

State of the Province Address by Dr Zweli Mkhize

Premier of the Province of KwaZulu-Natal

Royal Showgrounds

28 February 2013

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

The warmth of the embrace we feel each time His Majesty the King sits among us on the occasion of the State of the Province Address is an inspiration that drives us as he guides and commands us in the quest to give hope and make life better for all our people.

Once again, as he opened this sitting of the Legislature, Madam Speaker, Honourable Members, I am certain that like all of us, you would have taken to heart the wise words of counsel he shared with us.

Bayede! Hlanga lweZwe!

Let me begin by paying tribute to the fallen giants of our struggle for a free, non-racial non-sexist South Africa who have passed on since we last gathered here to report on the work we have done to honour the wishes of the millions of our people who have entrusted us with the privilege to lead this Government on their behalf.

We remember former Members of this House, the Honourable Sam Mthethwa who was Chair of the Chairpersons' Committee and Mr Joe Mkhwanazi who led the Pan Africanist Congress in our Legislature.

Also among the departed, is that pillar of our spiritual strength who sustained us at the worst of times of apartheid brutality and continued to march with us until the very last gasp of his breath as we sought together to bring meaning to the freedom he fought for. The memory of the Reverend Dr Khoza Mgojo, chair of the Senior Citizens' Forum, remains with us forever.

We also bow our heads in honour of Dr Phyllis Naidoo, Minister Roy Padayachie and Major General Ntanjana: all of whom have served our country admirably.

As Government we are still reeling from shock following the unfortunate death of Road Traffic Inspectorate applicants at the end of the year. At the earliest possible opportunity, I convened our Cabinet and we resolved to appoint a Commission of Enquiry. The process to constitute the panel required us to engage with the national Government. This has taken much longer than anticipated. However, we are determined to handle this matter strictly within the framework of the law in order to ensure that the possibility of such tragedy ever happening again is eliminated. We apologise to the families for the delay.

I have signed the proclamation appointing a Commission of enquiry with full powers to investigate the incident wherein the recruits died. The Commissioners are as follows: Advocate Thandi Norman (SC) as chair; Bishop Rubin Phillip; Advocate T Mthembu; Attorney Sithembiso Kunene as evidence leader/investigator and Ms Bongekile Zulu as assistant evidence leader/investigator.

Over the last year our Province has also once again been ravaged by natural disasters which have affected 18812 households in all districts, of which 8097 were totally destroyed, involving a population of 77460 in which there were 93 fatalities since April last year. There were 27 incidents of lightning strikes, which is highly unprecedented.

Our prayers are with the families.

The cost of infrastructure damage which is still being calculated is expected to run into hundreds of millions of Rands.

While there is not much we could have done about natural phenomena, we must record our utter disgust and total condemnation of the brutal murder and rape of our senior citizens and young girls by some among us that have lost all that is *ubuntu* in us. Our country needs divine intervention when we witness such despicable acts.

We wish to convey our gratitude to the religious leaders of all faiths who led us in prayer for the opening of the Legislature. We will be inviting them to a meeting to discuss partnership in the fight against social ills and introduce Operation Sukuma Sakhe.

In our address to the Province last year, we undertook to honour Isilo sas'oSuthu. We have come to report that today the former King George V Hospital is now officially King Dinuzulu Hospital. His statue will soon be unveiled by Isilo. Two other outstanding South Africans were honoured by naming parts of the same institution.

These are Prof Fatima Meer, a known civil rights activist and Dr David Landau, a dedicated medical practitioner who pioneered the concept of primary health care.

These individuals were deserving and we believe that is in the true spirit of unity and non-racialism -a public demonstration of the statement "South Africa belongs to all who live in it..."

It has also been with this in mind that we recently hosted a conference on social cohesion to address the concerns of communities who feel marginalised. In

pursuance of the above, Government will host a social cohesion conference summit before June.

THE NATIONAL DEVELOPMENT PLAN

In his State of the Nation Address last year, President Jacob Zuma elaborated on the triple challenge of poverty, unemployment and inequality. He called on all of us to work together to respond decisively to bring about a better life for all our people. Our Government has always recognized the critical contribution that has to be made by KwaZulu-Natal for the whole of our country to move forward and, critically, meet the Millennium Development Goals as we progress to realize our vision for South Africa by the year 2030.

Our theme is *“Working Together for Secure and Prosperous Future.”*

I have chosen this quote to highlight our theme:

“South Africa has the potential and capacity to eliminate poverty and reduce inequality over the next two decades. This requires a new approach – one that moves from a passive citizenry receiving services from the State to one that systematically includes the socially and economically excluded, where people are active champions of their own development, and where government works effectively to develop people’s capabilities to lead the lives they desire. The success of this approach is premised on:

- The active efforts and participation of all South Africans in their own development.
- Redressing injustices of the past effectively
- Faster economic growth and higher investment and employment
- Rising standards of education, a healthy population and effective social protection
- Strengthening the links between economic and social strategies
- An effective and capable government
- Collaboration between the private and public sectors
- Leadership from all sectors in society”

These are the opening remarks in the introduction to the National Development Plan – Vision 2030.

This bold initiative under the leadership of President Zuma has correctly been welcomed by South Africans from all walks of life, regardless of political affiliation, as a remarkable blueprint to chart the way forward for all of us as citizens of this beautiful land.

The National Development Plan seeks by 2030 to build a just, fair, prosperous and equitable country, most of all, a country that each and every South African can proudly call home.

PROVINCIAL GROWTH AND DEVELOPMENT PLAN

The Provincial Planning Commission has finalised the Provincial Growth and Development Strategy and Plan which has been fully endorsed by organised business, labour and civil society in the Province and is fully aligned to the National Development Plan.

