National Development Plan and the New Growth Path. The Department chairs the Provincial Infrastructure Workgroup and is engaged with major infrastructure projects. These projects are critical components of the Presidential Infrastructure Coordinating Commission (PICC).

Among the PICC-related infrastructure projects that Public Works is engaged with, is the Inkululeko Regeneration Programme situated in the Jozini Municipality. The total programme budget is R538 million. The programme is intergovernmental. It consists among other facilities, the construction of a new model school and a clinic. The allocated budget for the financial year 2014/15 was R215 million.



We are also pleased to announce that there are already five projects which have been completed on this programme including the clinic, library, agricultural fencing for the irrigation scheme and the refurbishment of three schools.

As a response to the cost cutting measures in the Province, Public Works renovated a derelict workshop shed to develop a state of the art conference facility in its eThekweni region that is now available to all government departments. This will drastically reduce our reliance on hired facilities.

- Madam Speaker we have responded as promised on the commitments we made in respect of the **first 100 Days Projects**. Honourable Members will recall that during the inauguration of the current Provincial Executive Council, we made very specific commitments to be delivered in in the first 100 days of this term of office. We are pleased to report that we have honoured our commitments. Although we cannot report here today on all achievements of this process, we would like to highlight that:
  - the **slums clearance projects** in Jika Joe where 192 emergency houses are completed & occupied, Groutville, Masinenge, Umzinto are all progressing well, temporary housing has been provided and we have visited the affected communities to explain the process that will unfold as these projects are implemented;
  - **Electricity provision to communities** living at eMahehle and Ofafa in the Ubuhlebezwe Local Municipality, KwaGcothoyi in the Umvoti Municipality and Ezicole and Ebatshe in the Nqutu Municipality, are also well underway and communities are fully involved in this process. As soon as the necessary **bulk infrastructure** and transmission lines have been completed later this year and into early next year, electricity connections will be made to close to 5 000 households;
  - We have visited the **Dukuduku Project** to recommit government to develop the area without the relocation of people. Approximately 5 500 houses will be built here, of which more than 1 000 are already built. More than R 1,2 Billion has been secured from different departmental budgets and this project has become an example of integrated and well-coordinated development and a best practice that can be replicated on many other projects of a similar nature;
  - Four sites have been identified for the development of **Techno-Hubs** as local technology support and incubation centres in Newcastle, Pietermaritzburg, Hibiscus Coast and Umhlatuze;
  - In order deal with the shortage of health professionals, pharmacists in particular, we undertook to send a group of students to study at the **Manipal University** in India. We selected 30 candidates and orientation



took place on 28th to 30th July. All students departed on the morning of 1st August 2014 from King Shaka International Airport;

- In a partnership between the Provincial Department of Health and the Red Cross Air Mercy Services they have established the Flying Doctor Service and the Aeromedical Services. This partnership has now been expanded to night– time aeromedical services which have been made possible through an investment in six pairs of **Night Vision Goggles**. With this new technology, medical air services can now reach emergency incidents also during night hours.
- The Commitment we have made to assist the eMadlangeni community to bring together all local stakeholders in a local structure to facilitate peaceful solutions to issues giving rise to tensions in the area, as well as to initiate a process to establish **Agri-Villages** in this area. The purpose of this project is firstly to ensure that relationships between communities, commercial farmers, land claim trusts, institutions of traditional leadership and other local structures are strengthened, and secondly to guide settlement patterns to protect high value agricultural land.

We are pleased to report that this process is well underway and that the first two sites for potential Agri-Villages have been identified and supported by the local stakeholders. We have also facilitated private sector support for local emerging farmers and the first 500 Ha of land has been restored to productive commercial agricultural processes, with full participation of local beneficiaries.

- These are highlights of only some of the short term deliverables we had committed to deliver on in the last State of the Province Address. We can now also confirm Madam Speaker that we have converted the 100 Days project initiative to a **360 Days initiative**. In this process we have provided for the continuation of the uncompleted 100 Days commitments to ensure that we retain the pressure on the system to drive speedy delivery. We have also opened up an opportunity for the inclusion of a range of further commitments, which we have adopted as a Provincial Executive. We will report on these as we approach 25 May 2015, which marks the end of the first year of this term of government.
- A number of **significant private sector investment projects** have also been secured since the last State of the Province Address. These include amongst other, multi-Billion Rand development such as:
  - The construction of the Samsung manufacturing plant, as well as the building of a 7-storey a state-of-the-art innovation hub and an office block by Eureka Capital at Dube Trade Port;

- The development of the Keystone Light Industrial and Logistics Park on the N2 Corridor between eThekweni and Msunduzi, valued at more than R 6 Billion which has received all its development approvals and is now moving to construction;
- The Blythedale Beach Development, which has been revived after successfully resolving a protracted dispute between the developers and land claimants;
- Music City South Africa tourism project proposed in the Ugu District, which has the potential of being one of the largest game changers in the tourism sector in KZN. We have signed a Memorandum of Understanding with the project owners in terms of which we are providing support to the developers by facilitating compliance with regulatory processes and to get the project on the ground as soon as possible;

We are happy with the announcement made by eThekweni Municipality a few months ago on few plans around Virginia Airport.

**There is no place for complacency and there is much more to do**

Now having the benefit of clearly expressed indicators and targets as part of the monitoring and evaluation system supporting our development plan, we are able to identify areas of slow or poor delivery as highlighted by the targets that have not been achieved.

We do understand that the state of and outlook for the international, national and our local economy is not ideal. However, given the massive potential of the Province, there can be no justification for the sluggish economic growth rate for the Province. The “good” news is that the provincial economy is not in a recession which was a definite possibility during the middle part of 2014.

The lower oil prices should improve the current depressed levels of consumer confidence, and give consumer some debt breathing space. Consumer demand will especially support the property, automobile, furniture and financial sectors. The weaker exchange rate and moderate improvement in global economic conditions should offer KZN an opportunity to shore up its manufacturing and transport sectors.

Of great concern is the continued electricity supply constraints, which is resulting in load shedding. This has direct impact on investor confidence, manufacturing output, and competitiveness of industry. We also are seized with other issues like labour concerns, logistical bottlenecks, digital un-competitiveness and economic policy divide that hampers growth prospects for 2015. Provincial economic growth therefore is estimated at 2.4 % for 2015. We remain optimistic about this possibility.

We are unfortunately still faced with a situation where:

- **Poverty and inequality** remains persistent. We are not at all pleased about the fact that the percentage of people in our Province living below the food poverty line of R 318 per month rose from 25% to 28 % between 2010 and 2014, despite the fact that we had set a 2015 target of reducing this figure to 18% by 2015. Similarly, social inequality measured as the share of income earned by the poorest 60% of the population remained unmoved at 17.6% between 2010 and 2014, not materialising the target of 19.4% we had hoped to achieve by 2015. It is clear therefore that a different and more coherent approach is required to address the challenges related to poverty and inequality.
- **Land reform** is the fundamental policy of government and is a necessary route to the full realisation of the Freedom Charter. It is now accepted that the 'willing buyer, willing seller' principle has posed its own challenges on the pace of required reforms. Granted, land issue is very sensitive. But if not resolved, it undermines our efforts on building a prosperous South Africa. We will fast track cases on restitution to unlock agricultural potential of land, thereby impacting positively on issues of food production and food security.
- **Crime Statistics** for our Province are both unfortunate and disturbing in that our Province has seen an increase over the last year in **crimes related to murder, attempted murder, assault, arson, stock theft**, shoplifting, business robbery, truck hijacking, as well as drug related crimes.

This is a situation that is not only placing us as individuals and communities at risk, but it is also impacting extremely negatively on our prospects for economic growth. It is for this reason that we have to ensure that our people and businesses are and feel safe.

A total of 130 police stations are currently being evaluated to identify challenges and shortfalls so as to assist in improving policing in the Province. Community safety structures are also being established to improve relations between communities and the police. We aim to establish these structures in all 828 wards.

Other steps may include a review of the KZN Liquor Licensing Act, in order to act more decisively against illegal trade in liquor, and declaring consumption of liquor in public as a criminal offence.

