

State of the Province Address 2014
Province of KwaZulu-Natal, Republic of South Africa
Delivered by the Honourable Premier, Mr Senzo Mchunu
5 March 2014, Royal Show Grounds,
Pietermaritzburg

Bayede! Hlanga lo Mhlabathi

Madam Speaker

Honourable Members of the Legislature

Former Premiers of KwaZulu-Natal

Colleagues in the Executive Council

Chairperson of the House of Traditional Leaders and Ondlunkulu

Mayors and Councillors

Members of the Diplomatic Corps

Business leaders

Distinguished guests

Fellow citizens

Members of the Media, and those linking up live with us through 1KZN television as well as community radio stations in KwaZulu-Natal

Introduction

Bayede!

Let me begin by thanking Isilo samaBandla for honouring us with His presence today, on the occasion of the delivery of the State of the Province Address. I also deeply appreciate His address at the opening of the Legislature for 2014, yesterday. We have noted the comments and concerns raised.

Bayede! Hlanga lweZwe!

I am pleased to stand here today at a time when KwaZulu-Natal is a stable, peaceful and fast developing province, indeed better than it has ever been since 1994 when the new democratic dispensation replaced the old undemocratic, apartheid-designed system in South Africa.

The State of the Province address naturally comes after the State of the Nation Address which was delivered by His Excellency, President Jacob Zuma. The President gave a comprehensive report to the people of South Africa, on what has been achieved in the first 20 years of our freedom, as well as what still needs to be done to move South Africa forward.

However, against this backdrop, we must be reminded of the biggest singular loss the world suffered in December last year with the passing of our beloved first President of a free and democratic South Africa, Tata Nelson Rolihlahla Mandela. In his name and in the name of all those who laid down their lives for our liberation, we remain determined to uphold the Constitution of the Republic of South Africa, which is the supreme law of our country, together with our priorities of non-racialism, social upliftment and cohesion, economic transformation and justice for all.

The rights of Minority groups are not simply symbolic in the courts and in the Constitution. The Constitution confers individual and collective rights to all. It is for this reason, we must condemn the assault and abuse on the weak and the vulnerable such as the farm workers where verbal and physical attacks, including those with racial undertones, are being dealt with specifically as we speak.

Madame Speaker, the theme of the 2014 State of the Province Address is – ***“Moving forward with speed, ensuring a better quality of life for all.”***

This is informed by the changes we see in our cities and towns, our townships and in our rural areas. KwaZulu-Natal has moved forward and our lives have changed for the better.

Madam Speaker, we meet here today, to give our own report back to the people of KwaZulu-Natal on what we have done in the last 20 years. In our report we give a full account of what we have achieved and state clearly that there is so much more that still needs to be done for this province to become vibrant and prosperous for all sectors of society.

20 Years of democracy in KwaZulu-Natal

Our journey

As a province we have risen from the ashes of apartheid to be a beacon of democracy and hope for millions of people across the world. KwaZulu-Natal is indeed a much better society than it was before 1994 when we inherited a province that was morally and financially challenged. The injustices of the past where people were judged by their race, creed and sexual orientation have been firmly cast away. We have emerged with our own provincial identity built on respect for each other and our love for Kwa-Zulu Natal which we all call home. Our society has been totally transformed in every sphere of life since 1994.

KwaZulu-Natal has indeed seen great progress in peace, security and political tolerance since 1994. Before 1994, the primary focus of law enforcement was on upholding the security and entrenching the apartheid State. The National Crime Prevention Strategy supported by the Integrated Justice System we created in the democratic dispensation, played a part in changing people's experiences in accessing justice. The Legal Aid Service we have today supports the indigent and poor in their fight for justice.

It is pleasing to see that KwaZulu-Natal, a Province that was once engulfed by political intolerance and violence, is now at peace with itself. We do however, note the recent incidents of political intolerance, especially in KwaMashu and other recent incidents in the taxi industry. We are also particularly concerned about the recent horrific incidents at Richmond.

Nonetheless, this is a better place to live in than it was in 1994!

The Census 2011 results indicate that income levels have increased, education results have improved dramatically, millions of people now have access to water, electricity, sanitation and housing. Our provincial profile based on information sourced from Stats SA, reports that in 2002, 57% of our population had an income below the poverty level and in rural areas it was even worse at 74%. In 2011, this reduced to 48.4% of our people living below the poverty line.

Under the ANC-led government, we have achieved universal access to education, largely through the provisions of the South African Schools Act, 1996 which ensures that all learners have quality education without discrimination. It is now compulsory for children between the ages of 7 and 15 to be in school. As a result of this, enrolment rates have almost doubled from 1.8 million in 2002 to 2.8 million in 2013.

Since 1994, the province has invested massively in health facilities as well as addressing key drivers of the burden of disease. One notes our province's contribution to the Male Medical Circumcision Campaign launched and championed by His Majesty. We are particularly proud of the fact that through the persistent interventions from government, Mother to Child Transmissions were reduced from 20.8% in 2002 to 1.5% in 2013.

Between 1996 and 2001, the provincial economy grew at a steady rate of 2.5% per annum. We are also pleased to report the province surpassed the Western Cape, becoming the second largest provincial economy hot on the heels of Gauteng. Thereafter the growth of the economy slowed down with the impact of global factors. Despite this, the province's contribution to the national GDP has remained relatively stable averaging 16%.

The private sector confidence we enjoy in our province today is a clear indicator of this and it is our duty to ensure that we balance economic growth and development in all areas of the province, urban and rural alike.

The investment from the Motor Industry through the recent injection of

R1 billion by Toyota and the continuous investment by the Sugar Industry, is evidence of the progress that can be attained through public private partnerships which are mutually beneficial.

Isifundazwe sethu ngeke sisaphindela odlameni esike salubona phambilini!

