

STATE-OF-THE-PROVINCE ADDRESS**DR ZWELI MKHIZE****THE PREMIER OF THE PROVINCE OF KWA-ZULU NATAL****24 FEBRUARY 2010**

Bayede! Hlanga lo Mhlabathi
Madam Speaker;
Honourable Members of the Legislature;
Colleagues in the Executive;
Members of the diplomatic corps;
Business leaders;
Distinguished guests;

Fellow citizens,

Thank you for joining us today as we present our plans for the coming year. I thank Isilo samaBandla for gracing this House with his presence, guidance and leadership. In his response to his leadership we are now tabling the State of the Province.

Bayede!

KwaZulu-Natal started this year on a sombre note after reports of deaths in road accidents, lightening strikes, flooding, veld fires and the tragic burning down of an orphanage in Ngogo, near Newcastle. This last one, more than others, is a story that has filled our hearts with anguish and deep pain. We were saddened to learn of the death of Mrs Sara Holland and members of her family while trying to save many children entrusted to her care.

We received reports of how she repeatedly went inside the rooms engulfed in flames, saving babies by throwing them out of the widows to safety. We heard how she died trying to shield other children with her body, only to finally succumb with them as they were all overpowered by the smoke and flames as she covered them with her body.

This is a story of unbelievable love and human kindness – a lesson for all to ponder and salute her heroic and courageous action and her selfless effort in sacrificing her life so that others may live. We proclaim her and those she worked with to rescue the surviving children as **HEROES OF OUR NEW SOUTH AFRICA**.

To the Hollands, and all the bereaved families, we wish to convey our deepest condolences on behalf of the Government and people of KwaZulu-Natal for the loss of your beloved. We commit to work with other willing donors to rebuild the Hope in Christ Home, so that her memory and of those that perished with her shall ever remain an inspiration to us all to do what is good.

This being the first day of our Legislature, it is appropriate to acknowledge the loss of Inkosi Mkhwanazi and a colleague in this Legislature, iNkosi N. J. Ngubane whom we laid to rest a few weeks ago. We again convey our condolences to the families and to the Members of this House for the loss of leaders that contributed in building our province.

We also want to express our condolences to Isilo and the Royal Household and the Bahurutse of the North West on the loss of their son Oupa Moilwa who was married to Princes Ntando.

In the same vein, Isilo has already express condolences to the people of Haiti. I want to express our deepest sympathy on behalf of the people of KwaZulu-Natal to the people of Haiti.

May their souls rest in peace!

This is a historic year for South Africans, especially those residing in the Province of KwaZulu-Natal. Two weeks ago we celebrated exactly twenty years since the release of President Nelson Mandela after almost three decades of imprisonment. We recall that KwaZulu-Natal was his last point of freedom before his arrest in Howick.

He became a symbol of our fight against apartheid and an embodiment of the resilience of our people in their quest for justice. The whole world joined with us to mark a day that represented a point of no return in our march towards a free and democratic dispensation.

We have been blessed with the life of Madiba, and our generation will count itself fortunate to have been part of the experience. Madiba's life has been synonymous with the fight for human rights, justice, peace, reconciliation, equality and, most of all, selfless love, compassion and the triumph of human spirit despite all adversity.

We remain indebted and shall forever be grateful to Madiba for his unique and exemplary leadership as the Father of our Rainbow Nation. I urge us all to keep a little of Madiba spirit in our hearts and do good for others, as a tribute to the hero of our times.

Similarly, we must acknowledge and encourage those who do, for that is how we will build our nation. We join the rest of the country and the world in wishing our beloved Madiba “Unwele olude!”

Ahh! Dalibunga !!!!!

On Saturday we shall be conducting the reburial of one of Madiba’s erstwhile comrades, Johnny Makhathini, in this city. Makhathini, a linguist of note and a diplomat par excellence, was credited with mobilizing support for the anti-apartheid struggle in many countries as well as in the United Nations Security Council. His remains were received last weekend from Lusaka in Zambia where he was buried in 1988 after almost twenty six years in exile, working hand in hand with the revered President of the ANC, the illustrious O. R. Tambo.

Seated in the gallery are many veterans and families of fallen heroes of our struggle for freedom. They are ordinary men and women who stood up to fight apartheid and were armed with little more than their love for humanity and their desire to live in, and be part of a free and democratic society.

We need continuously to remind ourselves that this freedom belongs to the ordinary people of our country and it is them who must taste the fruits of freedom in a manner that changes their lives for the better. We pay tribute to all those, whose efforts and sacrifices resulted in the creation of the democratic dispensation that this Government represents.

It is also appropriate today to pay tribute to another great leader to have set foot on our soil, the Great Mahatma Gandhi. He shall forever be credited as one of the pioneers of our contemporary struggle for freedom, infusing in it the values of discipline and peaceful resistance as a major part of our struggle for liberation.

We salute Mahatma Gandhi and join the family in their prayers for his eternal rest in peace. His last remaining ashes were immersed deep in the Indian Ocean off the Durban coast on the 30th January 2010. That way the spirit of the Great Mahatma shall forever be with us.

We believe it quite fitting for this event to have taken place in a year when KwaZulu-Natal joins the rest of South Africa in commemorating the 150 years of the arrival of the Indian indentured labourers, the ancestral origin of the large community that added to the tapestry of our Rainbow Nation.

2010 also marks 100 years since the birth of one of the most respected leaders of the Indian Community and our struggle in general, Dr Monty Naicker, who is celebrated for his outstanding leadership and his role in uniting the struggles of Indian people in what was referred to as “Doctors’ Pact”, together with Dr Yusuf Dadoo and Dr Xuma in 1947 as they called for a United Democratic Front in fighting apartheid.

We celebrate their great contribution in social, cultural and economic development of our country as an integral part of our South African nation. Government will join hands with civil society in the celebrations, and welcomes the contribution and participation of the government of India in this regard.

It is this diversity of our South African nation that makes us a unique country in its pursuit of the ideals of non-racialism, non-sexism, unity, democracy, equality and human rights based on the Constitution.

These are the ideals of great leaders such as Inkosi Albert Mvumbi Luthuli who was the first African Nobel Peace Laureate – and this year our country commemorates the fiftieth anniversary of this historic occasion. We have no doubt that the ushering in of democracy in our country and the advent of peace in our region is the best tribute in gratitude for his dedication to the cause of our freedom.