We are equally concerned about the escalation of farm murders and tensions between commercial farmers and farm tenants/labourers. This is an extremely destabilising factor. It places our people and the rural economy at risk. Issues related to stock theft is further exacerbating this situation. We therefore call for intensified action from policing and criminal justice structures to stem the tide of such crime.

### Vision and high level focus areas for the next five years

Madam Speaker, as we have already stated in our opening remarks, we remain on track to deliver on our Vision 2030. We are determined to be **“A prosperous Province, with healthy secure and skilled people, acting as a gateway to Africa and the World”**. We have a clear plan of action expressed in our Provincial Growth and Development Plan setting clear targets of what it is that we have to achieve to ensure that we realise this Vision.

As we move into the next five year cycle of the NDP and the PGDP, we would like to reconfirm our commitment to the 5 Key National Priorities namely:

- Creation of more jobs, decent work and sustainable livelihoods for inclusive growth;
- Rural development, land reform and food security;
- Improved quality basic education;
- A long and healthy life for all South Africans; and
- Fighting crime and corruption.

These National Priorities, and for that matter all 14 Outcomes of the NDP remain the foundation of our PGDP and we push forward to achieve the following outcomes.

### Sustained shared economic growth as primary driver for job creation and poverty eradication

Our Province is directly affected by key **structural constraints** being experienced in the SA economy. Like the rest of the world, we are not immune from effect of constrained growth. As such we should understand that our growth prospects will at all times have challenges. Ours is to find a pragmatic way to respond to them. The Province of KwaZulu-Natal is after all the second largest contributor to the National Economy. It thus goes without saying that we have a meaningful contribution to make in the growth and development of our country.

We need to understand that one of the key challenges we are faced with as a Country, is the fact that the **declining share of the productive sectors**, in particular mining, agriculture and manufacturing, is giving rise to stagnant growth thereby rendering our economy vulnerable. This is one of the main reasons why the nature of our economic growth has been import and skills intensive. Our drive will be to intensify efforts on diversification in order to strengthen our economic capabilities. As a Province we will focus on increasing value-addition, skills and technological content to drive our competitiveness. We will strengthen our twinning arrangements with other regions particularly in Africa that offer complimentary opportunities for our Province.

As a Country and Province, we are experiencing a situation where the private sector seems **reluctant to invest** in local economy thereby depriving us of new capital investment. As there is now consensus among us including in business that the NDP is the blueprint to grow our economy, we call on private sector to join forces with government in implementing common areas of agreement in the NDP.

Our dependence on commodity exports and capital inflows has also impacted negatively on the exchange rate and has made the economy vulnerable to global sentiment. **We are therefore compelled to focus on local value addition and beneficiation and to increase our expenditure on infrastructure development** if we are to break this cycle of exporting our wealth.

This is obviously a simplification of just some of the challenges we are faced with, but it is nevertheless important to understand that unless we can address these challenges, we will not be able to grow an economy that will enable us to address the social needs of our people.

These economic challenges become a reality to all of us when we experience a decline in our national revenue to the extent that we are currently experiencing. We have to **accommodate huge budget cuts** at a time when we so desperately need resources to address issues of health, education, housing, water, sanitation, electricity, policing and many other services our people are rightfully demanding.

It is against this background that the main focus of this State of the Province Address has to be on what it is that we need to do to ensure that we grow our economy to increase our ability to render more effective and efficient services to our communities, and to grow it in such a manner that we create the jobs our people need, as well as to ensure that they are able to not only participate in this growth, but fully share in it. This is what we understand when we refer to the need for radical economic transformation.

Focussing on the issue of radical economic transformation, we have to align with the recently identified **7 National Priority Economic Interventions** namely:

<b>Priority Intervention 1: Resolving the energy crises and enhancing the energy mix</b>
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We are all too aware of the devastating impact of the current energy crises on our economy and it is for this reason that a “National War Room” has been established to address this crises. The Department of Energy is leading a task team to support this energy war room as it is dealing with short, medium and longer term interventions to deal with this situation and to ensure that we promote investment in a broad energy mix.

There seems to be general agreement that the following three specific issues require immediate attention. As we pause briefly to look into each of these issues,

it is also important to identify what it is that we as a Province of KwaZulu-Natal can do to contribute in a positive manner to get this crises averted as soon as is practically possible.

**Energy security through restoring of generation capacity, increase new generation capacity and reduce energy demand.** This will therefore require us to increase energy generation, including from new sources of energy, as well as to ensure that we use energy wisely.

On the matter of **increasing generation**, in particular from new sources, the Province of KwaZulu-Natal is well placed to make a meaningful contribution to achieve this.

As a coastal Province and given the topography and climate we have, we are ideally positioned to make extensive contributions to new generating capacity. We have engaged with and have firm commitments from the sugar, as well as the paper and pulp industry this province to contribute up to 2 000 Mega Watt (MW) new renewable energy within a relatively short space of time. As a matter of fact, this potential contribution is already well covered in the PGDP. We have a target set of contributing 5 000 MW new renewable energy by 2030 with 2 400MW to be online by 2020.

In addition to the above, we are strategically located to the **Mozambique and other African gas fields**. Our intention is to ensure that the Port of Richards Bay and the Richards Bay IDZ is developed as a logistics platform for both oil and gas to ensure that we are able to provide a more cost effective option for energy generation than the current diesel plants used by Eskom. This matter was also extensively covered by President Zuma in his State of the Nation Address and is an opportunity we must seize.

We are therefore pleased to announce that we have very positive engagements with the Minister of Energy and the National War Room on this matter and that we have a firm commitment for support.

The procurement of cogenerated energy the paper & pulp and sugar in our province. We have furthermore reached agreement to focus on investigating additional coal and gas fired power generation, as well as to expedite processes to secure procure of new renewable energy under Renewable Energy Independent Power Producer Programme (REIPP).

On the matter of **demand side management**, which is again a matter fully captured in our PGDP, we have set targets for units of energy saved through energy efficiency interventions. From a baseline of **180 Giga Watt in 2010** we hope to reach a 7 800 Giga Watt reduction by 2020. Our current performance on this indicator is not looking good and it is therefore an area we will have to focus on much sharper over the next five years.

We can't afford to just keep on producing more energy and not also ensuring that we use what we have wisely. We will therefore be working with Eskom in



engaging with business to review the load shedding protocol to reduce negative impact. Eskom has also committed to expand the current demand response programme being offered to industrial customers, to assist them in planning for more efficient energy usage.

An area where we all have to play our part is to reduce demand in residential dwellings by promoting energy efficient technologies and to shift domestic cooking and heating from electricity to LPG gas. I am also pleased to notice the number of municipalities in our province that have heeded the call to move to more efficient and solar powered street lighting.

Increase capacity of municipalities to accelerate service delivery by maintaining, refurbishing and upgrading infrastructure. Licenced municipalities are therefore urged to ensure reliability of reticulation and reduce unnecessary interruptions due to failing infrastructure. All municipalities are also called upon to ensure that they settle their debts with and pay Eskom on time. This will go a long way to assist Eskom in restoring its financial sustainability.

In the longer term, we are also engaging the Department of Energy and Eskom to complete the National Energy Master Plan and to review current legislation and regulatory framework to cater for greater potential for in particular the sugar industry in this Province to contribute to the production of ethanol. We are also keen to see amendments to facilitate processes of own generation of intensive energy users so as to reduce demand on the grid.

In this Province, we are prepared to be bold and to lead from the front in setting up processes and structures that will create a pipeline of renewable energy projects. We are well advanced with a proposal to establish a renewable energy fund and an energy trading agency for the Province.

#### **Priority Intervention 2: Moderating workplace conflict**

We are all extremely concerned by the impact work place labour conflict is disrupting productivity and our ability to grow the economy within a stable labour environment. Let me immediately confirm that we fully recognise the rights of workers to earn a decent living within a decent and caring workplace. I am however also mindful of the need to create more jobs, as we do our best to retain the ones we have created.

We therefore call on both organised labour and organised business to assist in creating this environment of stability in the workplace and to contribute to the improvement of investor confidence in our Province.