The work of integrating the former Natal and KwaZulu administrations, saw many government departments and entities that were racially separated coming together and a single government of the people emerged and took shape over time. With this, a democratic local sphere of governance was born, steadily developing into a layer

of delivery, closest to our people. This sphere has completed the integration process of modern democratic and traditional governance – all in the best interests of South Africa, KwaZulu-Natal and the future for our people.

At first, it looked and sounded impossible, but today, we have peaceful co-existence which gives us a unique sense of being “**proudly South African**”.

Madame Speaker, with the experience we have gained thus far, clearly we must now move forward with speed.

The Province we live in now

Acknowledging the wonderful progress we have made, we also acknowledge that we still face substantial challenges and must be objective in our assessment of exactly where we are now so that we can address root causes and accurately plot the way forward.

Education and skills development

The province’s growth and development depends crucially on human capital and institutional capacity. Education and training is the fundamental platform from which people can continuously build and improve their lives. Our children are our common future. It has been five years of expanding access to education. As His Excellency the President of the Republic of South Africa, Jacob Zuma has noted,

“The gradual improvement in matric results each year since 2009 is a cause for national pride and celebration. The achievement of our 2013 matric class has made our nation stand proud. All our learners carry our hopes for a better and brighter future.”

Back in 2004, education provision in our province was characterized by the following:-

CONDITIONS IN SCHOOLS
53% of schools had no telephone connection
56% of all schools were accessible only by footpaths or poor gravel roads
69% of schools had no power supply
34% of schools had no water on site
51% of schools used pit latrines and 333 schools have no toilets at all
77% of schools had no library
85% of schools had no laboratories

75% of schools were without computers
34% of schools had no principals' offices
32 % of Buildings in poor physical condition
15% Shortfall in classrooms

Compatriots, ladies and gentlemen, all of this has since changed for the better. Over the years this government has completed the building of the following infrastructure projects to improve education:

11 mainstream schools,
4 488 Schools have access to electricity
71 Special Schools
6 466 standard classrooms,
886 Grade R classrooms
3175 schools supplied with ICT Equipment (Smart Boards)
437 multi-purpose classrooms,
294 laboratories,
211 computer rooms,
121 education centres
157 media centres
273 Laboratories
172 specialist rooms
406 mobile classrooms
372 administration blocks
480 kitchens/ nutrition blocks
17 715 toilet seats
78 full service centres
2 876 water tanks,
180 bore holes,
648 schools have been fenced
1 980 schools rehabilitated and renovated
82 buses for special schools

We are proud to say that there are no more exclusively mud schools and no children learn under trees in our province. We are now working with speed to eradicate all other inappropriate structures in our schools.

Since 2009 we have invested R13 billion in 3 500 education infrastructure projects. In the process of this massive infrastructure spending, 54 mud schools were

replaced by centres of excellence with modern infrastructure. These replacements herald a new era in the province of KwaZulu-Natal.

We have improved Grade 12 Results by 15.3% since 2008. While in 2008 our matric pass rate was at 57.8% , in 2013 we are proud to have reached 77.4%.

Since 2011, government has introduced the Annual National Assessments in order to monitor progress in literacy and numeracy skills of learners in the lower grades. These test learners in grades 1 to grades 6 and 9. Over this period we have seen improvements in literacy and numeracy skills. However, Grade 9 remains an area of concern and is receiving attention.

As they say, Love your Neighbour as you Love thyself. We have a more human-centred story to tell here.

Our government's contribution in addressing abject poverty has seen an increase of up to 80 % of no fee schools receiving free meals through the National Schools Nutrition Programme (NSNP). 2.1 million learners out of a total of 2.8 million, are direct beneficiaries of these meals daily. The number of no-fee schools has increased from 1 879 in 2008 to 4 739 in 2013, out of a total of 6009 public schools. In our province, this programme is excelling and is a firm commitment from government to fighting hunger and poverty through reaching out to the poorest sections of our society.

The number of bursaries that have been awarded to teachers through the provincial bursary allocation and the Fundza Lushaka Bursary Scheme has consistently increased, further contributing to the improvement of quality in the system.

While we celebrate these gains, the KZN government realizes that more work still needs to be done in:

- Infrastructural improvement including overall access to education
- Access to a varied curriculum with focus on maths, science, technology and skills-based subjects
- Teacher capacity, performance and education outcomes
- Synergies between schooling, tertiary, skills, experience and access to jobs, and
- Financial and other management areas.

The KZN Cabinet Lekgotla held last month took implementable resolutions in all of these areas recently. We will move forward with speed and ensure quality changes are effected.

Sustainable Human Settlements

The ANC-led government committed itself to building sustainable human settlements and improve the quality of life of people in KwaZulu-Natal. In the past twenty years, 509 896 houses were built and 887 629 service sites have been developed in the Province. In the past four years we have built approximately 113 363 housing units and more recently, during the 2012/13 financial year, the government delivered 25 940 housing units. A further 8 481 housing units are in progress for the 2013/14 financial year.

The Department of Human Settlements has prioritized the Upgrade of Informal Settlement Programme (UISP) in the approval of projects, such as Cornubia and the eNyoni Slum Clearance. Cornubia has provided 15 000 Units for the low-income category. Cornubia, which is a public-private partnership between the eThekweni Metro, provincial government and Tongaat Hulett Developments, is set to be the largest sustainable integrated human settlement initiative in the province. As a 1,300 hectare multi-billion rand project, Cornubia will be a mixed-use, mixed-income development, incorporating industrial, commercial, residential and open-space.

Other housing projects include Driefontein in Ilembe District where we plan to provide 17 000 units, and 25 000 units in Blaauwbosch within Amajuba District.

We continue to provide shelter where it is needed most.

