

State of the Province Address by Dr Zweli Mkhize Premier of KwaZulu-Natal Province - Pietermaritzburg

22 February 2011

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

We are grateful that you have taken time off your busy schedules to be with us today as we elaborate on our vision and plans to make our beautiful province, KwaZulu-Natal, prosperous, healthy, safe and warm for all its diverse peoples.

Once more, we take this opportunity to welcome among us His Majesty the King and thank him for his message when he opened the Legislature yesterday.

For 40 years now Isilo has given us leadership, support and guidance as a symbol of our unity, a custodian of our culture and an important pillar in the building of our nation. We were privileged a few weeks ago when we hosted the President of our country, His Excellency JG Zuma, joined by His Excellency, President Yoweri Museveni of Uganda, as we wished uHlanga lo Mhlabathi well on this remarkable achievement. President Museveni recounted how for most of his military and political career he was inspired by the history of victory at Isandlwana.

Unwele olude, Bayede.

In that vein, I am certain each and every one of us here joins the global community in wishing the Father of our Nation, former President Nelson Mandela, a speedy recovery. May he enjoy many more seasons in the tranquillity of his well-deserved retirement. We thank you Madiba for what you have made us to be.

Ahh! Dalibunga.

Madam Speaker, we note with heavy hearts that, like 2010, we once again started the New Year as a region in distress due to fatalities from motor vehicle accidents and senseless murders in Ntshongweni and Mpola in Durban during the festive season. As the realities of climate change hit our own doorstep, floods ravaged different parts of our Province and lightning strikes left us saddened as we buried our beloved. We extend our condolences to the families of these victims. We also want to pay tribute to many prominent citizens of our Province who passed away since we last gathered here last year. We note, in particular, a Member of this House, Mr John Mchunu. May their souls rest in peace!

Madam Speaker, the New Year places before us some exciting challenges.

As further affirmation of the soundness of our democracy, this year the people of KwaZulu-Natal will join millions of fellow South Africans to test the will of the electorate. The President has announced that our local government elections will be held before the end of May. We are proud that our province, once torn asunder by political violence, has now turned its back on that history. It is the ballot that determines the wishes of the people. We call upon all political parties to respect the rule of law and allow democratic processes to take their course.

Hlanga lo Mhlabathi, the Province of KwaZulu-Natal has always been proud of its institutions of traditional leadership. Once again we are impressed with the functioning of the Provincial and the 11 Local Houses of Traditional Leadership. The result of this has been noticed in the improved relationship between Municipalities and Traditional Councils throughout the Province.

The two key areas of focus for this year will be firstly to prepare for the second elections of the 267 Traditional Councils, to be held in the second half of this year. The second area of focus will be to work with the Ingonyama Trust and the respective Traditional Councils to promote access to development opportunities in communal areas, for agricultural, commercial or industrial purposes.

KWAZULU-NATAL WORKING TOGETHER AND TAKING SOUTH AFRICA FORWARD

Hlanga lo Mhlabathi, we have come here to report to His Majesty, the elected representatives and the people of KwaZulu-Natal, that our province is ready to lead the whole country to greater heights. We are united in our resolve that, working together in our respective sectors in politics, business, religion, traditional affairs and all other spheres of governance, we are taking South Africa forward.

We thank the Speaker and Members of this House for all the support you give to the Executive. Our Cabinet has worked as a team and built a solid programme of service delivery through integration of programmes and services. We have maintained a strong sense of accountability as individual leaders of government portfolios. We have also maintained a collegial spirit of collective accountability and unity of purpose. The monitoring and evaluation of performance has greatly assisted the process of integration of government programmes. This integration will greatly assist municipalities as they compile their integrated development plans (IDPs) The Nerve Centre is now operational as a tool to monitor progress in the attainment of outcomes. All the programmes announced in this address will be monitored closely.

We committed ourselves publicly to build an image of clean governance, inspired by our determination to uproot the menace of fraud and corruption in our government. The office of the Premier has started Ombudsman services conducting the investigations on complaints from the public about poor service delivery, unprofessional attitudes and complaints received from the Presidential hotline and provincial toll free numbers. We are grateful that Retired Judge President Vuka Tshabalala has acceded to our request to chair internal disciplinary hearings implicating senior government officials and involving millions of rands.

Several public servants are being processed through this process dedicated to avoid long periods of suspensions while others have been arrested to answer charges in a court of law.

We are in constant liaison with the various law enforcement agencies such as the Public Prosecutions Directorate and the anti-corruption task team established by the Department of Justice. They have taken on some of our bigger cases.

Madam Speaker, we have been decisive in intervening at local government level when several of our municipalities ran into serious administrative challenges. We invoked Section 39 of the Constitution of the Republic of South Africa in Msunduzi, Ndaka, Mhlabyalingana and uKhahlamba. All interventions will stay in place until new councils are put in place.

We are pleased to report a remarkable turn-around in those municipalities in our quest to ensure that service delivery is enhanced rather than compromised. We do not hesitate to act speedily when incompetence, corruption, fraud or plain indolence deprive our people what they voted for – a better life for all.

We remain committed to the implementation of the Local Government Turnaround Strategy in this province. All municipalities were supported to develop their own turnaround strategies and to adopt a ten-point plan, which would focus on the most critical aspects to be addressed in each municipality. This process has already seen positive results and we are particularly pleased with the fact that 54 of our 61 municipalities received unqualified audit reports on their 2009/10 financial statements.

The allegations of maladministration, irregularities, corruption and abuse of power and authority in awarding contracts, implicating municipal councillors and officials, will be investigated thoroughly and strong action taken against those found to have committed offences. We need to enforce good governance and integrity in the service of the public who voted us to office.

Government is committed to the priorities announced at the beginning of the term.

They are:

- * Rural development/agrarian reform and food security
- * Creating decent work and economic growth
- * Fighting crime
- * Education
- * Health
- * Nation-building and good governance.

These have been integrated into the 12 National Outcomes which are:

- 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

Madam Speaker, in our inaugural address we stated boldly that this Administration would embark on initiatives to eliminate wasteful expenditure by ensuring that our departments operated as cohesive, integrated and aligned machineries. Working in silos would be history, we promised.

We further undertook to streamline our communication by ensuring that we projected an image of a government that is consistent and coherent in its messages, without detracting from the importance of remaining in touch with the electorate. We took the pain when we introduced stringent cost-cutting measures.

Hlanga lo Mhlabathi, Madam Speaker, I am proud to report on behalf of the Executive Council I am privileged to lead, that the provincial government will end the year on a positive note since the threat of over-expenditure has been eliminated. Compared to the situation in 2009 when the Province projected R4-billion over-expenditure, working together we have turned our Province cash-positive. These resources will be directed to service delivery.

The National Government has commended the Province of KwaZulu-Natal, and National Treasury has suggested that our model be adopted by the whole country.

Indeed, **KWAZULU-NATAL IS WORKING TOGETHER AND TAKING SOUTH AFRICA FORWARD.**

We are ready to play our role to shape the future of this country.