Madlanduna!

Next month, our Government will also join millions of South Africans and congregants as we commemorate a hundred years since the founding of the Nazareth Baptist Church by Prophet Isaiah Shembe.

We need to draw inspiration from the lives of these great leaders, and take forward their dream of a future that is better than our past. Despite the challenges of our times, we make the call for the citizens of our province to unite and work hard to: “**Build a better future together.**”

Indeed, last year the diverse peoples of our beautiful province joined hands to showcase the rich tapestry of our multi-racial, multi-ethnic and multi-cultural composition as we celebrated Heritage Day. We might come from different backgrounds, but the success of that day has further convinced us of the imperative to forge unity and a sense of a common destiny for all. We intend to capitalize on this spirit in building a better future together. It is about time we look at each other and also behave like one nation.

2010 FIFA WORLD CUP

KwaZulu-Natal will be joining the rest of South Africa in welcoming the world to our shores as we host the 2010 FIFA World Cup. The excitement for our country arises from the privilege of hosting on behalf of the African continent, one of the most prestigious gatherings in the whole world, which most of the current generation may never again experience in their lifetime.

Our government took the view that in response to, and in preparation for this occasion, huge investment be made in the development of our people and infrastructure that will create a platform for a higher trajectory of growth.

Similarly, our province saw massive investment in skills development for our youth. Benefits include investment in infrastructure, such as in sea port expansion to allow efficient handling of larger volumes of containers, building roads, the new international airport and trade port, the refurbishment of sporting facilities; especially the iconic Moses Mabhida Stadium - the most impressive of all stadiums which compares to very few in the world.

We commend the City of eThekweni for this magnificent structure that is generating a lot of attention as a "must-see" - especially for the cable car drive to the top of the city, overlooking the sea and giving a spectacular view of the majestic Drakensberg Mountains.

Public viewing areas are planned for every district to bring the World Cup where our people are found and to offer opportunities for SMMEs. These investments shall remain our legacy for 2010.

They will be the basis for reviving the reputation of KwaZulu-Natal as a sporting province, capable of nurturing and polishing its talent for retention or creation of sports professionals capable of competing equally with the best in the world.

Moses Mabhida Stadium will be hosting seven games, including the semi-finals, in the most pleasant weather of all the venues during that time in South Africa.

KwaZulu-Natal will host five countries: Greece, which will be based in Durban; Nigeria and Algeria have chosen Ballito, Cameroon will train in the coastal town of Umhlanga and Paraguay will train in the Midlands. We look forward to welcoming these teams to our province. We hope to make it a memorable stay for the football administrators, players and fans.

The spin-offs that will accrue include the transfer of skills from players, soccer administrators, expert personnel and other role players that are involved in the development of soccer in this province.

A massive programme for sport development has started, and an academy will be established in eThekweni. This initiative was facilitated by the local team, Golden Arrows and involves the partnership of the national, provincial and local government, together with the South African Football Association; as well as the Spanish government and its Sports Federation. From this base, we will build ours as a sporting community respected for its sportsmen and women in various codes.

For KwaZulu-Natal, 2010 is about us! Let us ***build a better future together.***

RECESSION — THE FREEFALL

We are close to completing one year in office. I am sure this House will acknowledge that when the current term started, our province was reeling from the impact of the global economic meltdown. After many years of growth, South Africa's economy was in recession for the first time since the new democratic dispensation.

The provincial economy recorded on an annualized basis a decrease of 1.43 per cent during the 2nd quarter of 2009 compared to the decrease of 1.57 per cent during the 1st quarter of 2009.

On a seasonal adjusted basis the provincial economy experienced a decrease of -1.65 per cent and -1.06 per cent during the 1st and 2nd quarters of 2009, respectively.

The greatest impact of the recession was in closure of industries (especially the clothing and textile sector and the job losses that condemned many into a spiral of poverty as they were retrenched and condemned to rural villages and peri-urban informal settlements with no means of survival.

KwaZulu-Natal was adversely affected and recorded many job losses in many sectors with manufacturing being the hardest hit. By the first quarter of 2009 about 117 000 jobs had been lost in this sector.

Fuel and food prices rose to record high levels, causing inflation to accelerate rapidly, reaching a high of 13.7 per cent annual rate, though it dropped later.

These higher prices, together with sustained high interest rates reduced the purchasing power of households and narrowed profit margins of many firms, causing a drag on consumption and business fixed investment.

This complicated an already unbearable situation of poverty and squalor wherein our province recorded an estimated number of people that are food insecure to be about 3.5-million - about 580,000 households. The spiraling of food prices threatened Food Security.

In the preface to his book "FREEFALL," an economist, Joseph Stiglitz put it this way:

"In the Great Recession that began in 2008, millions of people in America and all over the world lost their homes and jobs. Many more suffered the anxiety and fear of doing so, and almost anyone who put away money for retirement or a child's education saw those investments dwindle to a fraction of their value. A

crisis that begun in America soon turned global, as tens of millions lost their jobs worldwide—20 million in China alone—and tens of millions fell into poverty.”

It is useful to always reflect on the magnitude of the global economic crisis. Even if the impact we suffered is less than other nations, it remains significant and requires us to collectively focus on ways and means to lift all our people from the pit of poverty they fell in before and after the recession.

ECONOMIC RECOVERY AND JOB OPPORTUNITIES

As we start this year we are cognizant of the fact that the country is officially out of the recession. However, we are still far from realizing a healthy growth that will create jobs and a sustainable lifestyle for many communities. We believe that unity and working together in partnership is absolutely critical for the province to emerge from the gripping jaws of the recession. We have been encouraged by the cooperation and support for government from the community at large and particularly the influential segments of society such as academics, business, labour organizations, non-governmental organizations. We should consolidate our unity not only to help our country emerge out of the recession, but build a better future together.

Last year government convened the ROADMAP TOWARDS ECONOMIC RECOVERY AND JOBS SUMMIT.

Consequently, a consultative body including Government, business, labour and organized local government has been formed and approved by Cabinet. It is called the KwaZulu-Natal Economic Consultative Council. Serious deliberations resulted in resolutions to guide all stakeholders on how to create and save jobs and contribute to economic recovery by assisting in the speedy implementation of the Provincial Investment and Export Strategies. The council will assist in supporting companies in distress and chart the way to economic recovery.