We have now not only mapped out our own growth path to 2030, with clear targets and interventions to guide us along the way, we also know exactly what our contribution will be for the successful implementation of the National Development Plan.

A comprehensive Citizen Satisfaction Survey is underway to indicate the specific areas where the people of this Province want us to focus our efforts in the implementation of the Plan.

Our contribution to the National Plan is expressed in our Vision, namely to ensure that:

“By 2030 the Province of KwaZulu-Natal will be a prosperous Province, with healthy, skilled and secure people, acting as a gateway to Africa and the world”.

This again stresses the point made, namely that, “for South Africa to work, KwaZulu-Natal must work”.

BUILDING THE ECONOMY AND CREATING JOBS

The global economic situation remains hesitant, indicating slower growth and high debt levels. Though the fiscal cliff has been avoided in the USA after the 2012 recession, the Euro Zone indicates a more gradual recovery in 2013. The United Kingdom is expected to enter a triple dip. China is focused to grow around 8.2% in 2013. India, Brazil and Indonesia are expected to rebound after slower growth. The advent of BRICS has coincided with the boost in the trade between member countries (including South Africa) and the African States. Sub-Saharan Africa forecasts annual growth of 5.7% for the next five years.

Though South Africa was affected by the global economic downturn, declining from 2.7% to 1.2% in the last quarter; it remains resilient because it has its own strengths as indicated recently by Finance Minister Pravin Gordhan.

While South Africa as a country faces a challenge of how to position itself in the context of shifting global economic power, KwaZulu-Natal has a responsibility to build its own economy and make its contribution in growing our national economy.

As a Province we therefore accept that for the country to create 11 million new jobs by 2030, KwaZulu-Natal will have to create 2.1 million jobs. To achieve this, we have to ensure that the KwaZulu-Natal economy grows at an average of at least 4% per annum between now and 2030.

KwaZulu-Natal has been affected by these global and national trends, and in the third quarter the growth was reduced from 2.1% to 1.8%.

Despite massive investment and numerous jobs being created in several sectors, there are some sectors that have continued to shed jobs, consequently unemployment moved from 19.3% last year to 22.5% this year, according to the South African Labour Force Survey.

As part of the NDP, Government has initiated the Strategic Infrastructure Projects that will be implemented between now and the year 2030; with investment of R3-trillion from the public fiscus and private sector, and creating millions of jobs while providing services and building the economy.

Included in the Provincial budget this year is a capital budget estimated at R13-billion to initiate new and maintenance of completed projects.

Infrastructure, Transportation and Logistics

In his State of the Nation Address in February 2012, President Zuma committed the country to a massive infrastructure programme to stimulate growth, fight poverty and reduce unemployment. He announced 18 Strategic Integrated Projects (SIPS), all but three of which involve KwaZulu-Natal.

The development of the Dig-Out Port and the concomitant development of the Durban – Free State – Gauteng Logistics and Industrial Corridor forms part of the Strategic Integrated Projects.

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

Ports

The projected increase of capacity of the Durban Ports will move from 2.7 million containers (TEUs) to 30-million by 2040. Transnet has allocated R131-billion for the ports upgrade programme country-wide aimed at improving the container handling rate.

To cope with such volumes, more work is underway to develop an inland port in the area of Cato Ridge. With the increase in activity as well as the current expansion projects at the Durban and Richards Bay harbours, the sector will continue to experience high growth rates.

Development of Regional Airfields

KwaZulu-Natal has four regional airports which are being revamped as infrastructure to support and boost local economic development in those pursuant to the KZN Airport Strategy adopted by Cabinet in 2012. These are Oribi Airport

(Pietermaritzburg); Margate on the South Coast; Prince Mangosuthu Buthelezi Airport in Ulundi in Zululand; and Mkuze.

A new daily flight has been launched by Federal Air between Ulundi and Pietermaritzburg. There are significant cost-savings to the business community and enhanced revenue collection for the municipality as a result of the improved Oribi Airport.

King Shaka International Airport (KSIA) opened in 2010 with capacity of 7 million passengers. By 2011 the airport handled 4.8-million passengers, demonstrating a 3.8% growth which is better than the national average. The airport experienced a 7% rise in arrival numbers during the UN conference on climate change, COP17.

Emirates, the airport's international carrier, introduced the Boeing 777 300ER, capable of carrying 100 more passengers and 20 more tons of cargo than its predecessors. So far KSIA connects to Zimbabwe, Zambia, Mozambique and Botswana and is ready to spread its network to the whole SADC region. Freight logistics have been improved by the construction of Watson Link Road and new warehouses await construction.

An agreement has been signed with an investor to partner in developing the Dube Tradeport Aerotropolis

RAIL

Expansion of Coal Rail Link

The rail link is planned to open access for coal mined in Limpopo, and parts of the rail will go through Swaziland to Richards Bay. Transnet is proceeding with investment of R31.6-billion to upgrade the coal export line to 81-million tons per annum (mtpa) and then to 97 mtpa.

Passenger Rail

The Passenger Rail Agency of South Africa (PRASA) has made significant progress in the implementation of projects that we announced last year. I am pleased to report that PRASA has already spent over R900-million in KZN through its capital program during the current 2012/13 financial year. Investments and infrastructure works include rolling stock upgrades, the Bridge City Development, new access gates and CCTV cameras at stations, the Dalbridge turn-around facility, and general infrastructure and station improvements.

A total of over R1.1-billion would have been spent by PRASA by the end of March 2013 on various projects, including signal modernization in the Province of KwaZulu-Natal.

I wish to remind Honourable Members of the commitment PRASA made to us in terms of its modernization programme. The Province will be allocated 936 of new, modern coaches to be procured by PRASA as part of its Fleet Renewal Programme estimated at R123-billion over the next 20 years.