NEW GROWTH PATH

National government has recently announced the New Growth Path as a strategy towards economic recovery. The President has declared the year 2011 as the year for job creation as he announced several measures to ensure that the primary focus of government this year is the creation of decent work.

Defining the new path

According to the framework document:

“The New Growth Path must provide bold, imaginative and effective strategies to create the millions of new jobs South Africa needs. It must also lay out a dynamic vision for how we can collectively achieve a more developed, democratic, cohesive and equitable economy and society in the medium term, in the context of sustained growth. The strategy sets out critical markers for employment creation and growth and identifies where viable changes in the structure and character of production can generate a more inclusive and greener economy over the medium to long run.....”

“The shift to a new growth path will require the creative and collective efforts of all sections of the South African society...”

“It will require leadership and strong governance. It takes account of the new opportunities that are available to us, the strengths we have and constraints we face...”

Slow Recovery

It has been noted that while there has been growth over the past fifteen years, with KwaZulu-Natal performing marginally above the national growth rate, job creation has not been sufficient. The situation was aggravated by the global economic downturn which resulted in massive job losses in the province as it did nationally and globally. Inside South Africa, economic recovery has been uneven across different provinces. The mining provinces performed better than KwaZulu-Natal, however in 2010 the annual average growth for this province compared to third quarter in 2009 was 3,4% i.e. above national average (2,6%) for the same period of review. The average unemployment rate in the province was recorded to be 19,7% in the third quarter of last year, with an annual total of 125 000 jobs lost in 2010, raising with it the total number of discouraged workers. The job creation targets set by the President will require creativity and partnership of government, business, labour and civil society in general as we consider opportunities in the green economy created by the need to respond to climatic change and the relationships our country has with the developing economies on the African continent and other parts of the world.

The adoption of the New Growth Path will be tabled in our advisory forums, that is, the Broad-based Black Economic Empowerment Advisory Council and the KwaZulu-Natal Economic Council. They will consider various options, and advise on the best way to respond as we seek to improve job creation and the rate of economic recovery in the Province.

On the small business front, we welcome the announcement by the President of the consolidation of several funds to assist this sector, which includes co-operatives. Access to micro-finance remains critical if we are to introduce more players to our economy. We are also pleased about the re-introduction of the Post Bank, particularly for our rural communities. We have directed our MEC to find ways to augment micro-financing facilities in support of SMMEs and co-ops at regional and local level.

From our side as government, we will play our part by ensuring that we do not cripple businesses, particularly SMMEs, by failing to pay within 30 days. We have embarked on procurement reforms, and our Heads of Department and their Chief Financial Officers have been tasked to come up with a budget responsive to job creation and meeting the Millennium Development Goals.

As the President directed in his State of the Nation Address, all vacant funded posts in KwaZulu-Natal will be filled.

The focus for job creation will target the youth, amongst whom unemployment is high, women and other vulnerable groups.

FOOD SECURITY, RURAL DEVELOPMENT, AGRARIAN AND LAND REFORM

Comprehensive Rural Development

Agrarian and land reform and comprehensive rural development constitute one powerful strategy for job creation, food security and building our economy to defeat poverty. The strategy involves the programme of improving the economic infrastructure including the following: roads, railway, ports, fencing, dipping tanks, pack houses, storage warehouses, electricity, communication networks, water harvesting and irrigation schemes for small farmers. Priority projects are being undertaken in several municipalities including Nkandla, Msinga, Vryheid, uMzimkhulu and several other areas. The MEC will elaborate on the concrete projects of reviving livestock dams, fencing contracts and reconstruction of dip tanks in Amajuba, uMzinyathi, Zululand, eThekweni, uGu and uMkhanyakude districts including several irrigation schemes aimed at boosting our capacity in vegetable production. We also welcome in this regard ilima campaign led by President Zuma. We shall be taking the initiative to many areas to keep up the momentum.

Food security--One Home One Garden

Almost 800 000 seed scoops have been received by households to create gardens in support of the programme. Additional new 200 extension assistant officers have been trained and employed to support the programme, but by the end of the year a total of 800 young graduates will be employed as Assistant Extension Officers. The number of extension officers will be doubled to promote agricultural activity at ward level. Many families have been sustained by vegetables produced in their back yard, and the culture of food gardens and agricultural production is returning in most communities. The Department of Agriculture Environmental Affairs and Rural Development, working with IDT have provided short courses in vegetable production to 4447 people as indicated in last year's address. The programme remains part of our flagship project and acts as a base to deal with many other challenges such as the fight against HIV/AIDS and TB.

Mechanisation

A massive mechanisation programme has been launched. A fleet of about 200 tractors has been procured and 200 tractor drivers trained and distributed across the length and breadth of KwaZulu-Natal. About 7000 hectares have been ploughed, a clear demonstration that the programme has taken off with success. The contribution of traditional leaders to the successful initiation of this project has been most valuable. They have been instrumental in processing the requests for ploughing and made land available to those who needed it. Despite the hiccups which are understandable for such a massive undertaking, the

programme can be said to have taken off with success. Several amakhosi have positively responded to the call by ISILO to release 100 hectares of land to start larger scale farming operations.

Crops

Largely maize, beans, pumpkins and potatoes have been the preferred crop in this programme by virtue of these being part of the staple diet of the local community. This programme has taken our fight against poverty and hunger to a higher level towards the attainment of food security for all our people. At long last the call we have made for several years for the agrarian revolution is set to take off in earnest, turning all the land that has lain fallow for decades into the breadbasket for the people of KwaZulu-Natal.

Village economies and School Feeding Scheme

This marks the beginning of the renewal of village economies. We have given a directive for all the schools that are part of the National School Nutrition Programme to procure food for school feeding schemes from the local village subsistence and emerging farmers. This will provide a market for the small scale farmers and inject R800-million to the rural economy, as this figure will reach a one billion (R1-billion) mark by the end of this term of government in 2014. Cabinet has taken a decision to facilitate the creation of fresh produce markets in all municipalities and encourage the establishment of village markets for vegetable producers to sell their produce to the local villagers.

Markets

Government will continue to engage large corporate bodies, encouraging them to undertake to source most of their agricultural produce from the local farmers and integrate the second economy producers to the first economy markets. Successful negotiations have resulted in exemplary steps being undertaken by South African Breweries-Millers who will be sourcing 5000 tons of yellow maize from the rural subsistence farmers of Bergville. The project has taken off well and we look forward to the first crop to be harvested in the autumn. There is an undertaking to escalate the agreement to procure increasing volumes guided by the success of the initial phase.

The initiatives emphasise the approach of ONE VILLAGE ONE PRODUCT as mentioned previously in a similar address. A similar agreement involves Nestle who has undertaken to procure most of their chicory needs from the rural village farmers of Weenen. This and other plans in the pipeline will be pivotal in the revival of small towns such as Estcourt. More such opportunities are being explored with a high level of optimism and results will be announced in due course. Job creation, rural development and the revival of small towns is the

focus of our effort in the rebuilding of our provincial economy using agriculture as the base.

Agri-business Development Agency

The Agri-business Development Agency first introduced in the 2009 State of the Province address, is now fully operational. This agency, jointly managed by the Department of Economic Development and Tourism and the Department of Agriculture, Environmental Affairs and Rural Development, has made a significant impact in supporting emerging and post-settlement farmers.