The huge investment in infrastructure by Government resulted in a growth rate higher in the construction sector than many other sectors. High employment in this sector shielded the country from the impact of the recession.

However, most of the major projects are nearing completion, posing a new challenge in the face of recent job losses from the global crisis. We urge companies to take advantage of the lay-off training scheme announced by the President to prepare their workers for change as the Summit resolved.

It comes as encouraging news that KwaZulu-Natal has recorded positive growth at 1.3% compared to the national average rate of 0.9%.

The Small Business and cooperative sectors have been affected by the economic recession. Government will deepen the support needed by this sector

to survive; to improve the participation of street traders, primary and secondary cooperatives and small business in the mainstream economy and monitor progress in this regard.

The MEC for Economic Development has been tasked with responsibility to investigate the immediate creation of an instrument for microfinance in every district modeled along the successes of the Umlazi Community Investment Fund for local traders which was done in partnership with Standard Bank. To achieve true empowerment we need to create microfinance institutions that the local traders and small business control.

I challenge the banks to invest massively in microfinance to create a safety net and springboard for those at the bottom of the pyramid. I have been encouraged by the leadership of the African National Chamber of Commerce (NAFCOC) who wish to explore microfinancing models in partnership with government. We need to take bold steps and be creative to succeed. This will create numerous employment opportunities.

The latest data suggests that the sectors that have recorded positive growth are the following: manufacturing (+7.7%), government services (+4.8%), construction (4.1%), community and social services (3.5%).

The wholesale, retail trade, hotels and restaurants showed a decline (-1,3%) and agriculture, forestry and fishing (-7.4%).

The figures also clearly indicate the important contribution made by Government in the economy.

KwaZulu-Natal continues to analyse the performance of sectors to assess changing trends. Despite the performance reflected in the data, the province recognizes the tourism sector as having tremendous potential for future growth. The estimated total economic impact of tourism on the economy of KZN was about R26bn in 2008. The opening of the new airport, with direct landing flights (mostly from the East) will provide an opportunity for growth.

Since the commissioning of the Emirates to fly into Durban, there were 9 000 international passenger arrivals in December 2009 alone who came through on the Dubai-Durban flights. Tourism KwaZulu-Natal has forged a cooperative working relationship with both Emirates Airlines and Emirates Holidays. This, year KwaZulu-Natal will receive a special profile and additional brochure pages focusing on the province in Emirates Holiday Guide.

Manufacturing, agriculture, tourism, transport and logistics and several other identified sectors will still constitute the strength of the provincial economy. Partnership between the public and private sector will assist in steering a path towards growth and job opportunities.

We invite all stakeholders to work with us to implement the resolutions of the ROADMAP TOWARDS ECONOMIC RECOVERY AND JOBS SUMMIT as a starting point towards creating employment.

INVESTING IN INFRASTRUCTURE

The new King Shaka International Airport, the Dube Trade Port, Moses Mabhida Stadium and most major roads will be completed by May 2010. The Ngula power generation station and some port refurbishments, road maintenance, hospital and school capital works will remain the main infrastructure projects.

The Department of Human Settlements completed more than 5500 housing units in the Slum Eradication Projects and together with Rural Housing Development, community-driven housing initiatives were utilized.

The programme will be expanded this year. More than 5000 hostels were converted into community housing units. Great progress has been made in addressing the matter of the “gap market.” Gap market refers to those who are employed and do not qualify for government subsidy yet earn in the lower salary bracket, thus disqualifying them for bank loans. Social housing or rental stock will be established for this purpose.

KwaZulu-Natal has been the first province to exceed the targets for provision of job opportunities in the Expanded Public Works Programme, and received a R19-million reimbursement from the incentive scheme. The major contribution in this regard has come from the Zibambele and Vukuzakhe projects pioneered by the Department of Transport, together with the Departments of Human Settlements and Public Works. The Expanded Public Works Programme shall be accelerated to create more job opportunities.

While unemployment has soared in all except three provinces, a sinister observation has been made by economists that KwaZulu-Natal shows much lower unemployment than predicted, not because of new jobs but due to the phenomenon of discouraged job-seekers. This requires close monitoring.

PRIORITIES

We reiterate our commitment to, and we should move quicker towards, the attainment of priorities outlined in the new Government’s Programme of Action.

These include:-

- Rural development / Agrarian reform and Food Security
- Creating decent work and economic growth
- Fighting crime

- Education
- Health
- Nation building and Good Governance

The priorities have been analysed and grouped into twelve outcomes that are the basis of the Programme of Action of government, aligned at both the provincial and national levels.

OUTCOMES

The outcomes are as determined at national government level as follows:

- 1) Quality basic education
- 2) A long and healthy life for all South Africans
- 3) All people in South Africa are and feel safe
- 4) Decent employment through inclusive economic growth
- 5) Skilled and capable workforce to support an inclusive growth path
- 6) An efficient, competitive and responsive economic infrastructure network
- 7) Vibrant, equitable, sustainable rural communities contributing towards food security for all
- 8) Sustainable human settlements and improved quality of household life
- 9) Responsive, accountable, effective and efficient local government system
- 10) Protect and enhance our environmental assets and natural resources
- 11) Create a better South Africa, a better Africa and a better world
- 12) An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship

CONTROLLING OVER-EXPENDITURE

The achievement of these outcomes depends largely on our ability to find resources to turn the programme into implementable projects that will change the lives of our people for the better.

The diminished national Government revenue as a result of the recession, together with the awarding of the Occupation-Specific Dispensation mainly for the educators and health workers, as well as the awarding of higher than budgeted salary increases, have had a major contribution to the over-expenditure that our province has experienced.

We acknowledge the difficult situation at national Government that created this challenge. The cause of the over-expenditure is outside the control of the Provincial Government. It has been a steep challenge to balance the needs of

service delivery with the need to effect savings in order to correct the projected over-expenditure trends.

Cabinet has taken a deliberate and principled stand to manage expenditure very tightly and direct all resources to priority projects and ensure that service delivery is protected and prioritized. This is an approach that reflects a sense of responsibility and commitment.