Health

Madam Speaker, this government inherited a health system that required serious attention. The department of health needed an overhaul of infrastructure, upgrades of existing facilities as well as construction of new facilities.

The following are some of the conditions that characterised the past and we have taken the baton on from the situation where:

CONDITIONS IN HEALTH

69% of clinics were without piped water supply

KZN needed 203 new health facilities

265 existing facilities needed to be replaced

1 642 needed to be upgraded

792 Facilities required rehabilitation

Madame Speaker and His Majesty, there has been immeasurable progress in the last 20 years. Today we can clearly point to visible infrastructure in the form of clinics and hospitals. Whereas in 1994 there were only 240 clinics, this number increased to 644 in 2013 at a total cost of R990 million.

Inkosi Albert Luthuli Hospital serves as a premier government health institution in the province. We might as well remind ourselves that this state of the art hospital was built by this government of the people. This is a hallmark of our determination for progress and a world class health facility.

The total expenditure for the revitalisation, rehabilitation and maintenance of all these hospitals is R2,1 billion. The Department of Health has also taken over one major hospital in distress, namely, the McCord Hospital in Durban. Negotiations are currently underway to absorb St. Mary's and St Aidan's hospitals while Pongola Hospital has made overtures. There is more similar work that we need to do to improve health provision in our province including in the Zululand District.

Madam Speaker, we have good news to share with this House. This government is in the process of restoring the Addington Children's Hospital to its former glory.

We have had five years of success in the implementation of HIV and AIDS prevention and treatment programme, which was introduced in December 2009. Since 2004, this government has stabilized HIV prevalence from 39.5% to 37.4% and reduced HIV prevalence among 15-24 year olds from 31% - 25.5%. The malnutrition rate of Children under 5 years has also reduced from 9.5 per 1000 persons to 6.7 per 1000 persons.

The National Health Insurance (NHI) or universal health coverage remains our flagship programme and we will continue to pilot it in the three districts of uMgungundlovu, Amajuba and uMzinyathi. We are convinced that this unprecedented health scheme will ensure that the poor also gain equal access to medical treatment. We heed our President's clarion call, especially in this province that:

“All South Africans must work together in maintaining the momentum in our fight against HIV and AIDS”

The cumulative impact of all the above interventions has resulted in the life expectancy of the average male in this province increasing from 49 years in 2010 to 53 years in 2013 and that of an average female increasing from 50 to 58 years over the same period.

These are the changes that Inkosi uBhambatha ka Mancinza, John Langalibalele Dube, Pixley ka Isaka Seme, Chief Albert Luthuli, Ruth First, Yusuf Dadoo, Monty Naicker, Florence Mkhize, Dorothy Nyembe, Solomon Mahlangu, Rick Turner, Nelson Rolihlahla Mandela and many of our departed heroes and heroines fought for.

We will continue moving forward with speed, ensuring a better quality of life for all.

Social Development, Social Cohesion and Nation Building

With poverty levels still unacceptably high in our province, the dependence on the state and social grants as a safety net has been placing increased demands on state resources. This is obviously not a trend that must be sustained, however, in the face of tough global economic conditions, the weakest and the poorest must feel protected.

KwaZulu-Natal has the highest number of grant beneficiaries, followed by the Eastern Cape and Limpopo respectively. The Child Support Grant accounted for the largest number of grant benefits, followed by the Old Age Grant and the Disability Grant. The War Veterans Grant had the lowest number of grant benefits. It is clear that Social Security Grants play a very important role in the lives of the people of KwaZulu-Natal. Currently, 3, 705 202 people receive some form of a grant in the Province in comparison to 613 756 people in the year 2000. We welcome the increases on grants, particularly the old age grant which increased from R1 270 to R1 350.

Some of the programmes that have had positive impact in our communities include:

- Provision of substance abuse prevention and rehabilitation through 11 treatment centres – reaching 43 586 patients.
- 21 018 older persons received community based care, active ageing programmes and assistance against abuse
- An annual average of 7 298 children in conflict with the law are being assessed with some having completed diversion programmes.
- Building of 93 residential facilities for persons with disabilities that accommodate 3 186 persons.
- 13 % of Early Childhood Centres are funded by the Department with a total of 72 366 children benefitting.
- 74 Child and Youth Care Centres are currently accommodating 3 998 children in need of care.
- An average of 6.3% growth of NPOs funded by the department serviced various sectors for DSD mandates
- The Youth Academy concept has been implemented at Sicabazini and 5 additional sites have been identified for the roll-out plan.

The Provincial Executive Council is concerned about the pronouncements and activities of certain groups in the province that attack the fundamental values of non-racialism towards which our new democratic order strives. Where there are genuine concerns raised, we will ensure these are not left unattended. No individual or group should be subjected to any attack based on race. We cannot degenerate into the pain and indignity of our apartheid and racist past. The Provincial Executive Committee has thus set up a special Committee on Social Cohesion, made up of respected public figures. Prof Paulus Zulu will convene the Committee which shall include Mr Vasu Gounden , Prof Cheryl Potgieter and Mr Paddy Kearney.

The committee is vested with a broad mandate to research, investigate, consult and report on the nature of these threats to social cohesion and make recommendations to the Provincial Executive Council directed at managing the race and class of contradictions which exist in our transitional state. The above committee will work under the Task Team comprising of MECs TW Mchunu, Dr S Dhlomo and Mr R Pillay. They will monitor and consult all relevant stakeholders, analyse and make interventions where necessary.

The second Task team comprising MEC Mabuyakhulu and MEC Cronje, is tasked with analysing the profiles of companies which have been awarded government and/or Municipal contracts by provincial government departments during the last five years.

The province is committed to foster tolerance and non-racialism which is required to realise the ideal expressed in our Freedom Charter: “South Africa belongs to all who live in it”.