The Agency was set up to rescue emerging farmers, who for various reasons landed in a spiral of debts and were on the verge of their farms being repossessed and risk the reversal of the policy to transfer land to the hands of the previously dispossessed. More than eighty farmers have enlisted the services of the Agency involving a wide variety of commodities, such as: sugar cane, live stock, dairy and vegetables. The advantage of the Agency is the ability to provide planning services, technical support, mentorship, renegotiate sourcing and repayment of funding as well as linking the farmers with the markets. Many farms have been saved from liquidation. I have recently had the privilege of meeting the emerging farmers receiving the services from the Agency. They counted all the challenges faced by emerging farmers, urging government to do more to support this sector, but I was encouraged as I saw their passion for their work, their appreciation of the service and their determination to make the country succeed.

Livestock

Cabinet has approved an ambitious and far-reaching strategy to rebuild live stock in the province. The focus of the strategy is to increase the working knowledge of subsistence and emerging commercial farmers on animal husbandry and improve the health of livestock, reducing diseases and mortality and build on the existing asset base of live stock farmers. Subsistence farmers hold over 1,5 million cattle which is 55% of the provincial beef herd and 74% of the goat stock. Poor veterinary services and derelict infrastructure resulting in fewer and poorer quality animals and lack of market access are the main reasons why the value of these assets has not been realised for the benefit of the owner farmers and the provincial economy in general. This is now set to change. KwaZulu-Natal targets to exceed the 20% of national beef herd and 14% of the national goat herd which it currently contributes to the red meat industry.

The programme has been fully budgeted for to achieve rapid herd expansion and will involve intensification, group breeding schemes, early weaning systems and integration of subsistence farming operations with the commercial value adding processes.

Detailed studies and modelling have been done and indicate that red meat production will match consumption in the province by 2017 by which time red meat production by the subsistence farmers will exceed the production by the commercial farmers in the province.

Exports

Government intends to fully utilise the agricultural potential of KwaZulu-Natal to revive the agricultural sector and increase its percentage contribution to the regional economy by ensuring self-sufficiency and production of surplus for export. This will realise the catalytic role of the Dube Trade Port as the export point augmenting the strategic role of the Durban port.

KwaZulu-Natal has targeted to massively increase the production of specific commodities such as red meat (mainly beef and goat), poultry, dairy, eggs, maize, dry and soya beans to add significantly on the export capacity of South Africa utilising existing networks and the interest shown by the Middle East and other global markets.

With such favourable climacteric conditions, there is no reason why in the near future KwaZulu-Natal cannot produce beyond the local consumption capacity and focus on building our export potential. The provincial government is looking at reviving projects studied and analysed in the past where integration between emerging, subsistence and commercial farmers will guarantee sustainability. Several project proposals are under review for immediate implementation such as the Besters Beef operation, Jikijela Agricultural Project involving five traditional areas in Maphumulo, and other smaller scale projects such as Masibambisane in Nkandla, Dawn Valley Farm in Ixopo, and reorganisation of current mechanisation projects to collectively achieve higher volumes of production amongst these cooperative schemes. The current number of tractors and agricultural implements will need to be doubled in the next two financial years to match the increasing demand of farmers who will be motivated into action by the successes of the programme.

Government has taken the view that in support of the New Growth Path, and in the interest of accelerating economic recovery, job creation and broad-based economic empowerment, certain things must be done differently and boldly. To achieve the above outcomes, certain strategic investments will be made by government in selected projects in a manner that leverages private sector investment where there is evidence that government intervention to create such public-private partnership will enhance sustainability. This intervention will be considered in the enhancement of the production of commodities that are utilised both for subsistence and commercial purposes such as beef, goats, dairy, poultry, maize, beans etc; as a start including selected high value crops for export.

Dube Trade Port

Advanced work has been undertaken to promote vegetable and fruit production to support the export programme through the Dube Trade Port. The Department of Agriculture, Environmental Affairs and Rural Development and the Trade Port have identified specific farms in all districts where there is potential for massive production of high value crops for export. These include cut flowers, fresh vegetables and fruits guided by the land utilisation plan which is in our Provincial Spatial Economic Development Strategy and involves both the commercial and emerging farming community.

Apart from strategic investments, farmers will be assisted to access the financing facilities announced by the President in the State of the Nation Address creating soft loans and targeted grant funding to ensure that this venture is not undermined by the high set-up costs and narrow margins in this area. The cooperation and support of commercial farmers and commodity associations is vital in skills transfer, promotion of value addition and integration of the emerging farmers into the value chain and to the global market. This will be the subject of single-minded focus of the government of KwaZulu-Natal as we pilot the job creation drive.

PUBLIC INFRASTRUCTURE

The New Growth Path has identified government infrastructure as one of the most important sectors in economic recovery and job creation. The completion of the new King Shaka International Airport, the Dube Trade Port, Moses Mabhida Stadium and various other local sports facilities has meant that there is a huge reduction in the job creation capacity of the construction sector. The on-going refurbishment in the harbours in Durban and Richards Bay and construction of the Ngula Eskom Power Station are the major infrastructure projects with significant job creation. It has become critical for projects undertaken by national departments and para-statal to be brought into the same equation for us to clearly appreciate their impact in job creation and building of the economy as we integrate all State-sponsored initiatives in the province. The provincial government is not sponsoring mega projects in this financial year.

Notwithstanding that reality, the province has a collective budget of eleven billion rands (R11-billion) for 2011 to invest in various projects for public infrastructure delivery –roads, housing, schools and health facilities - rising to exceed R30-billion in total in the MTEF period (2013/14). A strategy has been devised to ensure that infrastructure development, including maintenance of facilities, creates adequate job opportunities and delivers on budget on time. A Cabinet Infrastructure Delivery Sub-committee of MECs has been established to oversee the delivery of infrastructure and ensure that the capital expenditure pattern is

closely monitored and reported to Cabinet on a regular basis. A crack team of technical specialists (project managers, engineers, architects etc) has been assembled to speed up quality construction of public infrastructure and eliminate under-expenditure that has been reported in the Departments of Health and Human Settlements.

Roads

The Department of Transport has constructed 6 000 kilometres of access roads, but due to budget limitations, there still remains a backlog of about 12 000 kilometres. Over 500 kilometres of major high quality roads were constructed to link rural towns such as Nongoma, Hlabisa, Osizweni and other areas. Access to public facilities such as schools, clinics and other social amenities has been prioritised. Many pedestrian bridges were constructed to save children from drowning on their way to and from school and save their teachers the indignity of having to undress in order to cross the river every time they go to work in the village school. The labour intensive approach has become the mainstay of the road construction programme, employing over 40 000 Zibambele contractors and around 50 000 others through the Expanded Public Works Programme.

More attention will be focussed on the road maintenance aspect to deal with the vexed subject of pot holes. This may prove a difficult balance due to the repetitive storm damage that has seriously destroyed the road infrastructure, including bridges and causeways for which huge resources had already been invested. Budgeting for these unforeseen disasters tends to erode on the resources reserved to further expand the road network and refurbish our roads that are on average older than twenty years.