The preferred bidder, Gibela Consortium will design, manufacture (in South Africa and not abroad) and deliver 3 600 coaches over the next 10 years, with a contract value of R51-billion. The first new trains are expected to be delivered in 2015, with some of these expected to be deployed on the KwaMashu – Durban – Umlazi line.

In the meantime, PRASA has intensified its efforts to refurbish its existing fleet, with 86 more coaches undergoing refurbishment and upgrade to the tune of R189-million in this current financial year. Next year, a further 72 coaches for the Province will be delivered at a cost of R161-million.

The most significant development was the appointment by PRASA in December 2012 of Bombardier Africa Alliance Consortium to undertake the replacement of the old, out-dated signalling system with a modern, electronic inter-locking system in the Ethekwini Metrorail commuter rail network. PRASA is making a total investment of R2-billion over the next five years. The new signal system will result in increased capacity and safe movement of frequent and faster trains.

The R1.3-billion construction work on the Bridge City Project, the completed station and rail link to the Duffs Road Station is progressing as planned. PRASA has already spent over R1.1-billion of its investment over the past 18 months, including on the work in Duffs Road.

Works on the turn-around facilities at Congella/Dalbridge have commenced and will be completed by August 2013 to the tune of R100-million.

A total of 10 stations were completed under this programme this year to the tune of just over R34-million. The stations are Havenside, Seaview, Poet's Corner, Umkomaas, Newcastle, Ladysmith and Westcliff, with Island and Wentworth on practical completion. These improvements include lighting, ablution facilities, fencing, ticket offices, etc.

A further R39-million will be spent for improvements in 12 stations, including Flamingo, Umhlali, Canelands, Umbongitwini, Thornwood, Cavendish, Jacobs, Amanzimtoti, Dassenhoek, Effingham, Temple and Dalbridge.

The introduction of a Business Express Train between Ethekwini and Pietermaritzburg has been rescheduled.

The new customised Business Express Train has been completed at a cost of R60m. Metrorail has during the past two months been having test runs, using a different train to determine the running times for the Business Express between Durban and Pietermaritzburg.

PRASA has committed to building 3 more of such trains during the 2013/14 financial year if the first service proves to be a resounding success. Government Policy seeks to promote public transport over private-car use and get as many of car users to shift into more affordable, safe, convenient, efficient and faster public transport systems.

After the transfer of the Pietermaritzburg train station from Transnet to PRASA is effected, PRASA will commence with the upgrade.

A detailed feasibility study is being done for a permanent rail link to King Shaka Airport, including connectivity between various northern rail links, Cornubia and the CBD, and will be completed in June 2013.

The project involves an interim Metrorail service and station at Nyanninga, with bus feeder connectivity for workers to King Shaka Airport. Furthermore, PRASA has committed four of its buses to transport passengers between the airport and the station.

The North – South rail corridor modernisation project will involve track rehabilitation valued R170-million to be completed within the next 3 years. This will prepare the infra-structure to operate trains at 120km per hour by 2016.

The station modernisation program for 30 stations has commenced and will cost R500-million in three years, while the remodelling and upgrade of Berea Road Station as a major CBD inter-modal hub will cost R220m.

The Provincial Department of Transport, together with eThekweni Transport Authority and PRASA, have nominated representatives to serve on the steering committee that will be formed in terms of the necessary Memorandum of Understanding to monitor all the projects in all stations.

Expanded Public Works Programme

KZN has to date created 89 455 full-time equivalent employment (FTE's) and 324 951 work opportunities. We have been commended by the National Department of Public Works as the top beneficiary of the incentive grant totalling of R165.14-million and growing since 2009.

Part of the strategic infrastructure projects involve education and health infrastructure. The advent of the crack unit hosted in Treasury has ensured that the capital expenditure pattern is the best in the country. The Department of Public Works has been given three years to build their capacity and take over after the end of the contract. The services of this team will be offered to municipal councils where lack of capacity is a cause of concern.

Human Settlements

The dream of a better life for our people can never be realized without a roof over their heads. Our Bill of Rights enjoins us to ensure that the citizens of KwaZulu-Natal have access to decent housing. In this regard, since 2009 we have produced 85 733 housing units with urban and rural spread as well as upgrading 6 386 units in slum clearance programme.

To address the gap market, we have made a further 19 422 units available through the Enhanced Extended Discount Benefit Scheme Refurbishment. Our project-linked subsidies have made it possible for another 16 142 units to be provided. This year we will provide 2500 subsidies for middle income earners. Numerous job opportunities have been created.

Roads

Madam Speaker our program to ensure we develop our road network, improve safety and provide more access is gaining momentum with the Department exceeding its own target of 7541km of roads upgraded from gravel to blacktop. This however, does pose a challenge because to arrest deterioration on our road network the Department is shifting, more and more, funds from the construction programme to maintenance of existing roads to deal with the public concerns about potholes. This year the Department is planning to complete 285 km new gravel roads.

Electricity
In 2009 (March) 74.16 % of households in the Province had access to electricity (household connection). In 2012, this had risen to 76.69%. The backlog remaining is approximately 575 000 households. The Census 2011 dataset indicates 78 % access.

Eskom reports that the eradication of all the electrification “islands” (households that were omitted during electrification) is in progress. In addition, projects are in the process of construction to provide a further 8 725 consumers with an electricity connection. These will be completed by 2014 at a cost of approximately R240-million. With a total of almost 22 000 connections, the “island” eradication programme will be completed in 2015/16.

Water and Sanitation

In 2009 (March) 78.3 % of households in the Province had access to piped water within 200 metres of their dwelling (or higher level of service). In 2012, this had risen to 83.47%. The backlog remaining is approximately 400 000 households. The Census 2011 dataset indicates 86 % access. This includes households with access to piped water in excess of 200 metres from the dwelling.