Arts and Culture, Sports and Recreation

Compatriots, there have been significant improvements in access to arts and culture programmes through construction of arts centres across the province. We have:

- Increased platform and created audiences for performing artists
- Built libraries and provided library material to contribute to quality education
- Increased access to Arts and Culture Community infrastructure
- Supported and funded 40 Arts and Culture organizations to expand provincial industry Strategy
- Revitalized museum services to improve content – these are very important for our heritage preservation
- Increased moral regeneration and Social Cohesion Programmes (Developed Provincial Social Cohesion Strategy)
- Set National precedence in the Provincialization of libraries

With regards to sports, we are happy to report that this government, through the Department of Sports and Recreation, completed 151 sports and recreation facilities in schools and in communities. Through its Siyadlala programme, it has implemented 117 activity Hubs and rekindled the love for sports. We have seen a 4 % growth in the love for sports among the young and old, alike.

- A total of 1,060 million people are benefitting from the 582 recreation delivery sites
- 91 recreational festivals have been implemented for Indigenous Games programmes
- The School Sport Programme was implemented in 1525 schools
- 61 sport & recreation entities were supported for talent optimization, skills development, and promotion of high performance athletes.
- The Mass Participation Programme has employed 6,595 youth on contract as coordinators and sport assistants in the schools, hubs and clubs.

Economic Growth and Job Creation

Madam Speaker, as the KZN government we reaffirm our commitment to the NDP and the KZN PGDP vision of eliminating poverty and reducing inequality by 2030. Furthermore, we are still on course to realize our vision contained in the PGDP which is to have a:

“prosperous province, with healthy, skilled and secure people, acting as a gateway to Africa and the world.”

In 2013, KwaZulu-Natal recorded economic growth (GDP) of 2.95 %, which is marginally better than the national GDP of 2.55 %. This is primarily because of the performance of the tertiary sector, which includes government spending. The province also posted a growth rate of 1.8 % in the 3rd quarter of 2012. In 1995 KZN contributed 12,4% to the country's GDP and this figure has increased to 16.4% in 2013.

KZN's manufacturing sector is the second largest in the country after Gauteng province. It is a key sector in the provincial economy, growing at a stable and steady rate and generating 20 % of provincial employment. This has encouraged a strong concentration of manufacturing investment, where this province makes up 21,5 % of

the GDP compared to the GDP of 19 % for South Africa as a whole.

Positioned as Africa's global trade gateway, KwaZulu-Natal is poised to become an international player in the global economy as a leading trade and investment destination.

KwaZulu-Natal's contribution to the transport and communications sector at 15 %, is larger than at national level where the sector contributes 10 %. This province has modern and well-developed logistics and financial sectors with one of the fastest growing provincial economies.

This shows Madame Speaker that we are ***“moving forward with speed ensuring a better quality of life for all.”***

The Department of Economic Development and Trade in KwaZulu-Natal will pay closer attention to entrepreneurship in rural and township areas.

This will entail the revival of old general dealers and convenience shops run by local people.

In particular, we want to stress the need to develop local, small economies. There are any number of best practices and success stories all over the globe that indicate this strategy of local economic development is key to job creation and pushing up the GDP of the country. This must be complimented by our medium to long-term economic development strategies that we are currently driving in the country and in our province.

Job Creation

The creation of jobs for youth to ensure we get them actively engaged in the mainstream economy will begin to seal the social challenges we have in households and in our communities at large. There is nothing more important than ensuring that the youth are no longer a “lost generation” but will be torch bearers of our future doing so responsibly and ably.

We still have a large number of youth that are unemployed and unemployable. Since 2010, the province has created some 600 000 jobs, largely from the manufacturing, trade and community services sectors.

Some of the interventions mentioned above will definitely deal with this challenge. As job creation is one of government's top priorities, we must continue building stronger partnerships with SMMEs and implementing all existing economic growth plans as part of our strategy.

Furthermore, we believe that there is need to create better synergies with strategic departments at National level and to build on local initiatives that seek to eradicate unemployment.

Implementation of the employment tax incentive act will no doubt encourage employees across various sectors to create job opportunities for youth entrants into the labour market and give direction to the youth as discouraged work seekers. This will obviously be done in a manner that will not compromise job opportunities of

existing and more experienced labour forces, but could serve as an important platform for skills transfer and in-service training.

Agricultural Development and Food Security.

Madame Speaker, one of our greatest competitive advantages is our natural resources in the province. These resources must be fully explored for agricultural development. NEPAD has declared 2014 the year of Agriculture and Food Security. The Agriculture Policy Action Plan is being finalised by national government. This is a comprehensive plan consulted with all sectoral representatives to unleash the agricultural potential of our country.

In response to this paradigm shift, we are reconfiguring the Department of Agriculture, Environmental Affairs and Rural Development to continue to focus on food security and support to emerging farmers while balancing it with support to commercial farmers so that we can drive Agri-business partnerships and transform the KZN economy.