Government has to always be prepared to make difficult choices, understanding the community expectations, the resource constraints and the reality of lawsuits. I have been pleased to see the spatial distribution of the projects across all municipalities to ensure equity.

Human Settlements

Human Settlements has constructed over 500 000 housing units to date, but a huge backlog of 900 000 remains. In a recent Presidential Coordinating Committee meeting, it was made abundantly clear that such a backlog will take decades to clear unless a different approach was taken. President Zuma has tasked the relevant Ministers to explore alternatives to deal with this reality.

Amongst issues they will give attention to is the poor alignment between spheres of government and national and provincial departments and municipalities that are central to the delivery of human dwellings; resulting in rescheduling of housing projects, under-expenditure and roll-over funds.

Delays in clearing land ownership issues, provision of bulk infrastructure such as water and sanitation by different departments and municipalities, resulted in an amount of R200-million from the conditional grant being returned to National Treasury as such grants cannot be moved across reprioritised projects.

The approach indicated above of a special technical team will reduce this challenge, though reorganisation at national level will assist significantly. Several other challenges were faced by this Department as projects were delayed by the investigations by police. The challenges of incorrect cessions by contractors that created confusion and delays in payment of contractors were resolved and all the delayed housing projects have been resumed.

The department has forward-planning and a long pipeline of projects awaiting funding. All the projects delayed in eThekweni have been resumed. Reprioritisation has been done for projects in all regions to proceed on schedule. In the new financial year starting in April, the causes of the delays have been addressed.

For the current year large contracts that are due to start are the Cornubia (50 000 units), Vulindlela rural housing (25 000 units), Driefontein (15 000 units), Nyoni (2 700 units), Blaaubosch (under planning) and several others that will be announced in the line function budget speech. These are multi-year projects which together with the rectification projects and the repair of fully or partially destroyed homes damaged by disasters will create 47 000 work opportunities and 15 000 permanent jobs. These new projects include repair of houses destroyed by storms and rectification of those with poor workmanship. Several construction companies have been deregistered by the National Home Builders Registration Council (NHBRC) for this reason and the cost of rectification will run into several hundreds of millions.

I had occasion to visit the housing project in Nanda, Namibia Stop 8, and was encouraged with the cooperative approach in building houses. The concept of people's housing projects has delivered good quality and better size houses and has to be utilised more widely.

On the other hand, capacity of the contractors will be carefully assessed to ensure that empowerment is not associated with mediocre standards.

The MEC has been directed to carefully look and find a solution to address the perennial challenge of gap housing affecting those who are employed yet fall outside the government subsidy bracket and yet the bond market is inaccessible to them.

Health infrastructure

The Department of Health envisages the construction of massive capital projects including starting King Edward VIII, at a new site, Pixley ka Seme Hospital and refurbishing several others such as Edendale, King George V and other facilities. Throughout the country, this department has been plagued by inability to fully spend on its capital works, causing money to be returned to National Treasury. National Minister of Health reported that this was a country-wide challenge due to lack of technical capacity to supervise adequately and ensure timeous spending. Another complicating factor in the province was that the officials involved in infrastructure suddenly resigned following a criminal and disciplinary investigation. A resident departmental engineer has been appointed and the team reported above will address this problem and ensure that this chapter is closed once and for all.

Education infrastructure

There are still huge backlogs affecting the education system: 350 schools have no access to water and 1350 have no access to electricity. There is a backlog of 8935 class rooms, 3339 libraries, 10531 science laboratories, 43 929 toilets and there are backlogs in fencing and telecommunications, etc. The infrastructure budget aims at responding to this reality.

A similar programme of building new schools, libraries, new additional classes, perimeter fencing of schools, sanitation and water provision is being undertaken by the Department of Education in their capital works projects. I have directed that the Department must prioritise schools without ablution facilities and initiate a programme to provide solar electricity for those schools that Eskom has indicate poor access as a result of grid limitations.

Public Works

Closer coordination has been forged between the Department of Public Works and client departments, as the slow expenditure often reflects need to strengthen interaction and need for building stronger technical capacity to ensure speed and quality in the execution of projects. With such coordination many job opportunities will be realised from the combined capital budget of provincial departments. Training continues as part of the EPWP offering skills in various aspects of the construction industry across all client departments.

Water infrastructure

We have 84% of households that have access to water. But still water provision is one major challenge in the province due to the fact that the remainder of communities that have no secure source of continuous water supply are those in the rural areas in uMkhanyakude, uMzinyathi, Amajuba and uGu districts.

Most of the municipalities that have responsibility to supply do not have adequate resources to provide secure water supply. This means the policy of free basic water is only possible in municipalities with better infrastructure and resources. Some have embarked on the unaffordable and unsustainable programme of carting water through tanks. This approach is fraught with difficulties of inconsistency and unscrupulous operators exploit both government and communities as desperation increases. Some of the schemes that deliver water require repair work which the Department of Cooperative Governance and Traditional Affairs has budgeted to undertake and reinstated the supply that communities enjoyed.

Following the Water Summit held by the Province last year, it has been recorded that the short-term improvement of many water schemes and extension to new areas will require a budget of over R6-billion. The expansion of the bulk supply needs to ensure that it is not only distant suburbs, but the local communities near the source of water that benefit. That may require over R20-billion in investment. All the 14 Water Services Utilities have no immediate way of generating the resources that are reflected in their plans. Cabinet lekgotla was of a strong view that all these Water Services Authorities must be rationalised into one entity that can manage water resources in an integrated manner. We have raised these matters with the Minister of Water and Environmental Affairs who will soon be visiting our province to give guidance on the issue to help the province to move speedily to secure necessary resources to create a single water plan leading to water security for all. This is more urgent as we have witnessed extreme contrasts in weather patterns where one part of the province is suffering extreme drought while at the same time the other is battered by heavy storms. She will announce three dam projects in the province.

Electricity infrastructure

The provision of electricity has reached 75.9% of households in KwaZulu-Natal. Due to grid limitation and sparse rural settlements the remaining backlog is a challenge. Backlogs are mainly found in uMkhanyakude, uMzinyathi and Sisonke. Eskom planning is far advanced and foresees some communities only possible to reach after 2020 because of resource constraints and the above factors. This challenge has necessitated a focus on the non-grid energy sources such as solar power, etc and to further encourage independent power producers. We will meet with the Minister of Energy to announce what electrification projects will be undertaken in the province.

The provincial government is working together with Eskom to connect “islands” of communities located along the supply routes of Eskom power lines but left without electricity for political reasons in Nqutu, Nongoma and many other places. Accusing communities of voting for a different party such unscrupulous councillors in collusion with corrupt employees of Eskom, communities have been left in darkness as punishment. We found this action outrageous, backward and unacceptable.

Many such officials are undergoing disciplinary proceedings and we await additional information from that process in order to investigate and charge those leaders involved in such disgraceful conduct.

Public representatives in a democracy cannot be allowed to act so unconstitutionally and in such an insensitive manner. A total of 16 000 connections are being performed to address this irregularity.