Government departments have been called upon to operate to the highest standards of good governance and social responsibility. There was an urgent need to refrain from wasteful expenditure and to adhere to prudent financial management practices.

We have also reduced the use of consultants, promotional marketing and advertising, and resorted to bulk-buying of media space to save costs. There is a vital need to communicate effectively and for Government to stay in contact with the electorate.

Our outreach programmes of taking Government to the people continue, but we are reducing the size of izimbizo, using community halls and available facilities where possible. This has proved very cost-effective. We will not, and have not, stopped the delivery of services to our people. We have set ourselves a three-year horizon to effectively reign in the over-expenditure – anything less will not be manageable as it will seriously hamper service delivery to unacceptable levels.

As hard as it looked, and sometimes contentious as it became, we had to do what was in the best interest of the people of KwaZulu-Natal. Every challenge has its lessons. For us the tough times have reinforced the culture of financial prudence and re-engineering of service delivery.

Instead of a silo mentality and inter-departmental competition, today we see more integration as managers realize the value of cooperation for the attainment of set goals and collective Government achievement of service delivery targets.

Today we can report that a great deal of progress has been made.

RURAL DEVELOPMENT / AGRARIAN REFORM / FOOD SECURITY

We remain convinced that rural development and the revival of the decaying small towns will be vital in stabilizing the economy of our province, focusing on the need to promote rural economy and empowerment of the rural population.

This understanding calls for an integrated approach and maximizing on the potential of each area as guided by our Provincial Spatial Economic

Development Strategy, which has clearly demarcated the sectors that drive the economy in different parts of the province.

To drive Rural Development, a team has been appointed and the Framework of Rural Development Strategy has been approved by Cabinet. The thrust of the strategy is the importance of aligning planning processes of the different spheres of government, integration of departmental effort and involvement of the people in their own development, empowering them to participate and own the processes of development to ensure sustainability.

The focus on the pilot areas of Msinga and Nkandla continues with the consolidation of resources from the national Departments of Agriculture, Land Affairs and Rural Development.

The appointment of Members of the Executive Council as champions of rural development in districts has improved the level of inter-governmental cooperation. It is always important to state that rural development has to be comprehensive and is all-encompassing and not just about agriculture, communal gardens, women's sewing and small poultry projects- it is about creating sustainable economies that will absorb labour and reduce migration to urban centres in search of a better life.

In view of the recession and spiraling food prices which threatened food security, we identified agriculture as a catalyst for economic development. Our key focus was to build self-sufficiency in agricultural production, to support land reform programmes while creating access to local and international markets for large commercial and small- scale farmers, including agricultural co-operatives.

Many emerging farmers have been driven to bankruptcy by lack of farming skills and experience, the high cost of inputs (such as fuel, fertilizers, electricity, etc.), non-availability of finance for farming operations and lack of access to markets; but rarely lack of commitment and love for farming.

A Special Purpose Vehicle, known as the Agribusiness Development Agency (ADA) was established several months ago, to support emerging black commercial farmers and rescue the land reform projects from collapse. The Agency will assist the farmers, reduce the skills gap that the land reform process has inadvertently created and negotiate refinancing mechanisms to save the farms from sinking into debt and being repossessed by the banks.

A working agreement has been secured with the Land Bank which had financed most of the farms and had to be persuaded from liquidating the operating farmers and repossessing the property.

The agency assessed 32 Land Bank farms that were on the verge of repossession. Today we can report that:

- 13 farms which are mainly under sugar production were included into the Sugar Mills Agreement of the Department of Agriculture, Environment and Rural Development. These farms were assisted with re-planting, and ratoon management;
- 4 farms required capital injection for expansion purposes in order to be able to meet their debt obligations. These farms have been prioritized for additional support in the 2010-2011 financial year;
- 7 farms were either found to be abandoned or the farmer was no longer interested in farming. These farms will form part of the “incubator” programme of the Department of Rural Development and Land Reform and the Land Bank. These farms will be purchased by the State at the outstanding debt price, recapitalized, and new beneficiaries identified. ADA will be part of the recapitalization programme.
- 2 farms required forensic audits, and the Provincial Treasury is conducting them. In the interim, production support has been provided to one of the farms to re-plant the sugar cane.

The ADA Team has entered into Memoranda of Understanding with the sugar millers and the Citrus Growers Association. These organizations have pledged technical support, mentorship and skills development support to the entrant farmer, and will fund these programmes themselves. The Citrus Growers Association of South Africa is currently providing skills training beneficiaries to 10 land reform farms across the Province.

The strategy of the Agency will be to initiate, facilitate and manage partnerships between the private sector and farmers in order to secure market access, accessing mentorship and skills development support, and leveraging additional private sector investments for the land reform farms.

Agreements are also being finalized with investors in the dairy and beef sectors, focusing on Sisonke (Greater Kokstad Local Municipal area), and for the production of chicory in the greater Weenen and Muden areas, in partnership with Nestle (Estcourt).

The Agency has secured capital funds to the amount of R239-million from the Comprehensive Agricultural Support Programme (CASP), and from development funds earmarked for specific farms from the Department of Rural Development and Land Reform. With these resources, the Agency will create 1099 additional permanent jobs and 2538 seasonal jobs in the agri-business sector. These interventions will also assist in sustaining and growing 1045 entrant black commercial farmers in the Province.

The Agency is finalizing an agreement with RMA, an investment agency that has contracts to supply the major chain of retail stores, while they lease farms and mentor the owners and turn around the farms to become viable.

The Rural Development team has entered into a working relationship with Ingonyama Trust Board to identify communal land over 100 hectares under each and every inkosi for massive production along commercial lines and integrate subsistence farmers to the major marketing outlets. They will promote the ONE VILLAGE ONE PRODUCT approach to maximize on capacity building, technical support and logistics.

We thank His Majesty the King for the initiative and urge all amakhosi to come on board. An audit process has already identified such land in Mkhuze, Nongoma, and Mahlabathini, and will continue in other areas. Out of its funds, the Ingonyama Trust Board has pledged to fund fencing and, to a limited extent, irrigation, while the Department of Agriculture will focus on mechanisation, technical support and other input costs.

A similar scheme is already in operation at Zwart Mfolozi under inkosi Zondo, involving local villagers in supplying large local and overseas markets.