#### **Priority Intervention 3: Revitalising the agriculture value chain;**



Madam Speaker, let us remind this House that Strategic Objective 1.1 in our PGDP is to “Unleash the Agricultural Potential of KwaZulu-Natal”. We have therefore already made significant progress in reviewing the agricultural policies and approaches of our Department of Agriculture and Rural Development. There is a much stronger realisation of the need to focus on processes and programmes that will promote commercial agricultural outcomes.

It is well understood that the agricultural sector is key to ensure food production and security in our Province. We also realise that if these agricultural food security and community upliftment programmes are not commercially oriented, they will not be viable in the long run, and thus they will just not be sustainable. This calls for a rethink of our existing mechanization programme, which will now see the transfer of government’s fleet of tractors to established communal estates where communities will group themselves into cooperatives or community business entities.

Our new focus as expressed in our Provincial Agriculture Policy Action Plan is to grow the economic contribution of agricultural sector to the KZN economy and to create new employment opportunities in the process. The targets we have set in this regard is to increase the value of agricultural contribution to the provincial economy (Real Rands, 2005) from R 11.8 billion in 2010 and the current contribution of about R 18 Billion to R 23 Billion by 2020. We have also set a target of creating 10 000 new jobs in the agricultural sector over the next five years.

These targets will be pursued vigorously through programmes that will provide intensified support to the beneficiaries of land claims and land redistribution processes to become viable agricultural entities. This can be achieved by the state focussing increasingly on facilitating engagements between existing commercial agricultural enterprises and these new entrants to the agricultural sector. Not only will this open up space for increased private sector investment and build on the expansion of established markets, but it will also reduce the state’s spending on unsustainable support programmes.

We are pleased to indicate that we have already started piloting this approach and that it is proving to render positive results over a very short time. In the case of the Waaihoek Community in the eMadlangeni municipal area, a transaction has been concluded between a private sector agricultural entity and the local community, which has already seen the first crops on the field. The target is to have at least 30 000 Ha of land covered under this new approach in eMadlangeni alone within the next two years.

As was stated in the previous State of the Province Address, we will continue our endeavours to have more communal areas, in particular those under the control of Traditional Leadership engaged in commercial agricultural ventures. The Tugela Estate project in the Indaka municipal area is already a pilot initiative and is intended to produce a replicable model that could then be rolled out throughout the Province.

In tandem with the approach outlined above, we will encourage a radical shift to more labour intensive agriculture through the development of new irrigation schemes wherever arable land is found adjacent to rivers and streams. At the same time we will focus on the full agriculture value chain to ensure that all key links in this chain are supported and that opportunities for local entrepreneurial development and local business participation are optimised.

We also need to be aware that the National Agriculture Policy Action Plan is encouraging the production of red meat, poultry, fruit and veg, wine, wheat, forestry, fisheries, biofuels (sorghum, sugar cane), all of which, maybe with the exception of wheat, are commodities that can be successfully produced in KwaZulu-Natal. It is therefore important to leverage on the opportunities that will arise from National processes to enhance and support the value chain in respect of each of these commodities.

Noting the need for intensified action in the agricultural sector, as well as slow progress that has been made with the development of the Makhathini area in the Umkhanyakude District, the Provincial Executive Council undertook a two day in local inspection of the area in June 2014 and subsequently initiated and conducted the **Makhathini Lab** in September 2014. This Lab, which was also framed along the same line of approach as the Operation Phakisa Ocean Lab.

A **Team of senior officials** was deployed to Makhathini for five weeks to identify opportunities and interventions and develop execution plans to stimulate economic development in the area. During this period, the team engaged a wide range of stakeholders including sector departments, local government structures, public entities, traditional councils, farmers and local enterprises.

This Lab process has resulted in the development of detailed and fully integrated implementation plan for the development of the Makhathini area. The two main focus areas of this plan are agriculture and tourism, and it then also deals extensively with a range of transversal enablers, such as supportive infrastructure, issues of land rights, water and water use rights, electricity and transportation.

This time around, Makhathini appears to be heading towards a real good direction. We know that the owners of the land will play a critical role to this end.

Substantial progress has also been made with proposals for the establishment of an **ethanol plant** in the Makhathini area, which will not only contribute to our energy needs, but also has the potential to create a further 2, 000 jobs. We will soon be embarking in a process to attract private sector investment for this development, which is now the only impediment.

We intend to leverage on tourism opportunities in Makhathini, which are already created by the **iSimangaliso World Heritage Site**, as well as a range of other ecotourism, adventure and water sport ventures in the Jozini and

uMhlabuyalingana municipal area. These development will substantially increase the market share within the domestic and international tourism market.

There has also been a rigorous process to improve our ability to control the occurrence and spread of **foot and mouth disease** in the far northern area of our Province. This disease has had serious implications for our red meat industry in the Province, well beyond the area directly affected and it is therefore a high priority for us to ensure that we prevent similar occurrences.

Madam Speaker, let me conclude on this agriculture section by making reference to the issue of **land and land reform** as was pronounced on by the His Excellency the President in his State of the Nation Address.

The President emphasised the fact that land has become one of the most critical factors in achieving redress for the wrongs of the past.

It is for this reason that the second window of opportunity for the lodgement of land claims was opened last year and the cut-off date is 2019. We have also noted the intention to pilot initiatives to explore a fifty/fifty policy framework, which proposes relative rights for people who live and work on farms.

In terms of new proposed legislation, a ceiling of land ownership will be set at a maximum of 12 000 hectares and foreign nationals will not be allowed to own land in South Africa, but will be eligible for long term leases. These amendments are to be effected through the Regulation of the Land Holdings Bill, which we believe will be submitted to Parliament this year.

We have also noted that the process of establishing the Office of the Valuer-General is underway, which is established in terms of the Property Valuation Act. Once implemented the law will stop the reliance on the Willing Buyer-Willing Seller method in respect of land acquisition by the state. These developments are most welcome.

<b>Priority Intervention 4:</b> <b>Targeted support for the metals/engineering value chain</b>
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Recognising the **fact that South Africa is exporting its mineral wealth**, to the detriment of local industrial development and an approach that sparks a range of other negative economic consequences, the time has now come for us to act decisively to address this matter.

Although the Province of KwaZulu-Natal is certainly not the mining heartland of South Africa, the bulk of the minerals mined in this Country leaves our shores from KwaZulu-Natal harbours. We are therefore strategically located to make a meaningful contribution to turn this situation around.

It is well understood that beneficiation is energy intensive and that the current energy crises presents a serious constraint, but we do not believe that this situation is unsurmountable.

Our views in this regard seems to have found favour with the private sector and our Project Brokering Team in the Province, has been facilitating a process with an international investor over the last two years to make this a reality.

Although negotiations on this proposal still has to be finalised and exact details can't be released at this stage, it is safe to say that good progress has been made to establish beneficiation plants at Ngagane just South of Newcastle and Colenso.

These sites were specifically identified because of existing infrastructure related to decommissioned power stations on both sites, as well as its proximity to the railway line transporting mineral wealth to the ports.

This proposal intends to develop at least 5 smelters at a cost of R 22 Billion and with a potential to create 8 000 permanent jobs. What is even more attractive about this proposal is that it intends to establish new power plants on each of these sites, primarily to generate electricity for own consumption, but with additional capacity that can be placed on the national grid. Licence processes are underway, and we are pleased with developments up to now.

The further significance of this project is that not only does it promote local beneficiation, boosts industrial development that is likely to trigger further manufacturing opportunities, creates jobs, contributes energy to the grid, but it also creates opportunities for so called junior miners to provide the coal required for the new power stations and includes substantial extension of social services to accommodate the new workforce around these two sites.

Madam Speaker I am sure you and the House will understand why we are so excited about this development and we commit to do all within our power to see this project into construction as soon as is practically possible.

<p><b>Priority Intervention 5:</b> <b>Economic Development and Private Sector Investment</b></p>
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One of the main concerns about our Country's lack lustre economic performance has been the apparent reluctance of private sector to invest in South Africa, thereby depriving our economy of much needed capital injection.

Some of the reasons that have been put forward as underlying causes of the low levels of investor confidence are related to matters such as the energy crisis, workplace conflict and labour stoppages, as well as excessive red tape and a lack of coordination.

These matters give rise to a situation where there is a trust deficit between government and private sector. This needs to be addressed with the urgency it deserves.