KZN Ports: Strategic context, performance, investments and job creation

The economy of KwaZulu-Natal is driven largely through the transport and logistics sectors based on the two major ports housed in the Province, namely Port of Richards Bay and the Port of Durban. Both ports are economically strategic not only to the Province of KZN, but also to the national economy of South Africa since they are linked to the economic heartland of South Africa, Gauteng, via road and rail networks. The Port of Durban is also a transit point for cross border container traffic for our neighbouring countries -- a Gateway to Southern Africa.

The Ports of Richards Bay and Durban are important contributors to international trade and a significant enabler for South Africa’s and the Province’s economic development. Transnet is creating significant capacity ahead of demand and is therefore well placed to accommodate significant future volumes and trade growth for both ports and rail in the KZN province. The expected volume for the 2011/12 budget year for the Ports of Richards Bay and Durban is expected to be 90.9 and 40.2 million tons respectively. R37.12 billion will be invested in the Richards Bay and Durban port rail corridors over the next 5 years, creating 9000 jobs directly and indirectly.

Durban generates just over 62% of the provincial economy and has become a major city in South Africa, the busiest port on the African continent and the biggest in terms of container capacity. Strategically placed on the world shipping routes, the port plays a pivotal role in the life of the city and provincial economy.

The Province, jointly with Transnet, will sign Port Pairing agreements with Angola, China and India as well as with the Shanghai Municipal Transport and Port Authority. This has resulted from our Twinning Agreements.

PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY

With the KwaZulu-Natal Province being the second largest contributor to the National GDP and hosting 10,6 million or 21% of the RSA population, achieving the objectives of the National Growth Path depends strongly on the performance of this Province. Failure to deliver on this path will not only be our failure as a province, but will also cause our country to fail.

It is with this in mind that I have tasked the newly appointed Provincial Planning Commission to undertake a review of our Provincial Growth and Development Strategy (PGDS) and to ensure its alignment with the National Growth Path. The Provincial Planning Commission has been tasked with formulation of a master plan of major development projects that will define the future of our province.

It needs to also attend to the planning for the formalisation of emerging and small rural towns such as Manguzi, Msinga, Charlestown, etc. to ensure appropriate proclamations and formal settlements in keeping with a modern town. The Commission will also investigate concerns of small towns becoming ghost towns as is the case in Ngwavuma.

One of the primary aims of a new KZN PGDS will be to ensure that there is full alignment, integration and co-ordination between national, provincial and municipal growth and development initiatives as we strive to contribute our share to the objectives of the Growth Path. This will imply that we in KZN will have to contribute at least 1.1 million of the national target of 5 million new jobs. Achieving this target is going to require a targeted approach, focusing on the key drivers of the economy that will be capable of delivering and sustaining new employment opportunities.

Strategic Projects for the future

The government of KwaZulu-Natal participates in a Steering Committee consisting of National Departments of Transport, State Enterprises and related Parastatals and eThekweni City to explore the future use of the Durban International Airport site vacated when King Shaka International Airport was commissioned. KwaZulu-Natal fully supports the use of this site for the development of a dug-out port and establishment of a petro-chemical hub. There is a need to utilise the site to expand capacity of the Durban port. The petro-chemical hub will be a logical expansion of existing facilities such as the oil refineries, located as it will be in close proximity to the Single Buoy Mooring—a facility that ensures that 80% of the country's fuel supply is delivered. This project will also involve downstream value addition. A full report on the progress of this matter will be presented by the steering committee to the political principals at

the end of February. KwaZulu-Natal needs this investment to create jobs and grow the economy.

The remainder of that property will be made available for the long-planned expansion of the automotive supplier park to produce vehicle components and improve production and competitiveness. This necessitates a reconfiguration of the car terminal at the port –another opportunity for investment.

These future changes have necessitated a discussion about the development of a Durban-Johannesburg Corridor, involving multi-modal transport and logistic platform. Issues of a high speed train between KZN and Gauteng, development of dry port and inland container terminal and the revival of the railway lines for both cargo and passenger transport have been tabled for discussion; including the matter of a rail link between the Durban City and the King Shaka International Airport. These matters will also be finalised. These multi-billion rand projects have a huge potential to lift the economy of the province to a much higher trajectory of growth. These projects are supported by the Province for their potential for huge investment, massive job creation and the catalytic effect in uplifting the economy of the province.

It is envisaged that the old airport site project will attract over R100-billion worth of investment and much more in the rest of the proposed corridor.

Green economy

There are several opportunities of developing a green economy especially around the area of provision of energy. Following on the energy summit in 2010 several possibilities were raised regarding the exploration of independent power producers.

A strong campaign will be mounted to encourage communities to save electricity and reduce household consumption. The alternatives such as the use of solar panels for generation of energy connected to geysers and reduce the use of coal-powered electricity have been endorsed. KwaZulu-Natal will be encouraging the setting-up of investment in the province to produce the solar panels to provide energy for schools, clinic and other facilities that are located off-grid and therefore have no access to electricity.

A proposal has been received from the South African Sugar Association to produce electricity using sugar bagass producing adequate energy to supply a small city. As expected, the province supports the initiative.

The potential for producing bio-fuel or bio-ethanol is good. However a legislative framework is awaited from the national government to establish a compulsory blending quota. Such a provision will stimulate massive growth in the sugar cane or soya bean production to provide a substrate for the extraction of the bio-

ethanol. Our province has vast tracks of land that may be used for production. Hopefully the legal instruments will be in place during the course of 2011 to allow concrete planning for expansion.

Several meetings have been held between the Premier and relevant National Ministers on this matter. The results are promising indeed that we may see visible action before the end of 2011. The potential for job creation in this area is unimaginable.

The provincial government is encouraging the promotion of various sources of clean energy such as harvesting methane gas of bio-degradable waste dump sites for energy generation as well as recycling of waste material.

The Departments of Economic Development and Tourism and Cooperative Governance and Traditional Affairs have been mandated to move with speed to invite solar panel manufacturers and companies that operate wind farms to invest in the Province of KwaZulu-Natal. Areas of concern for potential investors involve determination of the buy-back rates for electricity by Eskom for them to determine the profitability of the venture. We know that such a matter is receiving due attention from the national government.

In the meantime we all have a responsibility to save energy and promote energy-saving technology.

A successful job creation programme has been initiated by the Department of Agriculture Environmental Affairs and Rural Development to eradicate alien invasive weed species which has invaded farms, game parks and communal land and suppressed the indigenous species. It consumes huge amounts of water and destroys grazing land.

The programme focuses on environmental restoration, allowing the revival of the indigenous grass and trees as well as opening unusable land and rivers to flow again. 12 000 job opportunities will be created together with business opportunities for youth in creating nurseries of various types of indigenous plants to be planted in their hundreds of thousands across the province.