In this regard, as we further seek to enhance the role of our traditional leaders in the affairs of their Province, we wish to convey our gratitude to His Majesty for his support in addressing some of the challenges of the past. We are all aware of His Majesty the King's love for farming.

We urge all farmers to move at a furious speed to meet the need for the huge export market opened by the Dube Trade Port that will be commissioned in May this year. There are just too many countries that have asked KwaZulu-Natal to supply them with fresh agricultural products.

They are waiting for us to get our act together! That is why we insist that we have to build agricultural sector because of its capacity to create large numbers of jobs and also move our province towards self-sufficient food production.

I want to commend the white farmers that have responded to the call I made in my opening address last year, to support the development of emerging black farmers. I have not once encountered opposition to the land reform process. In the agricultural sector we are seeing the seeds of a better future being built and nation-building at work!

Many farmers and farm dwellers have discussed their frustrations with the Government. We must discuss and seek further solutions to reassure farm owners to continue to invest and reduce uncertainty caused by the delays in land restitution processes.

Similarly, we need to help to empower new owners to prevent reduction in the productive capacity of acquired farms and to control the unplanned settlement

patterns in the cases of group claimants that often compromise the most productive parts of the farms.

We remain seized with efforts to fight crime in the farming community as we condemn the murder of farmers which creates a siege mentality for them while stock theft wipes out savings of rural communities. We will continue to work hard to improve the relations between farm workers and their employers and eliminate ill-treatment of farm dwellers.

We need to promote an understanding that the Bill of Rights applies in every part of the land, including private farms, to protect all. I urge the farming community to come forward to share their concerns and their proposed solutions with Government. Our strategy in this matter is to seek solutions and contribute to build a strong, secure and self-reliant nation and a better future together.

Food security

When the whole world was celebrating the birth of our former President Nelson Mandela on the 18th July 2009, we launched the One Home, One Garden Campaign.

We called on individuals, all communities and big business to set aside time and start a garden on this day. This campaign was aimed at reducing the impact of food insecurity and has taken off very well. More than sixty tons of seed were distributed and many families are now planting and producing their own vegetables.

Deserving households were identified using the Multiple Deprivation Index. Working with the Independent Development Trust over 4000 individuals and members of cooperatives have been given short courses to revive the culture of home gardening. The MEC is working out a strategy of expanding this capacity building programme throughout the whole province to enable families to rely on their gardens for household vegetable requirements.

We have set the target of 40 000 individuals per annum to make an impact. We have noticed that the culture of dependency has resulted in gardens being overgrown with weeds and people starving with the freely supplied seeds in their shelves! We will intensify mobilization to get One Home One Garden to be a household campaign propagated by neighbours, schools and churches, and extend it to be ONE SCHOOL ONE GARDEN and ONE CHURCH ONE GARDEN, respectively.

This approach is meant to create surplus for sale. Competitions will now be introduced, and partnership will be sought with the South African Broadcasting

Corporation to create the vibrancy necessary for the campaign. We urge you all to create a garden in every home and help us build a better future together.

The culture of cooperatives has irreversibly taken root in KwaZulu-Natal. Seven agricultural cooperatives have signed Memoranda of Understanding with the Department of Agriculture and Rural Development and the Department of Health to supply vegetables to 18 public hospitals. The first supplies have already been delivered.

Critically, the training of agricultural secondary cooperatives on corporate governance and business management has been accelerated since October 2009 involving cooperatives from several districts. In addition, sixteen leaders of secondary cooperatives are currently attending government-sponsored training in Kenya, following similar training for Government officials last year.

In the near future, Government will assume a hands-off approach to cooperatives, and offer the necessary institutional and technical support and environment necessary for them to develop and play a meaningful role in the economy of our Province.

Facilities have been established to support secondary agricultural cooperatives in several districts in addition to the training for leaders equipped with diplomas and degrees in these fields. The University of Zululand and the Durban University of Technology have taken a keen interest in this field.

The process to appoint the new head of the Department of Agriculture has been finalized and a leader is expected to assume office by the first of April. This will bring stability and lift this department to the heights expected for the critical role this sector has to play in changing the lives and creating the momentum for economic recovery.

FIGHT AGAINST CRIME

Crime is one of the biggest challenges we are facing since the demise of apartheid. Crime dominates news bulletins on radio and television almost every day. We read daily about horrific personal accounts and stories in letters to newspapers, capturing the frustrations of many South Africans.

Many amongst us have bitter personal experiences or that of our closest friends, relatives or associates. Crime is one of the challenges that we should not allow to make our claim to freedom ring hollow for the fear, waste of life and the loss of property that it inflicts on society.

Fighting crime requires the same passion, intensity, creativity and unity as we demonstrated in the fight against apartheid. Unity and partnership, solidarity and support should be the basis of our combined effort to defeat crime.

A few weeks ago our Government unveiled a multi-faceted strategy to prevent and eradicate crime, involving all in society through active mobilization of all stakeholders and combined effort of all Government departments –THE UNITED FRONT AGAINST CRIME.

Several municipalities have augmented the increased numbers of police officers in their areas with the installation of surveillance cameras which enable police to spot criminals long before the complaints are registered in the police stations.

There is a huge role to be played by the strengthening of communities, starting with the building the family unit in recreating and strengthening the fibre of society. Moral regeneration and mobilization of civil society, in the form of religious and traditional teachings, which are all intended to create a better human being and a humane society, must be intensified. This will remind us all that we all have a role to play in the broader strategy to end crime.

The role of recreation, sports and peer education in enhancing morally acceptable conduct and reinforcement of human values, must be emphasised. We have been highly encouraged by the initiative of local businessmen in Durban (led by Mr Terry Rosenberg) who went into the nearby township of Chesterville to help the community revive the street committees in response to the call by President Jacob Zuma. This is an example we wish others in the business fraternity to emulate.

This model has been adopted by the provincial government with the view of extending it to other areas. It encompasses the issues of community dialogue, strengthening the power of community leadership, rehabilitation of offenders, intervention in social circumstances that create vulnerable youth in distress and those in trouble with the law.

We need to reconstruct our society and make each of us “our brother’s keeper.” Community Police and Safety Forums will be created to provide platforms for supporting and defending communities. Churches and other organs of civil society have a strong role to play in this campaign.