In 2009 (March) 76.18 % of households in the Province had access to sanitation (ventilated approved pit latrine or better). In 2012, this had risen to 80.36%. The backlog remaining is approximately 480 000 households. The Census 2011 dataset indicates 88 % access.

Regional Bulk Infrastructure Projects, including construction of dams, are under way with a total value R2.183-billion, to provide people with an assured supply of potable water, resulting in 3631 direct project construction jobs. Included in these are the following schemes which are progressing well: Mooi -Mgeni Transfer and Raising of Hazelmere Dam to be completed in this financial year; the Lower Thukela augmentation and Mkomazi-Mgeni and Mvoti River.

EMERGING INDUSTRIES

Renewable Energy

Renewable Energy Database has been established to facilitate investments in this sector. Government has initiated a KZN Green Growth Website/Portal with all relevant projects, funding and research information relating to the Provincial green economy. We have also established a Green Economy Technical Assistance Fund.

The first Green Economy Research Conference was hosted in 2012 to promote economic activities that promote sustainability whilst protecting the environment. A KZN Solar Map has also been produced.

The R16.6-billion Ingula pumped-storage scheme in the north of the Province which will generate 1 368MW of new renewable energy is progressing well and will be operational soon.

A number of the Province's sugar mills produce some of their own power where bagasse is used as fuel to provide thermal generation of energy to the sugar manufacturing process. The discussion involving the Department of Energy, Treasury and the sugar and paper and pulp industry will see the combined strength of sugar and timber producing 2000 MW of new renewable energy. The Provincial Government has given full support for this initiative for several years. We believe this project will significantly boost our prospect of green economy.

Government acknowledges the role played by the private sector in growing the green economy sector. The roll-out of solar energy and the conversion of land-filled methane gas to energy by the municipalities contribute significantly to the reduction of the carbon gas emissions. The eThekweni Municipality budgeted to spend R100-million on a plant that converts methane gas from its major landfill sites.

Maritime

Following the resolution of the previous Cabinet Legotla to elevate the maritime sector as a driver of economic development and job creation, the Provincial Integrated Maritime Strategy is nearing finalisation. The final draft strategy will be presented to the Maritime Conference which is scheduled within two months. KZN has partnership with Transnet in the opening of the Maritime Academy this year.

ICT INFRASTRUCTURE

We continue to expand community access and broadband services. The National Government chose KZN Broadband as its pilot to commence the Nationwide Broadband Network. This project is included in the SIP 15. Sentech has completed site preparation for wireless backbone for 10 districts and provided internet connection to 88 schools in 2012.

The potential for job creation in the ICT sector is unbelievably high, especially in the business process outsourcing (BPO) industry. The brokering Unit in the Office of the Premier, together with Trade Investment KwaZulu-Natal, have facilitated investment

of about R2.4-billion in this sector, creating over 10 000 jobs by 10 investing companies. All of these are fully operational. We are also determined to make KZN a home for the BPO industry. Details will be announced by the MEC.

The Richards Bay Industrial Development Zone will soon conclude its infrastructure development programme and has reached agreements with two investors who will be investing over R3.5-billion. This is in addition to the current Tata Steel manufacturing plant, a R1.2-billion operation providing 400 jobs. An additional pipeline of potential investors will come on stream as soon as the earthworks and infrastructure development is complete.

Regarding the industrial hubs announced last year, the Department has appointed specialist project teams that will assist in the establishment and implementation of the hubs (Special Economic Zones).

The establishment of the District Industrial Hubs or Special Economic Zones in all Districts will create new nodes of economic growth and development. This ensures that economic growth and job creation is directed to different parts of the Province, including small rural towns.

The DTI has approved the proposal for the Dube Trade Port to be considered as a new SEZ for the Province. Relevant stakeholders are meeting to refine the terms of reference for the feasibility study to be conducted by the DBSA appointed service provider.

Automotive Sector

The Province is a home for Africa's biggest vehicle manufacturing and a world leader in heavy equipment manufacturing. The component automotive manufacturers enjoy a combined turnover estimated at R10-billion and employ well over 20 000 employees within KZN and contributes significantly to the growth of our economy and sustainable jobs. Government is facilitating the development of a R450-million Automotive Logistics Supply Park to promote local business and encourage local and foreign investment to ensure that the industry remains globally competitive.

An Automotive Supplier Project Steering Committee comprising the City and the KZN Government representation, IDC, business, Ithala and Toyota- South Africa, has been established. The land for future expansion has been identified in South Basin and awaits acquisition.

Tourism remains a very important sector as KwaZulu-Natal is the third destination of choice for international tourists. Tourism has been identified by Government as one key priority for stimulating KZN economic growth and job creation.

A new Provincial Tourism Master Plan was approved by the Cabinet with a target to increase tourism jobs to 180 000 by 2020 and the number of domestic arrivals to 24, 17-million by 2030.

The Tourism sector, contributes 10% to the GDP of the Province. To boost awareness about our tourism potential, several meetings were held with

ambassadors of the Euro zone, the African continent, Latin America and the Gulf States. Many have been invited and were hosted in our beautiful venues. More resources will be set aside to promote tourism.

Top KZN tourism markets include the UK, USA, the Euro Zone and others, but the African markets are dominated by citizens coming from the neighbouring Southern African countries in the continent. As a result, our strategy focuses attention to the continent as new flight routes are being opened from Durban to Maputo, Harare and Lusaka.

We are determined to market Durban as an African city of choice for people in the continent for business, leisure and holiday homes. As we develop the tourism master plan, we will maximize on our reputation as excellent hosts as demonstrated by the higher hotel occupancy rates. Recently we hosted the Travel Agents Federation of India conference. In a matter of days, we shall be hosting the great summit for Brazil, India China and South Africa (BRICS) in Durban.