COP 17 Conference

The provincial government has warmly welcomed the hosting of the COP 17 Conference in Durban in November this year. The world conference will give us an opportunity to interact with the world's top technical experts in this field. It is a unique opportunity to leap-frog our province and our country to the future of cleaner environment and green economy. The conference will enhance not only our knowledge but also drastically alter our conduct to be in keeping with the preservation of our environment and saving our Planet Earth. The provincial government has decided to host a Provincial Conference on Climatic Change and Environmental Conservation in April. This conference must involve different

spheres of government including all municipalities, the private sector, traditional and religious leaders as well as labour and non-governmental organisations. The value of the conference is for private sector to showcase new opportunities and new products which are appropriate for the future in a green economy and experts to share all the information. This will give an opportunity for many of our people who will not be part of the COP 17 Conference to understand issues under discussion. Like the 2010 FIFA World Cup, community awareness enhances the value of the occasion since many people will understand, follow discussions and identify with the purpose of the event.

Tourism

One of the most promising sectors in terms of future growth is tourism. While the province is a leading destination for domestic tourism, it is our objective to increase the number of international tourists as well. Our strategy involves the promotion of KwaZulu-Natal on international platforms. Marketing the province is being intensified using all platforms available.

We will be approaching the national government to discuss the International Marketing Council strategy and promote direct landing in King Shaka International Airport as the initial step.

KwaZulu-Natal will position itself as a destination of choice for prestigious events of global nature to promote business tourism and conferences using the Inkosi Albert Luthuli Convention Centre in Durban; major sports events such as the recent South African Open Golf Championship as well as international football and rugby matches. We are encouraging investors in hotel and leisure industry as well.

As Honourable Members will recall, last year we celebrated 50 years of the award of the Nobel Peace Prize to that stalwart of our struggle, iNkosi Albert Mvumbi Luthuli.

The Heritage unit in the Office of the Premier has been assigned to identify valuable additions to our heritage products such as areas of historical significance. We already have World Heritage Sites in the Smangaliso Wetland Park and the Drakensberg.

The Heritage section will outline how we could link our Heroes Acre with memorial sites saluting heroes such as those who fell at Isandlwana, Mahatma Gandhi and others.

Fighting Crime

KwaZulu-Natal must be commended for reversing its history of unbridled violence and mayhem. The South African Police Service in our province has always had their hands full of extraordinary challenges. They have always had to go the extra

mile for stability to be maintained. Of late, you have seen and read of the police successes in busting many organized crime syndicates, even those that cross over from other provinces. The Police are sending a clear message to the criminals – that they have a war on their hands in that we are going to unite to defeat them in our province!

We will no longer stand by the wayside and plead for peace - every individual, every family, every street, every community, will stand beside us to strengthen the war against criminals. This battleground will be fought through the sheer will of the people to live in a safe and harmonious society. We have long earned this! Along with this, will be the campaign to target illegal liquor outlets, drunken driving and enforcement of road safety.

As a farmer himself, His Majesty, will be pleased to hear that an inter-departmental operation promoting zero tolerance to stock theft and promoting rural safety and farm security has been launched to reduce stock theft. This involves the reactivation of police stock theft units, rural neighbourhood watch groups, boosting police intelligence in tracing syndicates, promotion of branding facilities and strengthening cooperation of pound operators, commercial farmers and the forty livestock associations.

SOCIAL SERVICES

Quality Basic Education

The education sector has recorded a number of achievements. The number of public school learners benefiting from the National School Nutrition Programme has reached 1 837 492. Efforts to make education free and accessible for the poor are progressing well, with 4590 schools (57%) being designated NO FEE SCHOOLS involving 1 750 006 children (45% of learner population).

The children registering for Grade R exceeded the targets thus making our province the best performer in the country. We trust that the enthusiasm, hard work and dedication of the educators will show results as the Grades 3,6, and 9 go through the Annual National Assessment (ANA) to test for their level of numeracy and literacy. The Matriculation pass rate has consistently shown improvement in two successive years from 61% the previous year to 70% in 2010; making KwaZulu-Natal people very proud indeed.

The fact that the department has spent one hundred percent of its capital budget and sustained an unqualified audit opinion continuously for three successive years, indicates that all fundamentals are in place. That gives us all a hope that the performance of the learners shall continue to improve. We feel optimistic that a 80% matric pass rate is within reach this year. Year 2010 had several challenges for the learners—firstly the FIFA World Cup, then the public service strike which was prolonged.

We need a long- lasting solution that would avoid such disruption, whereby the labour matters will be settled in time to avoid risking the future of our youth. It may be that without the strike the results may have been better than what we had. We do however acknowledge the effort of educators who supported the learners working outside school hours in a catch up programme. We need to find a solution that will ensure that we all accept that the education of our children is sacrosanct and nothing should be allowed to disturb it.

We have been inundated by learners from the disadvantaged background who need funds to register at the tertiary institutions, including Further Education and Training (FET) colleges.

We will approach the Department of Higher Education to increase the capacity of the FET colleges and local centres for the youth to access skills training in the small towns nearest to them. FETs must increase their intake to cater for learners who will not be registering at universities.

Training and skills acquisition is the real purpose of education, making the individual capable of sustaining themselves independently using their skill to survive. It is the technical skills that will grow the economy of our country and enable us to compete with best in the world. It is very discouraging for young people to exert themselves through twelve years of their life only to end up frustrated without any purpose in life due to inability to get meaningful skills to earn a living. We will be working very hard to integrate them into the economy through learnerships, and we encourage the private sector to offer similar opportunities to young people who qualify.

The government has budgeted over R67-million in bursaries that have been disbursed this year. The total number of recipients currently in tertiary institutions is just below 5000, costing the province about R193-million in all. It is the condition of the bursary that on completion learners will be available to serve their community in the relevant field. We wish to encourage communities and private business to make a contribution to help students from disadvantaged background. We need this support to be initiated in every district in partnership with government and emulate a similar scheme organised in uMkhanyakude called the FRIENDS OF MOSVOLD.

These friends have recruited many students and sponsored them to university and on completion they return to serve their people in the rural areas as professionals. We salute them for such leadership.

A long and healthy life for all South Africans

The Department of Health has focussed on the improvement of the health indicators.

It is important to acknowledge that the burden of disease that is affecting South Africa has its epicentre in this province. Similarly, to improve the overall health outcomes in South Africa, KwaZulu-Natal must first improve.

Again, it is *KWAZULU-NATAL THAT SHOULD WORK TOGETHER TO TAKE SOUTH AFRICA FORWARD.*

The major burden of disease that has reached epidemic proportions involves the four epidemics: HIV & AIDS and Tuberculosis; Diseases of lifestyle—hypertension, cancers, diabetes, etc; Trauma –motor accidents and criminal violence; and Maternal and Child Mortality.

These mean that we need a massive campaign to achieve behavioural change because most of these are easily preventable.

HIV and AIDS and TB are the major contributors to the state of poor health in KwaZulu-Natal with a 70% co-infection rate. The department has moved to lay the foundation for a turn-around. The treatment for TB has been intensified, targeting a yearly improvement of 5% in the cure rate. We ensure that TB treatment is obtained under the same roof as the President instructed over one year ago.

Initiation teams have assisted to increase the number of people on treatment to more than 470 000. The HIV Counselling and Testing Campaign has reached 1,4 million people, the highest in the country so far. Male Medical circumcision has been performed to over 20 000 people since ISILO made the call in 2009. We commend ISILO for his wisdom and leadership. BAYEDE!