The following has been the department of Agriculture's contribution over the last 10 years:

- The department's EPWP programme was introduced in 2004 and to date this project has created 67 000 jobs
- 36 900 cattle have been branded since the ground-breaking campaign launched in July 2013
- More than 7409 hectares have been planted benefitting more than 489 sugar cane farmers, with a total investment of R54, 4 million. The intervention is expected to increase production and improve overall tonnage to an average of 50 tons per hectare
- Before 2004, emerging farmers faced the plight of inadequate operational farming resources. The department has intervened with an aggressive and holistic mechanisation programme to alleviate poverty, promote food security and create vibrant agricultural communities. 364 tractors were distributed to emerging farmers.
- Prior to 2004, there was a high number of dilapidated dip tanks which resulted in decrease of cattle populations. The department rehabilitated and built over 1400 dip tanks
- In terms of food security, 409 community gardens, 223 institutional gardens, 12 512 homestead gardens, were built. We have 48 000 One home, One garden projects in the province. 105 061 beneficiaries were trained in this project. We will also be reviewing our One Home One Garden project for greater participation by communities and passing ownership to them.
- 682 tunnels have been established
- The Anti-Rhino poaching campaign led by Ezemvelo KZN Wildlife has resulted in huge awareness surrounding this challenge which has enlisted the support and cooperation of all sectors
- The Rabies programme has led to zero human deaths and a total of 638 392 rabies vaccinations were administered since 2012

We must also share with you the good news that our province has been declared disease free in respect of the foot and mouth disease. This is the result of a concerted drive by the department to ensure that we are able to preserve our livestock. The commercial farmers have welcomed this good news and many can begin exporting once again.

The Agri-business Development Agency (ADA) has taken full responsibility for implementing the catalytic projects in various parts of the province. These include, among others, the following projects Agriparks, Tugela Estates Legumes and vegetables Project, Middlerus vegetables and stone fruits Project, Besters Beef Project, Weenen Chicory Project, Makhoba Dairy Farm, and the Dawn Valley / Panderosa project with Fresh produce, vegetables and a hunting lodge .

We are pleased to report that Cabinet also approved the following budgets;

- R91 million for infrastructure for the above projects,
- R50 million for distressed farmers; and
- R35 million for research and inputs.

Maritime

Compatriots, it is estimated that close to 80 % of our trade with the rest of the world passes through the ports. This government is putting in place measures to develop the maritime industry with the view to develop a resilient and competitive regional economy. Ladies and Gentlemen, this is possible, considering that the ports of Durban and Richards's Bay currently handle

60 % of South Africa's cargo tonnage.

To this end the draft Integrated Maritime Strategy for the province has been developed jointly with our key stakeholders. The strategy shapes the future of the maritime sector in the province. The Maritime Conference was held in March 2013 to provide an opportunity to various stakeholders to enhance the strategy.

Other key initiatives that have been undertaken include the finalization of the study on the development of a KZN Maritime Centre of Excellence in the province, piloting of the boat and ship-building and repair supplier development programme. To increase the capacity of individuals who contribute to the sector we have also embarked on an intensive career development programme in boating.

Tourism

KwaZulu-Natal's status as a premier leisure destination is well entrenched and we continue to be one of the most popular holiday destinations in South Africa. Being South Africa's playground is also good business for our province, as tourism continues to be an important pillar in the regional economy, generating almost R30-billion per annum. The industry also contributes significantly towards creating employment, and contributing to rural and urban development.

It is also fitting that in this, our 20th year of democracy, we acknowledge the role that tourism plays in transformation and economic empowerment within our province. It is a sector that continues to unleash the potential of entrepreneurship, self-employment and SMME development. A sector that is able to help uplift an impoverished region, to become the country's first World Heritage Site and a global tourist attraction that is iSimangaliso Wetland Park. That is the power of tourism.

Twenty years ago, in 1994, we welcomed some 704,000 tourists to our country. Today, that number is two and a half million visitors each year. Within our province, we now welcome 35% of the country's domestic travellers – that is over a third of all South African holiday makers choosing to spend their leisure time in KwaZulu-Natal.

But we are not surprised by this. We know that our province offers a diverse array of experiences – from beautiful beaches and the warm Indian Ocean, to majestic mountain peaks and lush green valleys, to wild frontiers and game parks. We have it all and we shall continue to share it with the world, and to encourage visitors from all corners of the globe to feel the warmth of KZN. Because we know that tourism has the power to change lives!

Infrastructure

Having a vision to be a gateway province, linking Africa to the rest of the world implies a specific focus on the expansion and maintenance of infrastructure. Investment in infrastructure development is a key enabler for further economic growth and for job creation. It is for this reason, we have a target that at least 20% of GDP is spent on infrastructure.

Since 2010, we now move from King Shaka International Airport not just to various cities of our country but elsewhere in the world as well. This development project does not only serve as an airport, it also accommodates the R6.8 billion Dube Trade Port and a developing city. This ensures that we don't fly alone, but with trade and business. We have direct flights to Dubai, Zimbabwe and Zambia and more are being negotiated currently. Where cargo is concerned, for the period April 2013 to January 2014, our international DTP Cargo terminal processed 6481 tonnes of cargo while 6319 tonnes of domestic cargo were processed during the same period.

The past 20 years have seen the development of Moses Mabhida Stadium – at a total cost of R2.2 billion which is both an iconic sports facility with soccer as a main focus and a business facility. It was through this iconic facility that we became part of the Soccer World Soccer Cup audience of 2010. In addition, an amount of R259 million was allocated for stadia infrastructure development in four District Municipalities namely, Amajuba, Ugu, uMgungundlovu, uThungulu and eThekweni Metro. It could only have happened in the first 20 years of our democratic South Africa, the next World Cup elsewhere in Africa will take a while.

Regional Airports

Under this administration, we have seen an increase in the number of passengers passing through Pietermaritzburg's Oribi airport from 5000 in 2009 to 10 400 in 2013. This derives from the infrastructural upgrade and expansion to the tune of R40 million by government.

Other regional airports that have been upgraded are:

- Richards Bay Airport at R11, 5 million
- Margate Airport at R2, 5million
- Ulundi Airport at R30 million

Dube Trade Port

Madam Speaker, the Dube Trade Port is the only facility in Africa that brings together an international airport, a cargo terminal, warehousing, offices, a retail sector, hotels, and an agricultural area. Dube Trade Port is positioned between the two biggest sea-ports in Southern Africa, and linked to the rest of Africa by road and rail.