Many jobs will be created through this industry. As we always say, tourism is the gold mine of KZN.

BUILDING SMMEs AND CO-OPERATIVES

The role of small entrepreneurs in building our economy and provision of job opportunities has been well established. It is also clear that the challenges faced by the small business sector require more drastic action to make them successful. This sector must be built and supported to create hundreds of thousands of jobs, as the case is in many countries.

Despite the existence of a large number of co-operatives in the Province, we must also accept that this sector should have been more successful than what it currently is. Having studied the models from many countries which have been successful such as India, Brazil and several others, it is clear that in order for the small business and co-operative sector to prosper, our policies must create a more supportive environment that will promote their growth. The Provincial Treasury has compiled a list of items that should be procured only from this sector. Cabinet has approved the formation of the Small Business Development Agency to offer holistic financial and non-financial supportive services to the small business and co-operative sector. A careful analysis has been done to avoid duplication and create synergy with any existing agencies while addressing the gaps identified.

We have valuable lessons from our own experience in KwaZulu-Natal about the importance of continuous training and paying attention to the factors that create the distortions in the entire value chain which are amongst the causes of high failure of co-operatives and SMMEs. Mentorship, market access, micro financing facilities, financial and technical capacity development and incubation will be the direct responsibility of the Agency. Legislation will be finalised within the next six months to enable Government Departments to procure certain specified goods and services only from this sector in a competitive and fair process, with due regard to the size of the entity.

There will be a focus in reviving the township retail sector decimated by political violence and criminality. Women and youth entrepreneurs will receive priority attention as we endeavour to integrate the informal sector into the mainstream economy.

RURAL DEVELOPMENT AND AGRICULTURE

Rural development is aimed at ensuring food security for all rural and peri-urban households as well as creating a vibrant rural economy and sustainable lives for people in the rural areas by providing them with appropriate technology, skills development and building an asset base.

Many rural areas are rich in natural resources (mineral deposits such as coal and other minerals, rivers, game, rich cultural heritage, etc) and all they require investment to convert such resources into wealth that builds the rural economies that eradicate poverty and benefit communities who are the real owners of the land.

It is estimated that a third of KZN's total land cover is under the custodianship of the Ingonyama Trust land which is categorized as predominantly rural in context and which covers areas where high poverty levels prevail. This area has poverty levels estimated to be as high as 49.5% and youth unemployment as high as 42%. It is therefore imperative to channel new development opportunities to these relatively deprived and sometimes remote rural areas by opening access to land for development and to support rural communities to become active partners in the development of their land.

Ingonyama Trust Board has done a lot of work to delineate land belonging to various communities and has it accurately mapped on the Geographic Positioning System. This makes planning much easier. There are towns and townships that are located in land under the control of Ingonyama Trust Board that need the municipality and Ingonyama Trust Board to align plans and fulfill their mandates and responsibilities laid down in law for the benefit of communities.

In some areas the expansion of the town or township happens in an area that is under the control of traditional leadership but no forum exists for the matters to be discussed and resolve differences. As Premier, I have been approached by several amakhosi, mayors and Departments to assist in this matter. I am certain that together we will find a lasting solution.

There may well be a gap in the legislation to determine how matters of this nature should be resolved in case of conflict. Naturally, as Isilo SamaBandla indicated in his address, amakhosi may feel they were not consulted while municipalities feel they are under pressure to provide services.

Discussions between municipalities and Ingonyama Trust Board must be held on a regular and structured basis to facilitate rural development and resolve matters of rates and levies and the obligations that flow from such.

The work of the Provincial Planning Commission has also contributed significantly to important breakthroughs and progress made with the promotion of security of land tenure in both the urban and rural context. A process has been initiated with the Department of Rural Development and Land Reform to resolve obstructions to the passing of freehold land ownership to persons in the former black townships. This will not only substantially increase the value of such properties, but it will also provide owners with a form of collateral and assist many previously disadvantaged occupants to become active role-players in the property market and our economy.

A close working relationship has been established with the Ingonyama Trust and the Provincial Planning Commission. Firm proposals are on the table to ensure that the close to 3.3-million hectares of land held in communal ownership in this Province can be protected, in a manner that will not impede access to this land for economic development purposes, nor in a manner that will prevent the current occupants of this land to gain full benefit from this valuable asset. If Government Departments and agencies are not streamlined, this creates uncertainty for potential investors. It should not be more complicated to do business in our Province than it is in others.

Through this process we hope to be able to proceed with the formalisation of planning and promoting security of tenure in key rural service development nodes such as Manguzi, Jozini, Hlabisa, Tugela Ferry, Dududu, Nkandla Smart Centre, Charlestown, Mbumbulu, Ngwavuma etc

Some of the towns are decaying while others are growing but are without a formalized plan. COGTA has been assigned to produce plans for each of the towns, clearly indicating areas for industrial development, commercial and business activities and areas for human settlement in each town and indicate what level of services communities must expect from each town or municipal council. The programme for corridor development and rehabilitation of small rural towns has resources allocated for assisting towns to survive, grow and attract investments and provide services for communities and stem migration to bigger cities in search of job opportunities and a better life.

Migration to Johannesburg, Durban and other metropolitan areas will be accelerated by the industrial developments and huge investments that will take place in the next 20 years. Government plans must take into account the needs of our communities in 20 years and make provision in the planning process.

We must bring development to rural areas to stabilize them and ensure that well paying job opportunities attract people such as education and health professionals from major cities to live in rural areas.

The level of education and availability of shopping malls and major industries and social amenities for self-development must be located in rural areas to make them attractive for many.