Within the Province of KwaZulu-Natal, we are pleased to report that we have established a firm relationship with private sector through our engagement with the KZN Growth Coalition which is co-chaired by the Premier and Mr Moses Tembe, as the nominated leader from the business community in KZN. We also have a close working relationship with the KwaZulu-Natal Council of Business Chambers, coordinating the activities of all business chambers across the Province. These engagements have gone a long way to build a stronger relationship of trust and provide a platform where the private sector can raise matters they require government intervention on.

The Growth Coalition convened an Executive Retreat in November 2014 where senior business leaders in the province had a two day engagement with members of the Provincial Executive Council and senior officials where we deliberated and agreed on a plan of action to address the most pressing matters raised by the private sector.

The key issues raised by business leadership related to the processing of environmental impact assessments, the subdivision of agricultural land, small business retention and establishing new ventures, government's 30 day payment commitment, skills and youth development programmes, as well as challenges being experienced with supply chain management processes. Task teams have been established to work on solutions to the matters raised and progress will be reported to the next meeting of the Growth Coalition.

In this Province we fully recognise the role of private sector to grow the economy and to create jobs. As government we will continue to create an investor friendly environment.

We are therefore confident that although we may not have resolved all the matters raised, we have processes in place to attend to them speedily in a very structured, collaborative and amicable manner.

Another area of great economic potential for our Province is **coal mining**. This Province is well endowed with this resource. For a long time, this sector has been neglected in terms and largely under-invested. The time has come for us to seriously exploit this resource and unlock its economic potential. In this regard, we are looking at areas like **eMalahleni, Zululand and uThungulu** as our key focus areas.

We will not do justice to this State of the Province Address if we do not briefly touch on the issues of **tourism** and its potential to crowd in private sector investment in our Province.

In addition to all tourism development projects that are being developed in our Province, we must not underestimate the potential related to sport and conference tourism, as well as the attendance of a number of signature events that is hosted in our Province.

One of the most significant developments in this regard over the last months has been the decision to support a bid for the **Commonwealth Games** to be hosted in our own City of eThekweni in 2022. This is an obvious vote of confidence in the ability of our Country, our Province and our City to host an event of this magnitude.

We are also pleased to be the host of signature events such as the Comrades, Mandela and Duzi Marathons, the Durban July, the Midmar Mile and many other locally and internationally recognised events.

#### **Priority Intervention 6: Unlocking SMMEs and Co-operatives potential**

As much as we value the contribution of large corporates to our economy, we are convinced that our shared growth targets can best be achieved by creating an environment for small business to grow. These two ends of the spectrum are also by no means regarded to be at odds with one another or that they are competing in a manner that does not allow them to be mutually beneficial.

The fact of the matter is that we need to achieve a much higher participation rate in our economy. That can best be achieved by getting more business entities that can help create the jobs we need. An approach to building and expanding the small business sector is specifically intended to create the space for new entrepreneurs to emerge and to link up where possible with large corporates to grow the economy and create the jobs.

It is for this reason that we are alarmed by the unacceptably high failure rate of SMMEs and Cooperatives during their first two years of existence. Some of the reasons for this has been mooted to be a lack of access to both public and private business opportunities, lack of finance and access to credit, as well as inappropriate policies to protect informal businesses. These factors are limiting the ability of small businesses to access big corporate procurement.

In order to address these stumbling blocks for small business, we commit to create a better **supportive environment through practice notes for Provincial and municipal spheres of government**. This will be aimed at ensuring that government departments adhere to local procurement



requirements and to ensure that **at least 30% of all government procurement goes to small businesses.**

With the support of our **KZN Small Business Development Agency Enhance we will expedite and expand an incubation programme for small businesses, do our best to reduce “red tape”** for small business and support access to funding through soft loans and grants.

<b>Priority Intervention 7: Consolidating ICT through the Telecommunications Sector – Rollout of broadband</b>
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Given the vast strides made in the development of new technology and modern trends in business and government management, it has become virtually impossible to manage business or for that matter to run a government, without solid ICT support.

ICT has become a key enabler and virtual backbone for economic growth. While we have made progress with regard to the rollout of broadband in our Province, but the process is still too slow and still does not reach many rural and even concentrated urbanised areas of our Province.

We have been implementing our Provincial Broadband Strategy and Implementation Plan for the past 4 years in partnership with National government and have 14 459 kilometres, which is about 80% of fibre optic backbone rolled out throughout the province. Our last mile broadband and internet connectivity efforts have seen 1583 schools connected to date.

With regard to e-health and telemedicine all 85 of our public hospitals are connected. We have in the past year connected all 119 clinics in the 3 NHI districts of Amajuba, Umgungundlovu and Umzinyathi. We are the first province to have all our clinics in the NHI districts connected. 34 of our health facilities have video-conferencing thus making telemedicine and remote diagnosis possible.

Madam Speaker, as we conclude on issues of economic development, let me emphasise that we still have to strengthen the role of Districts as centres of coordination in the implementation of all the priority interventions to achieve the goal of radically transforming the economy. The establishment of **District Development Agencies** needs to be fast tracked and aligned to achieve our growth and development objectives.

<b>Developing and protecting our human capital</b>
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As we have already stated, we are not pursuing economic growth and wealth for the sake of growing the economy, or to only make the rich even richer. Our



purpose is to ensure that we enlarge the size of the cake to ensure that we all can have a larger slice of it. Economic benefits and wealth creation must be aimed at improving the lives of all our people in KZN and we are obliged to render special support to those who are vulnerable and who can't get up to do it for themselves. Let me hasten to say that we are not here to do it for anyone, but to assist anyone who needs help. This is what we mean by Sukuma Sakhe.

Based on a deep understanding of the fact that the eradication of poverty and inequality is not just a social matter, but a matter that requires a comprehensive and holistic approach from all sectors, we initiated the KZN Poverty Eradication Strategy process in 2014. As a first step in this process we applied the Operation Phakisa Labs approach to develop a **Poverty Eradication Master Plan** (PEMP), which was approved the Provincial Executive Council on 3 December 2014 and further adopted by our Lekgotla on 20 February 2015. The PEMP is bold and multi-pronged plan for eradicating poverty in the Province and giving dignity to our people.

The masterplan comprises five key strategies or game changers, namely:

- **Social security and housing**, where the focus is on improving Child Health Outcomes, Improving access to quality Education, Uplifting Living Standards, Food and Nutrition Security, Social Security, as well as Community Mobilization and Development.
- **Agriculture development**, by adopting, adapting and fast-tracking the Fetsa-Tlala approach to ensure household food security, linking mechanisation to entrepreneurship, commercialisation of livestock on communal land; revitalisation of land reform farms; promotion of agriculture cooperatives and agribusiness youth empowerment.
- **Enterprise Development** through opportunities presented in waste management, construction, processing plants, rural renewable energy, mining and business support.
- **Employment Creation** with specific emphasis on rural infrastructure development, revamped expanded public works programme, rural tourism and communal milling stations.
- **Skills Development**, in particular to address issues of early childhood development, primary and secondary schools education improvement, skills alignment to economic growth, artisan development, and youth skills development and lifelong learning.

Madam Speaker and honourable members of this House, you will recognise these matters as having been raised throughout this State of the Province Address. Therefore this confirms that our Poverty Eradication Plan is premised on the successful implementation of the PGDP in its totality. The only difference is that the Poverty Eradication Plan is pointed, specific in its intervention, and

includes specific programmes and projects, with clear timelines, budgets and responsibilities. This is therefore our operational plan to ensure that we move our Province and all of its people forward to a better 2030. Working to end poverty in our lifetime, is our narrative.

It is important to note that the targets we have set for the poverty eradication programme are linked to the MTEF periods to ensure that resources can be committed to deliver the outputs we need to materialise the impact we want to make.

Enhancing **healthy communities and citizens** in KZN is largely dependent on a comprehensive primary health care programme, as well as on the provision of adequate sanitation, water and other infrastructure without which community health will be compromised regardless of the level of health services provided.

We will continue to pursue universal access to services and employ Community Care Givers (CCG's) as a vehicle to accelerate implementation of community based Primary Health Care services.