It incorporates an industrial development zone, perishables facility, inter-modal freight transfer facility and other commercial and retail opportunities as well as a cyber-zone.

With regards to the Dube Agri-Zone, the greenhouse production capacity increased with an additional 4 hectares, alongside a new 4200 packing and value - adding facility, as well as a tissue culture facility for producing plant material for growers from across the region.

Durban Port continues to be South Africa's premier container facility, as well as the busiest, deep-water bulk and break-bulk port, with the largest capability for handling containerized sea traffic. The port is modern and well equipped, offering a wide range of goods and passenger handling facilities. However, we note that expanding its capacity is critical and catalytic to economic development.

Fifteen of the 18 Strategic Integrated Projects (SIPs) overseen by the Presidential Infrastructure Coordinating Commission, convened by the President, include developmental projects for KZN. Most notable are the proposed development of the Dug-Out Port, the development of the Durban-Free State-Gauteng Logistics and Industrial Corridor. The Government also intends setting up a future freight route between Limpopo and the Port of Richards Bay. Associated projects include the development of a new dedicated freight corridor between the industrial heartland of Gauteng and the Port of Durban. Durban Port together with Richards Bay currently handles almost 75% of the country's total imports and exports. Much of this is transported along the Durban-Gauteng or Richards Bay-Mpumalanga corridors.

Approximately R100-billion will be invested in this development, and the acquisition of land involving the transfer of approximately 641 hectares valued at R1, 85 billion is in progress. We welcome the current new plans underway.

Overall, KwaZulu-Natal has seen significant investment in infrastructure Programmes in the past 5 years. And we wish to assure the citizens of the province that this trend will continue in the next 5 years. Major injection of direct capital into the province included the following projects:

Roads

We fully recognize the economic importance of good road infrastructure in KwaZulu-Natal. Over the past 20 years we have transformed the landscape of this province through the construction, rehabilitation and upgrading of existing roads. We have particularly paid attention to rural access roads with the view to enhance accessibility. Major road infrastructure development includes the construction of:

- P700 from Ulundi to Hluhluwe/Mfolozi Game Reserve
- P577 between Duffs Road in Durban to KwaDabeka
- Other road infrastructure to support the Dube Trade Port such as Watson Highway
- The rehabilitation and upgrading of numerous roads as well as uMzimkhulu and Sani Pass

Let me also take the opportunity to acknowledge our joy at the construction of the main road P16 from Kranskop to Slutshana at Nqutu. The first 11kms from Nqutu is currently under construction. No doubt this road will change the lives of thousands of people along this route, especially those in Qhudeni, forever.

Other important infrastructure developments include the construction of bridges.

Madame Speaker, this government has linked communities and neighbourhoods with important social amenities such as schools, clinics and areas of work. To this end, among the bridges constructed are:

- Mkuze River Bridge
- Wela Vehicle and Pedestrian Bridge in Nongoma
- Nkovukeni Nyalazi Bridge in Mtubatuba
- KwaDayingubo River Vehicle Bridge linking KwaDayingubo, Bhamshela and Mhlangandlovu communities and Dalton
- In Umsinga area, we have constructed Uzizi and Jolwayo Tugela Pedestrian Bridges, as well as Ngubevu Vehicle River Bridge

Water

We are proud to announce that we have made major strides on water and sanitation. Whereas in 1994, only of 47.7% of the population had access to clean water, in 2013 this figure has increased to 85.1%. And significant progress has been made in the implementation of bulk infrastructure, that is the development of bulk water schemes which includes purification and storage through the dam building programme.

In the past five years, Umngeni Water has undertaken a massive water infrastructure development programme in eThekwin Metro, iLembe, uMgungundlovu, uMsunduzi, Ugu and Harry Gwala municipalities at a total cost of **R730 million**. Among the major projects that were completed in this period were:

- Maphumulo Bulk Water Supply Scheme
- Ngcebo Bulk Water Supply Scheme
- Upgrades to Ndwedwe Reservoirs 1 and 2
- The Durban Heights Booster Pump Station

- Avondale to Honolulu Pipeline
- Mhlabatshane Bulk Water Supply Scheme
- The Bruyns Hill Pipeline
- Middle Drift Bulk Water Scheme
- Greater Mthonjaneni Bulk Water Scheme

As a result an additional 170 000 people living in rural areas have, for the first time, received a sustainable supply of safe drinking water.

Other water infrastructure projects currently underway include:

- Construction of **Springgrove Dam** which was completed in November 2013.
- Construction of **Bulwer Dam** in Harry Gwala District which is scheduled for completion in June 2014. The dam will provide water to about 94 000 people.
- Construction of the **Lower Thukela Regional Bulk Scheme** and is scheduled for completion in December 2015.

These efforts at water provision have created over 2 000 jobs while contributing in the growth of Black-owned Small businesses.

Madame Speaker, we note that Northern KwaZulu-Natal is getting drier each year and this requires urgent attention.

Electricity

We are pleased to report to this house that 80.2 % of KZN Households now have access to electricity. In 1994, this figure stood at 53.5 %.

Sanitation

With regards to sanitation, we are also happy to report that whereas in 1994 only 40.8% had access to sanitation, 82.4 % currently of the population has decent ablution facilities. We must emphasize that all of this did not cover only certain sections of society; it extended even to peri-urban and rural areas as well.

This is the view of KwaZulu-Natal in 2014!

Governance

It is our firm belief that good governance is critical in raising the trust and confidence of the people and in advancing government's ability to deliver basic services such as electricity, water and sanitation. Through our concerted efforts, out of 16 provincial department's, 3 received clean audits and 9 had unqualified audits for the 2012/2013 financial year. In Municipalities, out of the 72 audits conducted, 57 had unqualified audits and 12 had qualified audits. There were 3 municipalities with disclaimers.