We hail the appointment of the first female Provincial Commissioner of Police in the history of KwaZulu-Natal. We have pledged full support to her and the entire team.

We look forward to the increase in the numbers as announced by the President. Already, the firm hand in handling criminals has been demonstrated. We support

the determination of the police and urge them to always exercise caution to protect innocent individuals whenever they carry out their duties.

We will intensify our crime prevention volunteer programme which is already proving effective. Such initiatives need to be extended to support the stock theft and rural security programme to boost police operating outside urban centres.

There is a strong role for local and provincial government departments, not only the police. A Crime Prevention and Justice Cluster of Cabinet members, encompassing different regional offices of the National Departments in the province meets regularly to seek solutions together in the furtherance of the fight against crime. Many problems have been solved when different departments operate as one team and one Government.

Taxi violence, though markedly reduced, continues to smoulder. After quiescence for a few years, violence is taking the shape of a low intensity war that explodes periodically though police have done commendable work in their investigations to identify, apprehend and bring many perpetrators to book. This area remains a challenge and requires a long-term strategy involving all levels of Government.

The association of alcohol in the commission of crimes which result in injuries or deaths is very strong. This year the Liquor Control Bill will be finalized to assist in regulating the distribution of alcohol, giving communities a say in the licensing of liquor outlets while it protects responsible sale of alcohol to promote trade. Attention will also be given to legal outlets that are abused for distribution of narcotic drugs.

Our efforts in fighting crime have been reinforced in anticipation of the World Cup and influx of tourists. There is focus on the trio crimes - house robbery, business robbery and hijacking.

The focus on the murders, drug and human trafficking is subject of a special forum involving all affected departments. We need to give all our guests a warm welcome and an unforgettable and pleasant experience in KwaZulu-Natal to ensure that they return in greater numbers long after the tournament.

EDUCATION

Education is the foundation upon which the future of our country will be built. The greatness of nations will (now and in future) be determined by how their superiority in knowledge and technology allowed them access to the natural resources without brute force, violence and bloodshed that characterized our past.

The global economy has shifted significantly to be driven by communication of knowledge and information and the technological base for the exchange at high speed without the hindrance of conventional political and physical geographic borders. Competitiveness and capacity to control and operate highly sophisticated systems of management and production, as well as discovery of new techniques through research and development of new products is what will determine world leaders.

All the officials who serve in the Department of Education must always appreciate the fact that theirs is a calling and a task of strategic significance for which there can be no halfway measures and mediocrity as an option.

Teachers, parents, learners and the entire community need to be mobilized to rally behind the education of every child, for in every child lies a talent to be discovered and amongst those children are great leaders of the future.

We commend the Department, teachers, parents, learners and teacher unions for the improvement in the matriculation pass rate last year. It was reassuring to see overall improvement in almost all the regions, confirming that the improvement in the results is a consequence of good leadership in this sector. The number of schools that got 100% pass was encouraging, as was the performance on science and mathematics.

While it will be expected that the matriculation pass rate should substantially increase in 2010, ideally KwaZulu-Natal must reach 80% by 2014. The situation in the education sector should be understood in the context of what Madiba once pointed out, that, after climbing a great hill, one only finds that there are many more hills to climb.

The level of commitment and dedication I observed during our school visits has convinced me that with adequate support, in the near future, our Province will be respected for the high quality of education and the products it will produce.

For now, however we have to implement the Ten-Point Plan for transforming basic education. This includes massive investments in infrastructure, more class rooms, libraries, laboratories, water provision and ablution facilities as much as the budget allows.

We remain committed to the national targets of improving literacy and numeracy to 60% and testing to be done at Grades 3, 6 and 9. Attention should continue to be paid to the poor schools and ensure that 'no-fee-school' reaches 60% of the schools, while paying attention to schools that challenge the quintile they are allocated to.

The Departments of Education and Social Development will cooperate to support orphans and destitute learners with school uniforms and other welfare services.

Masifundisane Adult Literacy programmes will continue as they will positively impact on the support that parents give to their children at school.

Devolution of school budget will be done to ensure that fraud and corruption is minimized and that school management takes full responsibility for the resources and account for expected outcomes.

Our major focus for the year will be the creation of a support base of all community leaders and civil society to rally behind School Governing Bodies, teachers and learners for the improvement of quality of education and outcomes. The idea will be to make education everybody's concern in order to ensure that the teachers are in school, in class, on time and teaching.

Similarly, that learners are always in class on time learning and doing school work and respecting teachers and parental figures. We will now embark on the campaign alluded to in my address last year:

“INGANE YAKHO YINGANE YAMI
INGANE YAMI YINGANE YAKHO”

“MY CHILD IS YOUR CHILD,
YOUR CHILD IS MY CHILD”

The campaign must focus on reintroducing good management practices in school, parental and community involvement in the discipline of children, elimination of drug abuse and abuse of girl children, creating orderly and safe schools while ensuring parental interest in the progress and performance of the child at school.

Elected representatives will stage unannounced visits to schools and submit reports about their findings for debate in the Legislature and to the Cabinet. All MEC's will discuss reports with the regional stakeholders as champions of their regions in support of the MEC of Education.

Now that the taxing matter of Occupation Specific Dispensation is behind us, a process of negotiations will be entered into with Government, communities and the teacher unions to devise strategies to resolve problems and ensure that the education of our children is not disrupted by issues that can be prevented and resolved. The result of this process is to achieve a buy-in and develop a SOCIAL COMPACT with all stakeholders to declaring education as SACROSANCT.

Skills Development

The value of education for any individual is the acquisition of a skill, in the form of a trade, academic qualification or expertise of one form or another to render services to society and contribute in the economic activity of the land in such a

way that the individual attains an independent sustainable existence, free from poverty and deprivation.

The challenge for our province is that we have to assist individuals to attain skills in keeping with the level of education attained. There are many learners who exit the education system early, thereby limiting the choices available for their advancement. Intervention at this level will go a long way to reducing crime as unemployed youth are driven by hopelessness to commit unacceptable acts under misguided influences in search of income.

We have to design a safety net to cater for such learners so that they can be supported with training that will help them to sustain themselves. The Social Transformation Cluster of Cabinet will continue to examine this matter to devise solutions.