We are pleased about the fact that we have seen:

- despite persistent poverty, a significant decline in the number of children underweight for age under 5 years from 44 per 1 000 in 2010, to currently less than 14 per 1 000;
- a decline in the child under 1 year mortality in facility rate from 10.8% in 2010 to a current 7.3%;
- a maternal mortality in facility ratio of 138 per 1 000 births, down from 195/100 000 in 2010; and
- longevity life expectancy for males is up from 49 to 54 and for females from 50 to 59;

The focus over the next five years will be strongly on the reduction of maternal, neonatal and child mortalities by accelerating:

- prevention of Mother-to-Child Transmission (PMTCT) of HIV by reducing vertical transmission;
- reducing maternal mortality in facilities to 133 per 100 000 live births by accelerated implementation of the Campaign on Accelerated Reduction of Maternal and Child Mortality in Africa (CARMMA);
- child survival strategies and the implementation of Phila Mntwana at community level to expand the reach for children under 5 years; and
- Initiation of TB screening and initiation of treatment in children under 5 years.

As we celebrate some of the great advancements we have made to improve the health of our communities, in particular in respect of the rate for HIV/AIDS mother to child transfer mentioned earlier, there are still serious concerns about the spread of this dreaded disease and we cannot let our guard down for a moment.

We aim to reduce the number new HIV infections by 50% by 2016 and reducing the impact of HIV and AIDS by expanding access to an appropriate package of treatment care and support to 80% of all people diagnosed with HIV.

**Toyota** as a valued business partner in the fight against HIV and AIDS has through its involvement on the Provincial Council on AIDS, donated two specialised vehicles to augment our own fleet that will be used by field teams to reach every ward in the Province, mobilising people, and delivering preventions services such as education and information, condom distribution, family planning, HIV counselling and testing, TB screening, blood pressure and diabetes screening, as well as referrals for medical male Circumcision.

On the issue of **housing and creating viable and sustainable human settlements**, the 2014/15 financial year has seen a number of success stories relating to the commitment made by government to deliver sustainable human settlements for different segments of the South African population. We are particularly pleased to note progress made in the communities we visited recently to verify progress, namely those in the Jika Joe informal settlement, Groutville, Ramaphosa, Siyahlalala, Masinenge, UMzinto, Umlazi and Umvoti.

We have seen:

- a decrease in the housing backlog from 17.9% in 2010 to now a 13% backlog, with just under 100 000 having been built over this period;
- 22 316 housing units have been completed and 2998 sites have been serviced in the last year, of which 12 923 units were delivered in rural areas in the last year;
- the completion and hand over of 7,420 units in the last year as part of the programme aimed at eradicating slums and upgrading informal settlements;
- the Vulindlela Peoples Housing Process wherein the community is involved in building their own homes has built 2,349 houses to date this year; and
- Great strides being made in the further development of the Cornubia project.

The extent and prevalence of poverty in our Province is very clearly exposed by the fact that 1 756 580 beneficiaries received **grants** at various 1 466 pay points in the KZN during the past year. This visibly exposes the need for us to ensure

that we can render effective **social welfare services** to the needy, until they themselves can vend for themselves.

The focus is specifically on improving the quality of and access to social welfare services to protect the rights of the **vulnerable sector of society**, namely children, youth, women, older persons, people with disabilities, people affected by HIV and AIDS and families, especially in under serviced areas.

Coordination and integration of **Early Childhood Development** services remain paramount. In expanding access to ECD services, 146 ECD centres and 52 programmes have been registered in terms of the Children's Act. Two new non-centre based programmes also received financial support and ECD Stimulation Toy Tubs were distributed in the Ugu, UMkhanyakude, UMzinyathi, Zululand and iLembe districts.

We remain concerned about our ability to fully cater for the needs of the section of our population affected by any form of disability, and it is for that reason that reviewed the **KZN Disability Strategy** last year, in collaboration with the disability sector, to ensure that we are responding to the needs of this sector of society.

As part of expanding services to persons with disabilities, we have started piloting the roll-out of a Community Based Rehabilitation Programme in three districts, namely Umzinyathi, UThukela and Amajuba. Awareness programmes on children and youth with Dyslexia and Autism (learning abilities) and persons with Albinism were conducted in eThekweni Metro to inform people about such disabilities.

Madam Speaker, it is said that the soul of a Nation is measured by the way it cares for the **elderly and the infirm**. We do have an obligation to take care of those that have taken care of us. We have seen a trend recently where this responsibility is increasingly being devolved to the NGO sector and where funding for this purpose has been reduced. We therefore call on Department of Social Development to take steps to ensure that the elderly and in particular the indigent infirm are being taken care of with the dignity that we would like to enjoy, were we to be so privileged to live to such a ripe age.

In our inaugural address we announced our intention to establish a **Youth Development** Chief Directorate to provide greater focus on and support for youth development issues in KwaZulu-Natal. We are pleased to report that this is done and that the General Manager for this Unit has been appointed and that a new Youth Development Strategy was adopted at a Youth Development Summit that was hosted in August 2014.

We have also partnered with the NYDA in hosting a workshop with all youth formation in the province on the National Youth Development Policy earlier this month.

We have now also established a KZN Bursary Holder Alumni Association and hosted an event earlier this month to announce successful applicants of the 2015 bursary awards, acknowledge graduate bursary holders, as well as to register them as part of our endeavour to track and trace graduates.

Good progress has been made with the soliciting of private business, state owned companies, and other potential funding sources to form partnerships and/or collaborations with the KZN Government in funding youth skills development programmes.

We are excited about the prospects of Project Sukuma, a partnership initiative between the KZN Department of Health, the South African Military Health Services (SAMHS), the KZN Department of Education and the Office of the Premier to train youth to serve in the Emergency Medical Service including Maritime Medical and Diving Rescue Service in the Province.

Let us also state our intent here to establish a “foundation” aimed at promoting youth leadership development in the Province. The KwaZulu-Natal Youth Leadership Development Foundation Bill will seek to establish an appropriate mechanism to secure additional funding for youth development and empowerment, as well as for the development of youth leadership via maximum skills and academic achievements across various skills of study.

We have also entered into a MOU with the Consulting Engineers South Africa (CESA) to facilitate training opportunities for youth in the construction and infrastructure development process.

As far as issues related to the **empowerment of women and gender based violence** are concerned, we have relentlessly pursued our endeavours to promote the interest of women in our society. We have continued to conduct Life Skills Workshops for women and young girls to empower them to overcome social ills and work towards improving the livelihoods of their families and communities. We have also conducted a range of business economic empowerment workshops to enhance the economic status of rural and poor women.

Levels of gender-based violence in the province of KwaZulu-Natal remain unacceptably high, requiring a change in strategy and greater collaboration between all stakeholders in our province to address and eradicate this scourge. Statistics reveal that 51% of women in SA are likely to experience some or other form of gender based violence in their lifetimes. A woman is killed every six hours by her partner, and 61% of these took place in the woman's home.

It is clear that innovative and drastic responses are required to turn the tide against this phenomenon and to change social norms and behaviours that encourage and perpetuate gender discrimination and violence, in collaboration with civil society, traditional and religious leaders.

We have also identified the need for a more aggressive justice response to gender-based violence to end the impunity of perpetrators and ensure our police and justice officials are better trained and prepared to investigate and prosecute such cases. This goes hand in hand with measures to ensure a more coordinated response to and care for victims and survivors of gender-based violence, and ensure they receive the support required to deal with the physical and emotional impact, and attain justice.

As part of prevention of **substance abuse**, the KeMoja Drug Prevention Programme was implemented in all districts. Teenage against Drug Abuse (TADA) and Wake-up Call Programmes have also been implemented throughout the Province. Treatment services are available at Newlands Park Treatment Centre in Durban, Madadeni Rehabilitation Centre and Khanyani Treatment Centre in Newcastle. We are also supporting and facilitating the registration of new treatment centres and half-way houses that are run by NPOs, such as Cresthill Manor in Botha's Hill, Harmony Retreat in Greytown and Siyakhula Rehabilitation Centre in Durban.

Madam Speaker, as witnessed earlier this year, the issue of the use of unsafe vehicles for the transportation of our children to school is another area that requires our urgent attention. We are therefore determined to follow through on the banning of bakkies or vans for the **transportation of school children**. Necessary technical processes to achieve this are currently being prepared. This will include consultations with all the bakkie operators – Malumes and Nomalumekezi.