The province has been building a strong capacity to eradicate fraud and corruption and has set up the Integrity Management Unit in the Office of The Premier supported

by the Office of the Ombudsman. This Unit has been quite effective in swiftly dealing with fraud and corruption cases in partnership with Provincial Treasury and law enforcement structures.

The number of fraud cases reported in the province from April 2010 to March 2011 was 1024. Of these there were 744 convictions. The total value of fraud amount involved was R 30 million. From April 2011 to March 2012, there were 594 reported cases. Of these 529 were convicted. The total value of fraud for this was R 28 million. During the April 2012 to March 2013 period there were 708 cases reported. Of these, 278 were convicted. The total value of fraud in these cases was R 30 million. There is a steady decline over the period of three years of fraudulent incidents reported in the Province as a result of pro-active and re-active interventions made by the Office of The Premier, together with the Provincial Treasury's Internal Audit Unit.

We have recently held a meeting with the newly appointed National Director of Public Prosecutions, Mr M Nxasana with the purpose of strengthening the province's ability to successfully prosecute those who are alleged to have engaged in any form of corrupt activities. The province has a well oiled and resourced audit and investigative capacity which conducts forensic audits on an ongoing basis into allegations of corruption. Very serious cases have been referred to the specialised SAPS "Anti-corruption Task Team" who in turn rely on the prosecution services to ensure guilty officials are successfully prosecuted. Mr Nxasana has undertaken to increase the capacity of the prosecution services in the province to ensure the guilty persons serve time in jail.

We must emphasise that the fight against corruption is a joint effort between the public and private sectors.

Promoting Spatial Equity

In order to address the spatial legacies of the past and to ensure that we support the development potential of the full extent of our beautiful Province, the Government of KwaZulu-Natal has placed a particular emphasis on promoting spatial equality. We are using our Provincial Spatial Development Framework as a guide for spatial prioritisation to ensure that we focus on those areas of our Province where we can make the best possible impact.

This approach firstly focuses on the establishment of new Rural or Community Service Centres which in a sense is identifying and developing new emerging settlements in remote rural areas. In commercial agriculture areas of our Province this is to be done through the establishment of Agri-villages, addressing at the same time the plight of labour tenants living on farms, as well as promoting density of settlements to improve economies of scale for more effective service delivery.

These Service Centres are however developed within the context of a programme to support and stabilise the growth of existing small towns. The focus in this regard is on formalising towns and larger settlements on Ingonyama Trust land to promote security of tenure and to enhance investor confidence. The Corridor Development

and Small Town Rehabilitation Programmes implemented in this Province have started to make impact and are to be pursued with renewed vigour over the next five years.

At a district level, this spatial programme culminates in the development of District Coterminal Structures, as centres where Provincial Government will consolidate its services in the same spatial locality. Extensive work has been done and we are now ready to start the implementation of this programme.

Key Priorities for the next five years

As much as it is important to acknowledge and celebrate the progress we have made, it is now critical for us to focus on those issues that will take us to the Vision we have set for 2030. The key priorities identified for the next five years are therefore:

Creation of more jobs, decent work and sustainable livelihoods for inclusive growth

The National Development sets a target for the Country to create 11 million jobs by 2030. As a Province we have committed ourselves through our Provincial Growth and Development Plan to create 2.1 million of those jobs in this Province.

This can be achieved through a firm focus on investing in strategic infrastructure that unlocks economic opportunities and creates jobs, most of which will be driven in the implementation of the Strategic Integrated Projects. In this process we have to ensure that we support our own people to acquire the requisite skills, in particular our young people, so that they can participate effectively in these projects.

The development of the Dube Trade Port and the Richards Bay Industrial Development Zone as the two new Special Economic Zones (SEZs) in the Province is to provide further incentives to attract much needed investment. Linking the Industrial Hubs identified in each of the Districts to these Zones will extend the impact throughout the Province.

These developments will undoubtedly place further strain on energy resources and will at the same time create exciting opportunities for the generation of cleaner energy and promote energy self-sufficiency. Similarly we will have to improve networks and facilities to improve freight and passenger transport and rapidly expand access to and use of ICT infrastructure.

As a province we have to gear ourselves to maximise opportunities related to developments in the fields of infrastructure development and construction, freight and logistics, the maritime, rail and automotive sectors, manufacturing, tourism, finance and commerce, agriculture and processing, as well as the green economy.

Rural development, land reform and food security

We have consistently held a view that the 1913 Land Act and the resultant dispossessions are directly related to our current triple challenges of poverty,

unemployment and inequality. Without land we cannot grow food to end hunger and guarantee food security for all.

Without land we cannot provide decent housing and basic services to re-design our towns, cities and rural areas – without land our struggle for economic emancipation will continue to be undermined.

We must provide a radical answer to the land question. KwaZulu-Natal will therefore strive to provide lasting answers to the issue of land.

Our rural development programme continues to give hope of a better life to communities. We shall expand our rural development programmes to ensure sustainability.

As we move forward we need to focus on the speedy implementation of the Agricultural Policy Action Plan and the KZN Rural Development Plan. This will require a drive to increase investment in agricultural infrastructure, accelerate the settlement of remaining land claims and ensuring that all land-reform farms are productive.

We must empower rural communities to move from limited subsistence and food security activities to gain access to the formal economy. This is essential to sustain the rural economy and to attract further investment into industries and agro-processing. At the same time it is a clearly stated priority that we will support and work with commercial farmers to grow our rural economy and to support emerging farmers. This will require an expansion of agriculture education and training facilities to ensure that required skills are developed to cope with new technologies in the agriculture sector.

Education

Education remains the cornerstone of our future and is therefore a priority area we dare not fail in. To build on the gains we have made thus far we will do all within our power to promote early childhood development and implementation of Grade RR, deliver professional management and relevant teacher support programmes and therefore improve the quality of teaching and learning.