A RURAL DEVELOPMENT SUMMIT will be convened in the next two months involving national, provincial and local governments, Ingonyama Trust Board and amakhosi to align plans and resolve all the issues raised by various stakeholders.

The summit must also discuss the fate of 108960 hectares of land that have been handed back to claimants but has lost all productivity for various reasons and how this may be solved in order to improve agricultural output.

This summit will also discuss the need for alignment of the consultative structures and bodies that deal with matters of rural development so that they are effective. This matter will be prioritized to ensure that all initiatives are aligned and a lasting institutional arrangement be arrived at.

The Provincial Growth and Development Plan has designated the potential for every district and identified the strength and economic potential for investment. It is now clear which investments need to be attracted to which district. The special economic zones are based on such designation and will require co-operation to make these investments a reality. These matters will be further canvassed in the summit. This will ensure that the SEZs are part of the IDP processes. It will be critical that communities, amakhosi and civil society are made part of developing the IDPs to ensure that our plans can stand the test of time in line with the 2030 Vision.

However, agriculture remains the mainstay of all our plans. In 2009 we initiated the ONE HOME ONE GARDEN CAMPAIGN. This has met with various degrees of success. The truth though is that this must be made a culture of KwaZulu-Natal people. Everyone must grow their own vegetables. We have noted many communities who produced vegetables and lacked markets to sell them. We have adopted the model of the Ilembe District vegetable market to solve this problem for good.

In this model Provincial and local government create a vegetable hub that warehouses and markets all produce on behalf of subsistence and small scale farmers. This creates a guaranteed market for all those home gardens. This will now create an incentive for those who will use agriculture to generate income and create job opportunities, especially the youth and women. We have directed that all district councils should set these up within the next six months. Financial support will be provided by the Provincial Government to augment municipal resources. Ithala Bank has agreed to partner and offer credit facilities to small growers.

Once formed, the Small Business Development Agency will work closely to support the co-operatives and small business involved in the initiative.

In turn, these vegetable hubs will enter into an agreement with the MECs of Education and Health who will guarantee to purchase all the available produce for purposes of the school feeding scheme (NNSP) and various hospitals under the Provincial Government. The Correctional Services Minister will be approached as well. All this will be done to revive and sustain co-operative movements which shall be made part and parcel of the initiative from the beginning.

The Provincial Government is currently investigating a poverty package to support communities in poverty after they have been profiled through Operation Sukuma Sakhe. There are many communities where there is unemployment but do not qualify for any Government support.

While there are welfare grants and job opportunities in cities which attract many youth to urban centres, it is dangerous to allow communities to lose the collective memory and skill of farming. It makes people helpless while they sit on valuable asset - the land!

The Government has entered into a partnership with ZIMELE, a group of women involved in rekindling the spirit of self-help and self-sustainable livelihood. They focus on collective savings and building community assets and less dependence on Government welfare grants. This spirit will be planted in all the wards identified as poverty stricken as we build the spirit of entrepreneurship for people to live and survive on what they have in their surroundings. They will train 4000 women from each of the poorest wards, and 13 300 will be empowered.

The Department of Agriculture has identified soya, dry beans and maize as products for intensive support in line with the concept of ONE VILLAGE ONE PRODUCT. In varying degrees the following districts have been identified to be most suitable: Zululand, uThungulu, uThukela, Ugu, Ilembe, Sisonke, uMgungundlovu. The Department will facilitate production, storage silos, processing and sales to create growth and job creation in the identified communities. The purpose is to produce enough for consumption in the Province and liaise with the commercial sector for market opportunities on behalf of communal subsistence farmers.

The Agri-business Development Agency has had its mandate extended to support the process working with emerging farmers, especially after land restitution. The decline in agricultural production after the land claims must be halted or the entire country will suffer consequences. The budget of the ADA has been adjusted to allow for flexibility and creativity in responding to farmers in distress. The projects announced last year continue, and new ones have been added for a focused attention by the Department of Agriculture.

Through the mechanisation programme about 300 tractors have been made available to communities and have ploughed 17727 hectares this year. The department must target twice this area in the coming year.

There will still be focus on the special catalytic projects such as Makhoba Dairy, Jikijela, Masibambisane, Midlands vegetable and fruit in Middelrus, Dawn Valley Panderosa. Tugela Estate. SAB Miller contract project produced about 10 000 tonnes of maize at rate of 3-8 tons per ha. Several irrigation schemes will be revived by the department.

The livestock project has shown tremendous potential and Livestock association have staged lucrative auction sales ranging up to R3 million in total sales conducted in one day. The approach to nguni project will be reviewed. The goat farming programme has benefitted 112 farmers so far and it continues to show tremendous potential. There is a serious dumping challenge in the poultry industry that has been brought to my attention by the Poultry Association. This poses a serious risk that may collapse this industry if unattended. Fortunately the Minister for Trade and Industry assured me that he is giving the matter his serious attention and I hope a solution is not far.

The future of this country is in the hands of our children. If they are not educated, their future and that of South Africa is uncertain, to say the least. 95.2% of all our five-year-old children are in school. In other words, all 200 205 Grade R pupils have been registered in 3934 schools. In the age group 0-4 there are 123 506 learners receiving early childhood development. As our forebears would say: Libunjwa liseva.

Compatriots, on the occasion of our inaugural State of the Province Address we stated that “education has to be elevated as a priority for which the entire community must be mobilized to ensure that the future of our children is secured and to strengthen our fight against poverty. We call upon the community leaders, parents, teachers and learners to work together to bring back the culture of learning and teaching. “Teachers must always be in class, on time, teaching and refrain from unsavoury relations with learners entrusted under their care.”

In this regard, while the debate continues regarding education as an essential service, we trust that all interested parties will find common ground expeditiously in order to avoid further uncertainty about the way forward.