Madam Speaker we must also indicate that the work we have done on **Operation Sukuma Sakhe** is starting to render results. We remain firmly on track to ensure that we have structures in place to engage more effectively with our communities through the OSS War Rooms. This is our strategy to improve efficiency through integrated service delivery.

The OSS system currently provides us with structures and mechanisms to promote coordination and integration of effort from all spheres of government, with structures of non-governmental institutions at provincial, district, local and ward levels. It therefore provides us with a seamless delivery and reporting system to ensure that we work as a collective and not just as individuals as the challenges we face are far too big for us as individuals.

These War Rooms have become the centre from where we consolidate urgent requests for assistance, as well centres for the dissemination of important information and key services to our communities.

Although we are still facing challenges in certain wards, we have established 822 War Rooms to date, of which 617 or 75 % are functional and we will continue to build these structures. The centrepiece of every War Room is fight HIV and AIDS related programmes.



## Good Governance

On the state of governance in the Province, I am pleased to note:

- that the **vacancy rate** in our Provincial Departments was below 9% and within the national norm of 10%;
- a significant **improvement in the municipal audit outcomes** for 2013/2014 with 13 municipalities receiving clean audits, 40 receiving unqualified audits, 5 qualified and only 3 received disclaimers;

We are however not impressed with the overall state of provincial governance as reported on in the outcome of the 2014 results of the Management Performance Assessment Tool (MPAT). This assessment has revealed a number of deficiencies in our governance structures and systems. We have therefore requested MPAT improvement plans from all departments and we will strengthen our internal control functions to ensure that we produce better results in the 2015 assessment.

We must emphasise that we are not just doing this for the sake of compliance, but we are doing this in an honest and sincere attempt to be a competent, caring and responsive government to the population of this Province. Our people deserve the best and we therefore have to be the best.

We therefore remain committed to do our best to root out **fraud and corruption** in our Province. We have all the structures and campaigns in place to deal with this matter and we now have to step up our enforcement processes to ensure that the perpetrators are exposed and that appropriate legal steps are taken.

We are pleased to announce that Assist Forfeiture Unit recovered R 434.5 million between January 2014 and December 2014 and so far in 2015, an amount of more than R 100 million has already been forfeited. We will be relentless in this war against those who are intent in stealing our freedom.

The Office of the Premier, Treasury and National Department of Planning, Monitoring and Evaluation are working with departments to ensure **alignment of our strategic plans** for the 2015 to 2020 planning cycle. The second drafts of these plans for all provincial departments have been submitted and proposals have been made on how to improve alignment with the PGDP, prior to submission of final plans to this House during the Budget Hearings.

The Department of Cooperative Governance and Traditional Affairs, with the support of the Provincial Planning Commission is supporting all Districts in the Province with the development of District Growth and Development Plans, aligned to the PGDP. We therefore now all have a direct line of sight to the NDP and we are well poised to act as one government to deliver our Vision 2030.



Madam Speaker, 2015 marks the 15<sup>th</sup> year of the new dispensation of local government and we unfortunately have to acknowledge that we are still faced with a range of challenges in this sphere of governance. It is for this reason that we also fully support Operation Back to Basics, which is aimed at strengthening local government by focussing on issues such as:

- Putting people first, let's listen and communicate;
- Adequate and community-oriented service provision;
- Good governance and transparent administration;
- Sound financial management and accounting; and
- Robust institutions with skilled and capable staff.

We are very aware that some of these challenges we face can give rise to dissatisfaction of the communities we serve and that it could in severe cases result in service delivery protests. We would therefore request our communities to report any wrong doing or matters of poor service delivery via the channels that we have created for this purpose so that we can act on these concerns before matters get out of hand.

We will, however not tolerate mass action that is inspired by purely disruptive or sinister motives. We just can't afford to be side-tracked from our vision to be a prosperous province.

We would therefore like to call everyone in KwaZulu-Natal act responsibly and to ensure that we have a smooth run-up to the 2016 municipal elections.

Madam Speaker, we are now also in a position to report that we have made progress on the rationalisation of structures to ensure that we provide effective and efficient support to **His Majesty and the Royal Household**. We are committed to ensure that His Majesty and his Household receives a level of support commensurate with the status of iSILO and his family members.

We have disestablished the Department of the Royal Household and its separate budget allocation and we have incorporated this function into the Office of the Premier. We have also prepared an amendment Bill to revise the functioning of the Royal Household Trust to streamline its operation and to improve its functionality. This Bill has already been submitted for the consideration of this House and we understand that the consultation processes on this legislation will commence soon.

We do recognise the importance of our neighbours and the need for us to establish good relations with them for us to be able to deal with issues of mutual

interest. We are well advanced in discussions with both the **Free State and Mpumalanga Provinces** and we already have draft Memoranda of Understanding prepared to formalise these relationships.

In this process we are keen to inter alia pursue issues of improved transport linkages, cooperation in agriculture and other commonly shared economic sectors, as well as cross boundary cooperation in combatting crime.

### **Develop Strategic Infrastructure**

It is well documented that infrastructure development is the foundation for poverty reduction and economic growth in developing countries. The long-term success and participation in the global market by the Province of KwaZulu-Natal, as a Province with a Vision to be one of the primary gateways into Africa, will be in its ability to maintain and improve its transport and logistics infrastructure.

Historic under-investment in basic infrastructure such as roads, transportation, water provision, sanitation etc. has undermined the growth potential of this province. The need is therefore to invest in infrastructure in order to stimulate and sustain growth and development and this includes both operational infrastructure such as water, sanitation, roads etc. and connectivity infrastructure related to information technology and mobility.

We have adopted a target of increasing investment in capital infrastructure from the current 16.5% of GDP to 25% by 2020. We acknowledge upfront that this may be a difficult target to meet in view of the eminent budget cuts as a result of the poor performance of the economy, but it is a clear indication of our intention.

As much as the emphasis must be on the development and expansion of strategic infrastructure that will enable us to realise our Vision 2030, it is of equal importance to ensure that the development of this infrastructure is well coordinated and is directed to assist with the development of skills and the creation of new employment opportunities in the process.

The development of an Integrated Infrastructure Master Plan for the Province is well underway and is being developed with all the infrastructure related authorities. In broad terms, this plan will take stock of what it is that we have, will project what it is that we need to realise our Vision, will then establish a programme and quantify the resources that will be required to meet our infrastructure demands towards 2020 and beyond, and will then include a detailed and scheduled implementation plan.

The key infrastructure areas we are focussing on are our harbours, airports, road, rail, water, sanitation, electricity. ICT, school and health facilities, human settlements, as well as specialist infrastructure to support lead economic sectors in the Province.

With the revamping and extension of the **Port of Durban** already well underway at an estimated cost of more than R 22 Billion, and the new Dugout Port in an advanced stage of detailed planning, as well as further expansions planned for the **Port of Richards Bay**, we are set to see many more cranes on the horizon of the KZN skyline.

These developments all form part of the National Infrastructure Plan, implemented through the Presidential Infrastructure Coordinating Commission (PICC) and the 18 Strategic Integrated Projects, referred to as SIPs which it presides over. As a Province we are participating in 15 of these SIPs which of direct significance to us in KwaZulu-Natal.

Improving and expanding the cargo handling capacity of our ports immediately imply that we have to provide adequate and appropriate rail and road network capacity to improve our linkages with other parts of the country, as well as with our bordering countries.

The **airports** of KZN offer greater potential to increase connectivity both at domestic and international level. It is for this reason that we have developed a Regional Airport Strategy for the Province, to ensure that we optimise the airport infrastructure we have to its full potential in supporting our economic growth initiatives.

The Provincial Executive Council has now also adopted the KZN Integrated **Aerotropolis Strategy**, anchored around the King Shaka International Airport and the Dube Trade Port. We now have a clear framework for growing air services and connectivity, integrated and coordinated spatial planning, as well as equitable and inclusive growth.

The airlift strategy is now being finalised and we are targeting to further secure our existing one long haul route to Dubai, as well as 4 regional routes to Mauritius, Maputo, Harare, Lusaka and eight domestic routes to all the main centres of South Africa.