The Further Education and Training (FET) sector has received significant support from national government level after a period of relative neglect. This is one of the most important sectors in the programme for economic empowerment as it creates the skilled individual with a definite role to play in the economy of the country.

The provincial Government will work together with the Department of Higher Education to ensure that this sector is effectively aligned with the needs for human resource development in the province, supporting the FETs in their resource requirements.

The curricula issues will remain our focus to ensure that the categories of artisans produced are aligned with the quality of skills required in industries whilst ensuring that the programmes for skills development are aligned with the imperatives of industrial development.

Learnerships and internships shall continue to be utilized to bequeath the young graduates with the sufficient experience to improve their appeal in the open market.

Special programmes will continue to be promoted to ensure that our youth can acquire simpler skills and be assisted through direct placement in jobs, including training in entrepreneurship (for the small business sector) and cooperatives. The programme of the National Institute of Information Technology of India (NIIT) on Information Communication Technology has a three-year target of 10 000 learners in collaboration with Moses Kotane Institute.

The Ifihlile programme financed by Treasury has trained and placed in employment about 3500 out of their targeted total of 10 000 learners. Massive training has taken place for artisans in construction masonry aligned to the massive infrastructural projects associated with 2010 FIFA World Cup through

the Departments of Public Works, Human Settlements and Transport. Support continues to be offered to unemployed graduates through the department of Economic Development and Tourism.

HEALTH

The average life expectancy of South Africans has declined to just below 50 years, which is below that of India (64 years).

The Death rate for age 20-60 has grown three times between 1997 (56 000 p.a.) to 2006 (159000 p.a.)

Maternal mortality rate (per 100 000 births) has risen from 230 in 2000 to 400 in 2005 and was estimated at 625 in 2007. South Africa is one of the twelve countries in the world to record deterioration of maternal mortality figures contrary to the expected reduction based on the Millennium Development Goals (MDG). Child mortality rate has continued to deteriorate, indicating that MDG targets will not be achieved. Most of the deaths result from HIV infection. The co-infection of Tuberculosis and HIV is above 55% and has severely high mortality rate. In all instances nutrition plays a pivotal role.

On World AIDS Day, the President announced drastic measures to expand the availability of Anti-Retroviral Treatment (ARV), combining treatment for TB and ARV's in one facility and increasing the CD4 count for treatment initiation from 250 to 350.

Our government commits itself to the implementation of these new provisions by the beginning of the financial year. Government welcomes budgetary allocations destined for the strengthening of the treatment programme. The role of contribution of various donors in PEPFAR funding is highly appreciated, especially the United States of America.

Last year the AIDS Council endorsed an integrated campaign to deal with the challenge of HIV and AIDS and TB. The approach was based on the provision of sustainable nutrition—one home one garden. This programme has been integrated into what is now referred to as our “flagship project.”

The focus will be placed on the treatment of TB and reduce the spread, the emergence of resistant strains, reducing the defaulter rate and improving the cure rate.

The estimated prevalence shows that the disease is worst in KwaZulu-Natal, particularly Umgungundlovu, eThekweni and Ugu districts.

It is clear that a focused attention must go to the districts where the disease is worst. Focused attention on nutrition, treatment of HIV and AIDS and TB and the management of secondary infections will reduce maternal mortality.

Analyzing the results across provinces, the fact that male circumcision is not well practiced in this Province seems to suggest that it may be the explanation for the high figures. A major advancement in the fight against HIV and AIDS was the announcement by Isilo to revive male circumcision. The announcement assisted greatly in focusing on action than endless debates. It also offers an opportunity to address the concerns that the traditional methods used in campaigns to prevent HIV spread focused only to young women and not to boys. That gap has now been closed. Siyabonga Hlanga lwezwe.

The MEC for Health has progressed in preparing for the commencement of the operations. There has been tremendous support from the traditional leaders and many sectors. It is envisaged that the programme will start in winter. We are grateful for the support from Islamic and Jewish communities in this regard.

The issue of infrastructural development in the reconstruction of dilapidated hospitals requires that Public-Private Partnership be explored by the Department. We intend to increase investment to improve the hospitals starting with construction of a completely new King Edward VIII Hospital –which has become a major priority. Improvement of health outcomes starts with the revitalization of the health institutions.

Quality of care requires urgent attention, especially the availability of medication, the patient waiting times, cleanliness, courteous services, etc. The MEC of Health has been asked to announce targets that the public can expect.

Now that the issue of OSD has been settled, discussions with the health professionals must be held to discuss the protection of the lives of people entrusted to their care, especially in light of health being an essential service.

CHANGE OF BEHAVIOUR AND COMMUNITY MOBILIZATION

The Flagship Project encompasses a variety of social ills for which mass mobilisation is necessary to attain the required results on eradication of poverty and behavioral change. Numerous issues have been clustered together to be addressed:

- sexual awareness and responsible and safe sexual practices;
- prevention of spread of HIV;
- prevention of teenage and unplanned pregnancy;
- prevention of sexually transmitted infections;
- supporting treatment for TB (dots);
- care for orphans and vulnerable children;

- support for widows;
- prevention of drug and alcohol abuse;
- prevention of road accidents and promotion of road safety;
- healthy life style and prevention of non-communicable diseases such as heart disease and cancers of various sorts;
- understanding selfless service and strengthening patriotic spirit;
- promotion of caring and compassion;
- Prevention of crime and domestic abuse and rape;
- Collection of information to prepare welfare services; etc

Based on the above priorities, government has formulated and committed itself to the strategic themes of tackling child poverty; tackling adult and older persons poverty; youth development; social cohesion and sector capacity building.

This initiative addresses child, adult and older persons' poverty, supporting rural development and agrarian reform through the "one centre one garden concept" and the establishment of community food banks as well as implementing a comprehensive rural poverty reduction strategy that ensures universal access to basic services.

The concept document for One Stop Development Centres (OSDC) was developed and approved by the Social Development MINMEC to be a national project. The implementation plan for the functionality of OSDC was developed and the 5 centres in Mamba, Tulwane, Mboza, Mbonomuhle, and Nkosi Mbongeleni Zondi are fully functional. Some of the services that are provided include early childhood development, centre for older persons, community care centre, Home Affairs services and social grants. Five more new One Stop Development Centres have been planned for the forthcoming year.