More work has been done to improve the quality of health services, reducing patient waiting time and ambulance response time. The morale of the staff has been boosted through rural allowances and Occupation Specific Dispensation. More than 3000 nursing assistants and enrolled nurses will be trained and employed this year.

The MEC has created a district team of specialists (obstetrician, paediatrician and advanced midwife) to provide leadership and restore the use of time-tested clinical protocols and rapidly improve the outcome after birth by close supervision in hospitals and clinics. This is a step that will go down as having been instrumental in turning around the mortality rates of mothers and babies.

Targets have been set for the reduction of mortality, guided by the Millennium Development Goals targets set for each district. With this team and other steps indicated below, there is now a basis to expect the mortality rate to change.

The Provincial Aids Council has directed that all districts and local municipalities, working with provincial staff, must submit plans to combat HIV & Aids and TB in every ward. These must include monitoring access to treatment and food gardens. Reports are expected in March.

KWAZULU-NATAL MUST WORK TOGETHER TO TAKE SOUTH AFRICA FORWARD

Caring for vulnerable groups

When we fought for our democracy we had a vision to create a caring and compassionate nation. Any nation will always be judged on the basis of how it cares for all the vulnerable people in its midst.

We also have responsibility to deal with the psychological trauma inflicted during apartheid violence which could be an explanation for anti-social behaviour and conduct we see.

Our social development and welfare system is being strengthened to focus strongly on services for the people living with disabilities, supporting the creation of dedicated facilities for care and promoting physical access to all buildings. We also need to reduce barriers in skills development and employment.

Forums of senior citizens have been created in all regions to promote social interaction, frail care and use of their wisdom in bridging inter-generational gap and mentoring to younger generations.

The Department of Social Development will table a plan of how the above services and related facilities will be promoted in collaboration with churches and Non-Governmental Organisations whose role in this sector is vital. Shelters and services for the protection of abused children and women will be strengthened in all municipalities, working with the police and civil society to provide shelter homes.

We shall soon embark on a drive to fight drug proliferation, especially the notorious Whoonga. Drug abuse seems to be a strong factor in many criminal activities. A multi-departmental team will steer the campaign against drugs, focussing on the rehabilitation of addicts and the intensification of law enforcement. KwaZulu-Natal will host a national conference on prevention of substance abuse and drug trafficking in March.

Facilities and programmes for rehabilitation of the youth affected by drugs, children in distress and in conflict with the law will be integrated with psychological services in an effort to rebuild the fibre of society and assist communities to rebuild themselves. We have been encouraged by the initiative of church groups mobilising communities in the fight against drugs. Government will

create partnerships and design a comprehensive programme to fight drug and substance abuse.

Support, care and integration of orphans will be given special attention, and partnerships with churches, religious bodies and local leadership will be forged.

Integration of Community Health Workers/Care givers

One of the positive achievements is the work done by the MEC's and Heads of Departments for Health and Social Development in successfully integrating the community Health Workers and Home Care givers who were disjointed between these two departments and Non-Governmental Organisations—yet performing the same tasks.

The effect of the previous arrangements was duplication and overlapping and inequity in rural areas. The new arrangement has resulted in the two departments pooling their resources and integrating the services and managing the programme together. 15 000 people will now be integrated into one programme and will be allocated to a set number of families to perform the same task and evenly distributed across the province. This then aligns our Primary Care Programme with the Brazil model that has outstanding outcomes.

These cadres are responsible for health promotion and education, screening for signs of social distress, advice or referral to health institutions such as clinics or health centres, doctors and social worker services. In the long term the health of all our people in every ward will be accounted for by this structure. They will be working together with agricultural extension officers to promote food security, and work with community development workers to identify social circumstances and development needs that result in ill-health.

These needs will be referred to local leaders to assist in finding a solution that improves the welfare of the individual and prevent the development of social conditions that lead to sickness. This will be markedly different from a system that interacts with a person only when they have fallen sick.

The strength of this system is that there will be early referral and will form a strong base for the National Health Insurance system in years to come.

Similarly the Departments of Social Welfare and Health will define the services to the vulnerable groups which will be in the hands of these cadres. This will require a redefinition of the services that civil society, mainly Non-Governmental Organisations will render and avoid duplication whilst NGOs play their role in improving the health and welfare of our people in partnership with government: such as advocacy, treatment compliance, promotion of physical and social well-being, creation of support groups and rehabilitation of abusers and other vulnerable groups.

Campaign for Behavioural Change—the Youth Ambassadors

A programme of Youth Ambassadors (incorporating Masupatsela programme from department of Social Development) has taken off the ground, recruiting volunteers who will render a service of mobilising youth towards responsible adulthood and fighting the social ills.

The first batch of 248 youth is completing their month -long training. A total of 4600 youth are targeted from the entire province recruited and selected by an Inter-departmental Steering Committee. Their training involves understanding adolescent and reproductive health, prevention of the spread of HIV & AIDS and treatment of TB, prevention of teenage and unplanned pregnancy, care for orphans, disabled and senior citizens, road safety, fighting domestic violence, substance abuse, crime prevention and promotion of nation building and understanding government services to refer community members for service delivery.

All the above ills of society need a shift in the mindset to eradicate. We cannot continue to do the same thing the same way and expect different results. If the model succeeds, many lives will be saved. The majority of people involved in crime, drugs and contracting HIV & AIDS infection are the youth often without skills, jobs and have no hope.

The project will be supported by the departments of Sports and Recreation to promote sporting activities, discipline, physical fitness and healthy life style through the SIYADLALA programme and the Department of Arts and Culture to promote cultural activities, reading/ library clubs, poetry, dance and drama. Arts, Culture, Sports and Recreation are the most potent weapons for youth development. They will utilise the mentorship services of retired and serving professionals (teachers, nurses, extension officers, local business, community health workers, etc), local leaders- religious and traditional - as well as sports legends and known celebrities to provide role models to reinforce positive conduct.

Our main objective is to employ youth peer educators who will focus on the reduction of HIV infection rate amongst youth using role models and peer pressure. This structure brings a hope that we have an instrument to reach to the youth where the disease spreads rapidly and complications are severe.

They will submit reports to help departments to identify areas of line function interventions. The programme has been designed to supplement all existing initiatives and overlap and duplication will be avoided.

It is a two-year programme linked to skills training and career guidance to guide youth to self-sufficiency thereafter.

The Office of the Premier is finalising an agreement for the National Youth Development Agency to be housed in this office to oversee the Youth Ambassador programme at grassroots level.

WORKING TOGETHER, KWAZULU-NATAL WILL TAKE SOUTH AFRICA FORWARD

NATION-BUILDING

Building a sporting nation

The success of the FIFA World Cup still lingers in our minds. We will never forget the year when the whole world descended on South Africa to enjoy the biggest celebration of human solidarity, friendship and sportsmanship. Many South Africans will never again live through this experience in their lifetime. One lesson we learnt is that with focus, it is possible to deliver the world-class infrastructure that will stand as a monument of what we achieved when we were united behind a common programme.