We have to enhance technical and vocational education to ensure that our education system is responsive to the demands of the economy and that our school leavers are empowered to gain speedy access to the mainstream economy. We therefore have to fast track implementation of the KZN Human Resource Development Strategy.

There is a deep understanding of the need to expand and improve the capacity of the higher education and training system, as well as to expand the enrolment of youth in FET College programmes and in other post-school training institutions. We welcome the announcement by the Department of Higher Education to building 5 FET Campuses and 4 Skills Centres in our province.

Health

The health status of our people will, to a large extent, determine the likelihood of us achieving the objectives we have set for ourselves. In the next 5 years, this Provincial Government shall continue to promote a healthy lifestyle, disability and mental health programs, extend infrastructure programmes to ensure access and quality care for all, accelerate programmes to improve maternal, women and health outcomes, and ensure that Immunization reaches every district.

Our government is exploring the Cuban-Angolan model of training medical practitioners in our province. Our partnership with the Cuban government of sending our students for training overseas has challenges that can be eliminated. We believe that there is a need to expand facilities and training of health professionals in our province. In this regard, Cabinet is exploring a number of possibilities.

Fighting crime and corruption

Our people have to be and feel safe and the fight against crime and corruption is therefore paramount. This government recognizes that far too many people are victims of senseless crime and that criminals have a potential to undo all the good work that has been done in our new democracy. It is for this reason that we have, through the Department of Community Safety and Liaison, introduced a range of crime fighting measures, such as the United Front Against Crime concept, the Communities in Dialogue (CiDs) programme, and the KwaZulu-Natal Community Crime Prevention Association (KZNCCPA).

Over the next five years we want to see:

- Better policing which is the engine room of safety and crime-prevention in our Province.
- Prioritization of programmes to decrease young peoples' exposure to, and involvement in crime
- On-going targeting of drugs recognizing the role of substance abuse as a catalyst for other crimes;
- Concrete steps taken to promote a safer transport industry; and
- Disarm society of dangerous weapons that exacerbate minor altercations.

All of the priorities listed above are recognised as National Priorities, however, for South Africa to succeed in achieving these outcomes, we, in KwaZulu-Natal have to succeed.

KwaZulu-Natal has a number of complexities that require special attention and we will pay special attention to:

- the fight against HIV and Aids to build on the outstanding progress made thus far. We also remain concerned about the health status in particular, of our women and children and will have issues related to maternal and child mortality firmly in our sights.
- On poverty eradication, noting that work has already started towards eliminating poverty in KZN, the strategy on this brings to the fore the centrality of Agriculture and Rural Development.

The living conditions of three categories of communities must be given priority

attention and these are :

1. Communities living on commercial farms

- Our view is that these communities still live in modern day feudalism with little or no rights, including the right to a decent burial in a cemetery or any similar place. The Province will take the initiative to establish Agri-Villages with the assistance of the Department of Rural Development and Land Reform. This will allow such rural communities access to government services such as better education, healthcare facilities, decent housing and others

2. Communities living in slums

- Slums need to be eliminated and in this regard we are putting in place plans that will
- Put a stop to slum creation
- Conduct an audit on the ownership of RDP houses with a view to do away with the sale and renting out of these houses and any other form of fraud and corruption in RDP houses
- We need each municipality to develop a plan on slum-elimination with clear timeframes.

3. Communities using the Bucket System

We take the view that the bucket system of sanitation is degrading and indecent and therefore it must be eradicated as a matter of urgency. We have therefore taken a decision that the Departments of Human Settlements and COGTA will ensure that the bucket system is eradicated by 31st March 2014 in the following areas,

In the eThekweni Metro, 60 ablution facilities will be provided to service 1 575 households at the cost of R25 million. This project is targeting Kwa-Mashu Wards 39, 40 and 46.

In Harry Gwala District Municipality, the same service will be provided to 1 458 households within the informal settlements and rural housing projects at the cost of R25 million. The target date for conclusion of the project in eThekweni Metro and Harry Gwala District is end of March 2014. We have further directed that all other Districts must have eradicated the bucket system by the 31 September 2014.

Elections

Madame Speaker, on Monday all political parties signed the Electoral Code of Conduct and we are going full steam ahead into ensuring that we protect our democracy and ensure that we have a safe, peaceful, free and fair 2014 National Election outcome. For that to happen we need the cooperation of all political parties and all the citizens of our country.

We remain confident that the people of our country and of our province will exercise their right to vote and be part of the change that the next term of administration will usher in. Remember your vote is your secret! We urge you to exercise tolerance as you exercise your right to vote.

Conclusion

In conclusion, Madame Speaker, Your Majesty, Ladies and Gentlemen, the past 20 years have seen changes that are un-paralleled in the political life of this province and indeed in South Africa. The government has affirmed the dignity of all people, and laid a firm foundation for generations to come. We must count ourselves as truly blessed and fortunate to have lived through these momentous changes.

Much work still lies ahead. But our past experience gives us hope that we will still defeat the scourge of poverty.

We now need to move with speed to deliver basic services to our people. Complacency is not an option because the consequences of that are too dire to contemplate. In this regard, government must ensure that the economy of this province continues to grow, and that, together with our partners in the private sector, we create much needed jobs.

Honourable Members, this is the last sitting of the current administration. We need to set in motion processes that will enable a smooth handover to the next administration in June. On behalf of the KZN government, we wish to thank our families, our business partners and our stakeholders, particularly the people of KwaZulu-Natal for giving us an opportunity to serve them since 2004. We would also like to pay special tribute to iSilo for His support and leadership.

We give to the next term of administration this message - **“move forward with speed, ensuring a better quality of life for all!”**

Siyabonga!