We appeal to the churches and religious fraternity to work much closer with us in helping our community to heal and foster behavioural change to defeat the above social ills. We have appreciated the massive support they have shown for our government.

Amakhosi and traditional leaders will have a pivotal role to play in the stabilization of our community and we will work closely with the House of Traditional Leaders and individual amakhosi. We thank them for the work they have done and look forward more engagement with them.

To be more effective, Cabinet agreed that the volunteer programmes must be standardized and coordinated to create a cadre that will work in the community, especially amongst the youth to create and promote positive human values and behavioural changes that will result in the reduction of the above social ills. A multi-sectoral team of relevant departments will oversee the process.

Community education will be undertaken to empower communities to live healthier and safer lives, to prevent abuse, crime, diseases and create caring society. The youth will be mobilized using culture, sports and recreation and peer education through trained youth.

It has also been agreed that the home-based care-givers and community health workers must be standardized and integrated and managed jointly to avoid duplication and asymmetrical conditions of service.

Caring for orphans and household screening for welfare services will be incorporated in the integrated community outreach programme for a wider reach. One-Stop-Shops, schools, clinics and community centres will be used as the bases for dissemination of information and campaign.

The MEC's for Social Development and Health will enter into negotiations to allow all these categories to be managed by government, while defining the role of Non-Governmental Organisations in advocacy, training, monitoring and assisting communities to hold government accountable for the services they render. Career path issues will be considered.

The above programme will be remodeled so that it provides the basis for Youth Service.

GOOD GOVERNANCE AND NATION BUILDING

The revision of the organogram in the Office of the Premier has been finalized. The post of Director-General has been advertised and will be filled by April. The process to fill the post of Head of Department in Provincial Treasury has been concluded, and an announcement will be made shortly.

We are happy to announce that the Royal Household Trust has been formed, and that the Chief Executive Officer has been appointed. The long-term view is that the Trust will have capacity to generate income from independent resources. We hope that, now that the controversies have been eliminated, the Trust will proceed to contribute to promote the institution of Ubukhosi which plays such an important role in the betterment of the lives of our communities.

The Chairman of the Planning Commission has been appointed to start preliminary work. The first task is to streamline the policies between national and provincial levels, pilot the review of the Provincial Growth and Development Strategy (PGDS) and collate the plans for public and private investments, among other things.

The Planning Commission will integrate the important matter of environmental conservation - climatic change - as well as issues of industrial development to

ensure that future development are in keeping with the need for the protection of the environment and mitigation of the climatic changes.

This matter will be one of the most important considerations as we move into the future.

Government has taken a strong view to strengthen service delivery and improve the quality of services and assess customer satisfaction. To that effect the post of Ombudsman has been created and is undergoing evaluation. It will be filled within the next two to three months.

The responsibility will be the investigation of lapses in service delivery and ensure feedback to the public. There will also be capacity to investigate and refer findings to the relevant state institution.

We are determined to stamp out corruption and create a government respected for its integrity. To eliminate the perception of corruption in the service, a lifestyle assessment will be conducted on certain categories of management, especially the supply chain sections. The government is investigating a shared services model to ensure efficient management of tenders and regular price comparison to eliminate the possibility of inflated prices.

In this regard, as we further enhance the efficient and prudent use of limited Government financial resources, we have had the unpleasant task to intervene and take over the administration of some of our municipalities. The Department of Cooperative Governance is assisting in Ndaka, oKhahlamba and uMhlabuyalingana. In Umsunduzi a provincial support team has been deployed.

This is part of the commitment of our Government to monitor all our work in order to ensure that we achieve the desired outcomes agreed upon by all of us on various levels of serving our people.

We have introduced a performance evaluation system to oversee the quality of work done and the impact. We have agreed with our Heads of Department on a set of common targets as we build a better future together. Members of the Executive Council will monitor their performance, while the Premier in turn will monitor the team that provides political leadership in our province.

Together, we have committed ourselves to building a team of motivated cadres, willing to work very hard together to improve the lives of all our people. We extend our hand to work with every person in KwaZulu-Natal who appreciates that Government cannot do everything – we must work together to build our future.

We wish to thank the international community for their support as we continue to cement relations with the peoples of the world.

This year we have engaged with, among others, the Governments of India, the province of Benguela in Angola, the Democratic Republic of Congo, Mozambique, China, the Gulf States, Belgium and Baden-Wuerttemberg, in Germany.

As I draw towards conclusion, may I take a moment to pay tribute to those in various stations of life who passed on since we assumed office.

As we pledge to work tirelessly to improve the lives of our people and build a better future together, we undertake to ensure that the struggles of Nelson Mandela and freedom fighters were not in vain.

Building a better future is going to be a long road that requires patience as the needs of our people far exceeds the available resources that we have to share. This means that as citizens of this province we must be prepared to work very hard to achieve it.

We must commend the people of KwaZulu-Natal for maintaining peace and stability and making our province a warm and friendly province that attracts South Africans from all over during festive season. This is our competitive edge.

We must maintain. I also wish to pay tribute to political parties for the cooperative stance they have taken, making debate interesting and engagement fruitful.

I have to thank leaders of the IFP, DA, MF, ACDP, COPE, but the engagements extends to leaders of parties outside the legislature such as NADECO, FEDCON and the Freedom Front Plus with whom we have had several meetings to improve the lives of our people. This I think strengthens our democracy.

I wish to thank all the people of KwaZulu-Natal for their support and for listening to this address, which I hope will stimulate discussion about what each citizen will do to help us build a better future together.

To the Members of this House I am eternally indebted to you for always giving us support

All I have presented represents work done by the civil service who have pledged loyalty to our province, I thank them all.

A special word of gratitude goes to the Members of the Executive Council and their Heads of Departments for the work they have done planning for the year ahead and their support since we assumed office.

Equally, I want to pay tribute to my organization, the African National Congress for giving me the opportunity to serve the people of KwaZulu-Natal.

I wish to thank my wife, May and the rest of the family for their unwavering support and being the pillar of strength

Isilo samabandla and the Royal Household, for all the support and leadership I can only say BAYEDE!

Wishing you all God's Blessings !

I thank you all.