The unity of our people was demonstrated by the national flags we flew as we filled the stadia to cheer at the teams of our choice. The World Cup is gone but we need to recapture the spirit of oneness, friendship and love and remind ourselves that we are a nation destined for greatness. Let us fly our flags and observe Magnificent Friday. Let us rally behind the Proteas and the Springboks as they go out to conquer the world.

The sports infrastructure we built as FIFA World Cup legacy in the form of football stadiums, will be used to promote sports developments working with football federations and local professional teams. Football academies will be constructed in five regions. These will be used to strengthen school sports, social cohesion and the economy. Different codes in athletics will be strengthened in a similar manner to promote KwaZulu-Natal as a sporting community.

The football fraternity will be approached to create a Premier's Football Cup competition for professional teams in the province. They will be allocated bases in different regions to generate the vibe and enthusiasm in our community. Football legends will be employed to train sports administrators and coaches and develop sporting careers for the youth, focusing on previously neglected areas to create jobs.

We support the bid for the hosting of the Olympics in 2020 and welcome the hosting of the International Olympic Committee session in Durban in July this year. We must use the platform to entrench a strong culture of competitive sports and excellence in all athletics codes.

WORKING TOGETHER IN KWAZULU-NATAL WE CAN TAKE SOUTH AFRICA FORWARD IN SPORTS

Building peaceful and tolerant communities

We have always appreciated when we called people from different communities to come together to showcase our unique identity as a Rainbow Nation.

This was well demonstrated during our Freedom Day and Heritage Day celebrations as we went out in numbers to show the world that we were united despite our diversity.

As your elected government we undertake to partner with all communities whenever they are involved in a nation-building programme. Last year the Office of the Premier was approached by izinduna and amabutho from Vulindlela area who wanted to hold a traditional peace and reconciliation ceremony to bury once and for all the trauma of the past violence. We were honoured when President of the Republic and the King delivered the message of peace that reverberated throughout the province. More communities have requested to be assisted with similar ceremonies.

Promotion of peace, tolerance and mutual respect is an everyday task for all communities to build a caring and compassionate country.

We shall continue to work for peace, political tolerance and promotion of free political activity in the next elections. Our democracy can only be entrenched and protected in an environment of peace. We shall work closely with the Independent Electoral Commission and law-enforcement agencies to ensure that the local government elections in 2011 are a pleasant experience. We urge all our people to take IDs and register to cast their vote.

We call on all those who will be elected into councils to serve our people with dignity and honour and refrain from using their positions for self-interest, fraud, corruption, and manipulation of tender and procurement processes. We have removed some councillors for their failure to rise to the expected level. We will not hesitate to do the same anytime if the situation requires it.

I mentioned in my address last year about an initiative of business people in Durban led by Mr Rosenberg who collected their money and started a project on fighting crime and helped the people of Chesterville. Today that model is being used by government to strengthen the United Front Against Crime –known as Operation Hlasela. We urge you all to start community initiatives to create a crime-free nation.

Building unity among our people

Last year was the year to celebrate 150 years of the arrival of Indian indentured labourers. The celebration was special to the descendants of the Indian pioneers but the celebration was a uniting experience bringing together people across different communities.

The Heritage section has engaged civil society to integrate all the research and information from this celebration into the mainstream of our heritage records. These stories of our people must be told for future generations to understand how this Rainbow nation was forged.

We have pleasure this year to announce community initiatives that the Premier and government will embrace in partnership: the South African Neighbours Development Agency (SANDA) is a body that was formed by South Africans and citizens from the neighbouring countries to foster a spirit of understanding and tolerance and promote development in the countries of their origin. We shall use the partnership to promote ideas of African solidarity and fight xenophobia.

Investing in the future of our country

A retired South African in business had a dream of helping children in rural areas to learn Mathematics and Science. He then came to offer funding and partnership with government.

Though this took a long time to finalise, today we announce that this boarding facility will be constructed in uMkhanyakude to teach Mathematics and science in a partnership with the government and the community.

The most exciting initiative has been presented to our government by a retired cricket player, Mr Tich Smith, who has proposed a model to house and look after the orphans of our country – a partnership of government, the church and business. Touched by his faith in God and the plight of the orphans in Inanda, he sold his business to buy the land. With assistance from government, he has mobilised many business people and built the first house. He has bought a business to be fully owned by those orphans and their widowed foster mothers looking after them.

This business will represent the true broad-based empowerment where benefits accrue to thousands of orphans and widows for skills development and employment of vulnerable groups.

LUNGISISA INDLELA VILLAGE (LIV), modelled along the Ugandan experience of Watoto villages, this cluster of houses and villages will house 1000 orphans by the end of the year. Government adopts this model to use across all districts to deal with the challenge of housing orphans. The Departments of Health, Education, Social Development, and Human Settlements have committed funds to see the projects through.

OPERATION SUKUMA SAKHE

In 2009 the provincial government started a program of integrating all departments and focussed on solving community problems on the ground, starting with areas of abject poverty and making a difference. This approach has been named the Flagship Project, with all MECs acting as district champions. It encompassed the One Home One Garden programme, ensuring that families get assisted to register for birth certificates and Identity Documents, promoting education, skills development, youth development along with delivery of services and infrastructure development.

Job creation through building access roads, community facilities and human settlements will be the base on which the social mobilisation will be anchored. The campaign is aimed at promoting human values, fighting crime, diseases and social ills to ensure moral regeneration, working together with integrated services of government departments

The entire programme of government needs partnership with the community to work together to rebuild the fabric of our society and rebuild our nation. This programme will be re-launched to embrace community partnership. It will be re-branded OPERATION SUKUMA SAKHE --let us stand up and build.

Let us work together in KwaZulu-Natal to take South Africa forward.

We have taken time to analyse the achievements and weaknesses in our service delivery programmes. We undertake to execute our programmes with energy and determination to bring meaningful change to the lives of our people. We will not fail to act on those whose actions undermine service delivery.

As I conclude Madam Speaker, may I thank Members of this House for the spirit of co-operation and tolerance that has characterised our interaction in the past year.

When I accepted the privilege to lead this Government, I undertook to work with all political parties in the Legislature to advance the cause of our freedom and the improvement of the lives of all our people. As elected representatives, particularly as we go out again to seek new mandates in the local government elections, may peace prevail in order for the will of the people to be done.

I am concerned with what appears to be an emergence of politically related violence in the murders that have been reported in Estcourt. I have set up, together with the leaders of the IFP, a team to assist with mediation, and we will approach the National Freedom Party to seek their co-operation as well. We hope this will save the province from being engulfed in political violence before, during and after the elections

We call on all leaders of all formations of our people to unite and hold hands in partnership and work together to build KwaZulu-Natal and take South Africa forward.

May I extend a special word of gratitude to my wife May, and the rest of the family for standing firmly behind me as I respond to the call to serve in the leadership of the people of KwaZulu-Natal.

I salute iSilo samaBandla for his leadership and the Royal Household for support. Bayede. Hlanga lo Mhlabathi.

May I conclude by thanking my Cabinet colleagues, Director-General Mr Nhlanhla Ngidi, Heads of Department and staff for all their hard work.

Ladies and gentlemen, thank you for listening to me.