Our targets are to increase the volume of passengers through KZN airports from the current 5.2 million rising to 8 million in 2020, and to increase the international tonnage throughput from Dube Trade Port cargo terminal from 6500 tonnes to 8 000.

We can also inform this House that the matter of the future of **Virginia Airport** that an agreement was reached to relocate this facility to Scottborough. This will not only release very valuable land for development on the existing site, but will also create much needed opportunities on the South Coast.

Our **road and rail networks** remain the veins that carry the life blood of our economy in the form of cargo and passengers.

We are therefore pleased to note an improvement in the quality of our provincial roads with less than 43% of our roads categorised as poor, compared to 52% in 2010;

A similar trend is experienced with our national roads where less than 2% are now classified as poor, compared to 15% in 2010;

An over-burdened road network and under-utilised rail network are however factors contributing to infrastructural deficiencies in the province. Because of the acknowledged lack of investment in public infrastructure spanning some years, freight is more effectively moved by road, which overburdens the road network.

Our main challenge therefore is move as much freight as possible back onto rail, while we ensure safer and more efficient means of public passenger transport.

It is for this reason that the primary focus over the next five years will be on:

- working with Transnet to ensure the expansion of and maintenance of the core rail freight network, as well as on exploring opportunities for the manufacturing and servicing of the required rolling stock within the Province;
- ensuring that the branch rail lines are revitalised to prevent further movement of good from rail to road;
- creating additional capacity along primary movement corridors in the Province;
- maintaining our secondary road network;
- extending rural road access in support of rural development initiatives;
- working with PRASA to improve passenger rail services and to explore the possibility of establishing high speed rail connections in the Province; and
- developing integrated public transport services.

We must ensure that sufficient **water** is available for the growth and development needs of KZN. This implies water for human consumption, for growing the economy and ensuring that we are food secure.

Recent droughts have increased the risk of severe water shortages for human, commercial and agricultural use. We have experienced a situation where, largely as a result of a shortage of raw water and bulk services, we have not been able to maintain the level of household and commercial water connections.

The percentage of households where supply of 75 litres of water per person per day was secured. It declined from 86% to 85% from 2010 to 2014. This situation is being addressed in a number of ways. But most importantly by investigating options of desalination as well as augmenting storage capacity through the following measures:

- The Spring Grove Dam, which was commissioned and completed in 2014. This will provide an additional system yield of 60 million cubic meters per annum into the Umgeni River System;

- The raising of the Hazelmere Dam which has unfortunately had some setbacks, but is now scheduled for completion by the end of 2016. This will provide additional 20 cubic meters of water per annum into uMdloti River system;
- Phase 1 of the Smithfield Dam on the uMkhomazi River, is undergoing a detailed feasibility study. This is obviously a longer term solution which will yield 250 cubic meters of water per annum at a projected cost of R14 billion; and
- The Lower uThukela Regional Bulk Scheme. This will provide additional 40 million cubic meters per annum. Phase 1 of this project is scheduled for completion later this year.

However, we must all realise that water is increasingly becoming a scarce resource and just like in the case of electricity, we will have to learn to reduce our consumption and avoid wastage.

#### **Education, training and developing skills to meet growth demand**

Madam Speaker, the issue of education, from early childhood to adult learning remains one of the key focus areas of this government. We want to reiterate the fact that our most valuable resource in this province is our people. Therefore it goes without saying that the development of that resource remains a foremost priority.

It therefore pleases us to report that:

- 93% of learners **have attended Grade R**. Our focus now is shifting to Grade RR where we must achieve maximum output. We can safely state that the doors of learning are open.
- 2.2 million Learners are now benefitting from the **school nutrition programme** compared to 1.7 million in 2010, a significant increase of 500 000 learners over this period. The drawback here is with regards to prompt payments to our suppliers. We have drawn the attention of MEC Nkonyeni in this regard.
- 99% **enrolment rate in primary schools**, compared to 94% in 2010 and 91% enrolment rate in secondary schools, up from 87% in 2010. The focus now shifts to improving the retention rate. This is to ensure that all learners remain in the system at least till Grade 10 and preferably to Grade 12;
- the number of **students qualifying for bachelors programme in the NSC** exceeded the 2015 target with 35 700 learners qualifying compared to 27 000 in 2010;

- The number of **youth** supported by National Skills Fund, SETA's and youth programmes has increased from 45 200 in 2010 to 58 000 currently. This is steady progress but it requires sharpened focus to improve the system and to increase the numbers;
- a rise in **adult literacy** rate to 90%, which is up from 80% in 2010.

We are obviously not satisfied with the decline of the Grade 12 pass rate from 77.4% in 2013 to 69.7% in 2014. This decline of 7.7% is alarming. As much as we understand some of the underlying factors, it is not a situation that we deal with lightly.

A thorough analysis of the 2014 results has been done. A Provincial Academic Improvement Plan for 2015 and beyond has been developed. This plan is already being implemented. We refer to this as Operation Bounce Back.

Although this plan is largely aimed at improving Grade 12 pass rate, it also acknowledges that more focus has to be placed on ensuring that improvements are achieved in the National Annual Assessment (ANA) of performance in Grade 3, 6 and 9. It is for this reason that barriers to improved learning are being addressed at individual learner level, teacher and classroom level, as well as school, district and systemic levels.

**An analysis of our performance in the ANA** clearly indicates a need to enhance learning in mathematics and home languages. Whereas 70% of learners in Grade 3 passed ANA 2014, compared to only 15% in 2010, only 11% of learners in Grade 9 passed in 2014. This poses a serious challenge for Grade 12 results over the next three to five years and is therefore now receiving dedicated and specialist attention.

Beyond the primary and secondary education phase, we have seen a steady increase in the gross enrolment rates in Technical and Vocational Education and Training Colleges (TVETs) and Higher Education Institutions (HEIs). The increase is however curtailed by the lack of infrastructure. Certification rates are not at the expected level.

There continues to be a mismatch of skills produced against skills needed. The number of youth that are "Not in Employment, Education and Training" continues to increase.

A policy for Work Integrated Learning has been drafted to facilitate better implementation. The Provincial Artisan Development Steering Committee has been established to oversee Artisan Development in the Province.

**In 2014 we launched the KwaZulu-Natal Human Resource Development Council.** The Council will work towards achieving greater collaboration between the education sector, organised business, professional body's industrial sectors, organised labour and civil society. Its main focus will be to overcome bottlenecks



and drive the alignment of skills supply to meet the needs for economic growth and development. To this end we will host a Human Resource Development Conference in October 2015.

We have an unemployed graduate database hosted by the Department of Economic Development, Tourism and Environmental Affairs. As such, we urge business and industry to use that database to identify graduates for employment.

The education and training system comprising of schools, colleges, universities, SETAs and industry must work together in producing the required skills for the economy of KZN.

We are also pleased at the significant progress made since the announcement that the Department of Higher Education and Training would construct six new institutions of higher learning. These new training facilities are to be constructed in Dundee, Msinga, Nkandla, uMkhanyakude, Greytown and Bergville. The facilities in Umzimkhulu and Vryheid are being upgraded.

In order to promote skills development to meet the demand of the radical economic transformation, we have to establish specialist schools and training institutions. In KZN, we are establishing a fourth fully fledged agricultural school. The Shakaskraal Secondary School in the iLembe District is being converted into a specialist school. In addition, there are approximately 660 schools offering Agricultural Sciences as a subject, which demonstrate our seriousness about placing agriculture of our economic development.

Our Department of Education has also introduced a curriculum with a full package of Maritime Studies in four schools in 2014. The plan is to phase in Nautical Science incrementally over a period of three years starting from 2014 in Grade 10 through to 2016 in Grade 12. We are also working hard on establishing a KZN Maritime School of Excellence which will offer a full package of Maritime Studies subjects from Grades 8-12. This school which will be located near the Port of Durban will commence in the next financial year. This is a further demonstration of placing ocean economy at the centre of development.

### **Environmental sustainability**

We do value and respect our environment. We fully understand our responsibility to ensure that we leave our Province to future generations in a better condition than we found it.

Fertile agricultural land as a commodity is under pressure from a variety of other land uses, the threat of alien and invasive plant species and poor soil management practices.