We therefore welcome President Zuma’s decision to establish a Presidential Commission to investigate the appropriateness of the remuneration and conditions of service for public servants, with teachers being prioritised.

The child is our focus. We now have 17521 learners benefiting from our learner transport programme, up from 1898 in 2009. The number of no-fee schools has been increased from 1879 in 2009 to 2796 to date, which constitutes 82.47% of our schools (being non-fee paying) in the Province and these schools account for 71.4% of our learners.

We said in 2009: “We are determined to continue improving the quality of education and improve the matriculation and especially mathematics rates in the next five years.”

We stand before you today to report that the Grade 12 results in 2008 were 57.8% and the class of 2012 achieved 73.1%, a magnificent quantum of 15.3% improvement. We commend the Class of 2012, the educators and parents. From 2009 to date we have increased the number of learners passing Mathematics and Science from 24 284 to 30 408 and 23 516 to 26 783 respectively. We need to do more work in this area.

We note performance in the Annual National Assessments for Grades 3 and 6 Mathematics and Languages. Hard work will be needed to attain quality education. In order to improve early childhood development, primary and secondary education, we are reviewing and resourcing teacher education and capacity building programmes. Through our mathematics and science teacher development project, funds were allocated for establishing the KZN Teacher Development Institute. Slowly the results are showing.

Next month construction starts on Ndumo Comprehensive High School we announced last year. This school is a response to the need to improve quality education in rural schools and will provide education for vulnerable children such as orphans and others.

Next week we shall be launching the first Youth Academy in Esicabazini in uMkhanyakude. The centre will train youth on short skills as artisans' and help them to live a sustainable life as entrepreneurs. It has a component to rehabilitate those who may have been involved in substance abuse. From 300 students per annum, thousands of youth will benefit as the centres are rolled in KZN.

As Government we are particularly excited that co-operatives are taking over the school nutrition programme. Cracking down on collusion between government employees and unscrupulous service providers resulted in over 50% increase in the number of service providers. We are currently providing a daily meal to 2.2-million learners in Quintiles 1, 2,3, and those from disadvantaged backgrounds in Quintile 4 in some schools at a cost of R1.1-billion per year.

Madam Speaker, as we look back over the last four years of this administration, it is with humility that we report back to the nation about our remarkable strides towards ensuring that as today is better than yesterday, so shall tomorrow be better than today for our children. We remain committed to eradicate poverty, eliminate unemployment and address comprehensively inequality in our society.

For the first time in recent history, HIV and AIDS are showing signs of retreat. The number of AIDS-related deaths is declining. Since we took office in 2009 we have stabilized HIV prevalence in our Province from 39.5% to 37.4% as a direct result of our integrated approach through the Provincial Council on Aids working together with all sectors of our society to ensure that our initiatives on prevention and to make anti-retrovirals available are successful. Utilizing a special roving team of dedicated health professionals to initiate therapy to all 550 000 deserving individuals, we can now declare that for a few years now the waiting list for anti-retroviral treatment no longer exists. It has been cleared for good.

Earlier this year Old Mutual reported that the death rate among employees of companies that bought risk cover from the company had fallen almost 20% between 2008 and 2011. They quoted a study by the Medical Research Council which found that: "the life expectancy had increased from 56,5 years in 2009 to 60 years as fewer people died of AIDS" and attributed this to the success of the Government's drive to get more HIV patients on treatment.

Only last week, new research from Harvard School of Public Health showed that the anti-retroviral treatment scale-up in Umkhanyakude District had increased life expectancy from 49.2 years in 2004 to 60.5 years in 2011--- a gain of 11.3 years! Till Barninghausen, associate professor of global health in the Harvard School of Public Health and senior author of the study which was published in Science, a leading scientific journal on February 21 this year stated that this is "one of the most rapid life expectancy gains observed in the history of public health".

Among 15-24-year old youth, we have also noted that HIV prevalence is down from 31% to 25.5% - another firm indicator that KwaZulu-Natal has turned the corner in the fight against HIV & Aids. This is a trend we expect to continue. I salute the health and social workers involved in this very successful intervention.

To date 235 966 male medical circumcisions have been performed in 67 institutions. We attribute a large measure of success also to His Majesty the King's directive for the revival of male circumcision in the fight against HIV & Aids.

Bayede!

Compatriots, our Province has already received international acclaim for the remarkable reduction of mother-to-child transmission from 19% in 2007 to 10.3% in 2009 to 2.2% currently - indeed a dramatic achievement in such a short space of time!

We have noted that the maternal mortality rate continues to rise. I have directed that this matter be made a standing item at the Provincial Council on Aids. This matter should be discussed in the district and village leadership forums by elected, religious, traditional and community leaders.

The Campaign on Accelerated Reduction of Maternal and Child Mortality in Africa (CARMMA) will be intensified by the Department of Health and regular progress reports will be tabled in the above forums. Every level of leadership must take action to stop the death of mothers as a result of giving birth—a natural process of giving life.

We have also reduced TB incidence for new cases, but the campaign against TB will be accelerated until our target of 716 per 100 000 in 2015 is attained. We may not achieve the targets of the Millennium Development Goals, but reversing the sky - rocketing trend of the past few years is the basis of hope that we will together defeat tuberculosis and save many lives since the 70% co-infection rate of TB and HIV remains a major killer.

From 2009 to date, our efforts have resulted in the incidence of severe malnutrition for children under five years being reduced from 9.5 per 1000 to 6.7 per 1000.

We have registered dramatic improvement in child poverty indices such as wasting and stunting. Clearly our MDG targets for 2015 will be met. Similarly, let us rejoice at the news that KwaZulu-Natal has achieved the Millennium Development Goal in reducing the incidence of malaria.