Climate Change is considered to be one of the most serious threats to sustainable development with adverse impacts expected on the environment,



human health, food security, economic activities, natural resources and physical activities.

Through the Climate Change Council, we undertake to intensify the implementation of the KwaZulu-Natal Climate Change Response Action Plan. The Provincial Disaster Management Centre has also developed a guideline for the development of District Climate Change Response Plans, which are to be incorporated into the 2015/2016 IDP reviews.

It is evident that storms are becoming more severe and that extreme weather conditions are going to affect us more and more in the future. We need to be ready to reduce the negative impacts of these incidents as far as is practically possible. We are particularly concerned about the increase in **fatal lightning strikes** and we are considering all possible steps to mitigate this risk. For now we rely on an extensive awareness campaign to inform communities of what it is that they can do to reduce risk of being struck by lightning.

#### **Improved Spatial Integration**

Although we have started to make some inroads in addressing spatial inequalities, we still have a long way to go to integrate previously disadvantaged areas with the more affluent areas, in both the urban and rural parts of our Province.

We are pursuing a number of interventions to address this situation and we are pleased to report:

- an increase in the percentage **land area of the Province being covered by planning schemes** from 2.3% in 2010 to 5.6%, implying that more land area has been planned in the last 5 years compared to what had been planned over the last 65 years; and
- 9 Traditional Councils having initiated the development of basic spatial plans for their areas referred to as **Traditional Settlement Master Plans**, which will be completed in March 2015;

As we move forward, we need to intensify our efforts to have our rural settlements formalised to provide residents with more secure forms of land ownership. I therefore reconfirm our commitment to our small town rehabilitation programme and programme to develop Community Service Centres as close as possible to where the largest concentration of our rural population reside.

In collaboration between the Department of Co-operative Governance and Traditional Affairs and the Provincial Planning Commission good progress has been made with the planning and formalisation of 15 rural service development nodes such as Manguzi, Jozini, Hlabisa, Tugela Ferry, and Dududu.

### **Commitment to accountability**

Most importantly, Madam Speaker, on matters of accountability, we once again commit ourselves as members of the Executive Council of this Province to be held accountable for delivering on all the programmes and targets in the 2015 State of the Province Address.

These programmes and targets will be included in the Strategic and Performance Plans of all departments of the provincial government. We will account to this House on delivery in terms of these commitments.

We acknowledge and respect the oversight role of this House as set out in the Constitution and in the Oversight Model adopted by the House which aims to strengthen the oversight function.

We take very seriously our duty to report to our communities on progress with implementation of these programmes and plans that are aimed at improving the quality of their lives. To ensure that we do not undermine their faith in this provincial government, we will work hard to earn their trust by delivering all that is promised.

In order to achieve this we must endeavour to hold all of our public servants accountable for their actions in performing their duties to deliver on the plans and programmes of the provincial government. Our delivery targets are onerous and we need commitment from everyone to give only of their very best in delivering services to our people.

### **Commitment to partnership**

Madam Speaker, as can be seen from the issues highlighted in this State of the Province Address, the matters we have to address and attend to are not only many, but most of them are also extremely complex. We therefore have no illusion about the fact that this is not going to be easy, but we are convinced that it can be done.

We as government definitely can't do it on our own and we will need all the support we can get from all our development partners, namely business, labour and civil society. It is for this reason that we value the relationship we have established with our development partners through our participation on the KZN Economic Council. Without elaborating on details, we are extremely grateful for the Social Accords that we have managed to sign and which draws us even closer together as we each accept our own responsibilities in making our plan work.

We are continuously looking for strengthening our relationship and we therefore wish to acknowledge the efforts made by organised business in our province to

set up structures that enables us to communicate effectively with private sector, not only at Provincial level, but also at regional or district level.

We are particularly grateful for the executive retreat which the KZN Growth Coalition convened and sponsored on 27 and 28 November 2014. This event afforded us an opportunity to meet as senior government and business leadership to discuss frankly the issues that are preventing business from functioning optimally in our Province.

We emerged from this event with a much better understanding of how we can improve the business environment in KZN and we have established representative teams to pursue very specific issues which we will follow up on at our next engagement.

We must also recognise the contributions made by institutions or organisations representing specific interest groups, such as women, children, youth, and people with disabilities.

We also appreciate the work done by our Provincial Planning Commission and the various Councils that we have established to advise us and to harness our relationship, such as the HIV/AIDS Council, the HRD Council, the Climate Change Council, the BBBEE Council, to name but a few, are functional.

Like we did last year, we would like to call on all partners to participate in the work of our PGDP Action Work Groups, as this is the structure we rely on to deepen engagement at a very practical level, as we refine and implement our plan and drive towards our Vision 2030.

## Conclusion

Ladies and gentlemen, as we draw to a close, let me emphasise that we as the people of KwaZulu-Natal are and have always been known for our hospitality and true sense of Ubuntu. We therefore take the issue of social cohesion very seriously as we believe in unity in our diversity to make us stronger.

We need to work tirelessly to ensure that we use each and every opportunity to build bridges between different sectors of our society. One such event that is coming up is the 54<sup>th</sup> All in Africa Conference commemoration to be hosted by the uMgungundlovu District in Plesislaer on 25 and 26 March 2015.

Recent outbursts of violence against foreign nationals is something we cannot be proud of and is something we need to curb as soon as possible.

Madam Speaker, Your Majesty, ladies and gentlemen, Provincial Government plans and successes registered over the past twenty years is indicative of the government which is at work. There is much work that still need to be done, but we draw strength from the achievements we have made. What is it that can make our people more satisfied than to see an increase in the number of houses being

transferred to new owners, more people gaining access to water and electricity, more entrepreneurs getting incentives for their innovations to grow the economy and in the process create more jobs and wealth, more people gaining much needed social relief and more roads getting tarred?

We know that we can still do more, therefore we will spend no time celebrating our achievements, and instead we as a collective will employ new strategies to fast track much needed basic services to our people in order to restore their dignity.

Our journey ahead is long, sometimes with obstacles on the way, but it is also full of hope, given how much we have achieved in the past twenty years. We must work together, with our people for the public good so as to live up to the expectations of both history and our people. With our collective strength as leaders of this government, we shall do everything we can to ensure that we do not fail you, our people.

Next year, it will be a crucial Local Government elections, and members of the public will get an opportunity to elect public representatives of their own choice. We urge all municipal stakeholders to continue to serve our people with pride and dignity. Improving the quality of life of our people is the foundation of this government. The **Back to Basics for Local Government**, which has been recently launched, is a blueprint that must be followed by every Municipal official and stakeholder to ensure that we serve our people by delivering quality service on time, as per our constitutional mandate. Many have pronounced the Back to Basics as a game-changer, but we as this Administration believe this was long overdue.

### Word of thanks

Madam Speaker, we would like to express our appreciation to the people of KwaZulu-Natal for their contribution towards this State of the Province Address. We have received their suggestions and inputs through various platforms, among which were e-mails, calls on Community Radios, public and private radio stations, faxes, and text messages. We have noted the call to ensure that public facilities are accessible for people with disabilities. We have listened to the calls by service providers to government to be paid on time for their services thus enabling their business to grow.

We would like to salute all government officials at both provincial and local level for their work. We thank our Heads of Department as Accounting Officers, for the work they do to advance the development of our Province. Let me specifically thank the staff at the Office of the Premier for their support. We are not yet there in terms of efficiency, but we can still do better. We need to stay humble and remember at all times that ours is about service to humanity.

To my colleagues in the Provincial Executive Council, we have tried our best to deliver on the electoral mandate. The journey ahead is long. The challenges we are facing are huge but not insurmountable.

I wish to thank my family, especially my loving wife Thembeke and my children, Zinhle, Mathuthu, Jama and Phakade for their unwavering support. I also wish to acknowledge the presence of my siblings here today, Thandekile, Masistela and Zethu. Last, and most importantly, I wish to thank Isilo Samabandla Onke for his support of this government over the years. We count on his continued counsel in the future.

**MY COMMITMENT TO YOU AS THE PEOPLE OF KWAZULU-NATAL IS TO SERVE YOU WITH HONESTY, HUMILITY AND DEDICATION.**