We must, however, express our disappointment that we have not fared too well in the battle of the waistline. The obesity levels continue to rise in excess of 3.6% which is our target for 2015. We need to double our efforts to implement our Province-wide integrated healthy lifestyle campaign to reduce the impact of the non-communicable diseases such as obesity, diabetes and cardiovascular diseases.

As our country moves with speed towards the introduction of the National Health Insurance system, we demonstrate through the pilot sites in Amajuba, Umzinyathi and Umgungundlovu that NHI is the way towards universal access to health.

Funds have been set aside to procure equipment and contract the services of General Practitioners. We are determined to ensure the full roll-out of the NHI in which ill-health, not personal wealth, determines the health care you receive.

We continue with our efforts to improve the quality of service and care. In order to alleviate patient-waiting time, the Department of Health will accelerate the training and involvement of Community Care-Givers working with Primary Health Care clinic nurses in distributing chronic care medication packaged in hospitals. This will save our healthy senior citizens from visiting our facilities to wait in long queues for many hours when they do not need medical examination or attention.

As a society, how we treat and care for our children, women, the disabled and elderly mirrors the value we attach to the very basic of human rights. Our Government has invested funds in the provision of social infrastructure to increase accessibility by all communities through pension pay points, Thusong, One Stop Development and Household-based Community Development Centres.

Government has consciously increased funding to the non-governmental sector by R300-million for this financial year. We hope to strengthen our relationship with these partners as there is huge scope for non-governmental organizations and faith-based institutions to co-operate with Government in caring for the vulnerable sectors of our community.

The areas for partnership with NGOs are care for the disabled, senior citizens, orphans and vulnerable children as well as the fight to reduce all social ills. The LIV project in which government, the church and business have partnered to look after orphans is progressing well and plans are afoot to replicate the model in the province.

We have improved compliance of non-profit organisations to legislative requirements while at the same time eradicating foster care backlogs.

Compatriots, we note media reports almost on a daily basis about how devious crooks, colluding with corrupt public servants, are stealing millions of Rands intended by the State to support the indigent, disabled and vulnerable among us. In order to correct weaknesses in the social grant system, Government is re-registering all beneficiaries using bio-metric access and the bulk registration of social grant beneficiaries is currently underway.

Already 2 493 715 existing beneficiaries and their children have been re-registered. We are confident that this measure will help identify fraudulent grants and enhance the integrity of beneficiary data on the Agency's system.

Believe it or not 24 464 fraudulent beneficiaries have opted to come forward voluntarily to cancel bogus claims for non-existent, so-called "ghost" children. This

resulted in a massive R7.3-million saving per month. 193 “duplicate” children registered to more than one beneficiary have been identified.

Contrary to the widely held but unfounded belief among some in our country, social grants have a positive impact in the alleviation of poverty. A study on the impact of Child Support Grant done in August 2011 has among its key findings that children who receive grants are likely to stay in school than those who do not, and the grant is used primarily to top up household income.

There is also no doubt that the welfare grant has the direct effect of alleviating poverty to each and every one of the 3.8million recipients in KwaZulu-Natal.

Crime

As society, we can only win the war against crime when we acknowledge that a lasting solution can only be achieved when the criminal element in our society is isolated.

Attainment of our Vision 2030 cannot happen in a KwaZulu-Natal wherein criminals reign supreme.

Identifying the fight against crime meant that criminals must be made to feel that the tide of societal disapproval has turned against lawlessness and lack of respect for the rights of others. This is a long and hard fight, but we have made a good start.

We launched a comprehensive strategy against crime called “Building a United Front Against Crime”, generally known as Operation Hlasela and integrated it to departments in the spirit of OPERATION SUKUMA SAKHE.

The strategy involves mobilizing communities to work with and support the police. It is a partnership with community safety structures, as well as elected, religious and traditional leaders at all levels and over 2000 community volunteers to work together in the onslaught against crime.

While we acknowledge that a lot of work must be done to bring crime to an end, current statistics show that murder decreased by 8.72% and attempted murder by 6.36%. Illegal Possession of Firearm & Ammunition Decreased by 7.42% meaning the police efforts to disarm communities are resulting in fewer deaths inflicted through firearms.

The current statistics indicate that sexual offences decreased by 3.94%, rape decreased by 2.16%. Nevertheless, any incidence of sexual abuse remains extremely traumatic. We are strengthening our programmes aimed at curbing violence against the vulnerable and have established seven Thuthuzela Care Centres for specialised victim care. These centres are one stop facilities that have been introduced as a critical part of the anti-rape strategy, aiming to reduce secondary trauma for the victim, improve conviction rates and reduce the cycle time for finalising cases.

That the rate of sexual offences against women and children are decreasing, albeit at a very low rate, means that attention needs to be paid to this matter, especially to protect elderly women and children.

Human Trafficking and Child Prostitution awareness sessions are held in the Province and to assist in these processes a Human Trafficking, Prostitution, Pornography and Brothels Task Team has been established. A provincial Committee on Management of Sexual Offences has been established to monitor the implementation of the Sexual Offences Act.

Compatriots, we have always maintained that only through the joint effort and strong co-ordination among various stakeholders, the police, the army, Correctional Services, Community Policing Forums, Community Safety Forums, community leaders, churches, non-governmental organisations, community-based organisations and volunteers - all working through the Justice Crime Prevention and Security Cluster, can we overcome this challenge.

It has been disappointing to see the resurgence of politically related conflict between and within political parties. A multi-party structure, involving leaders in the Province, has been effective in dousing the flames of political intolerance and stabilizing the area. The cleansing ceremony by iSilo has gone a long way to create peace and racial harmony, and dissolve years of mutual suspicion.

Those who seek to achieve political ends through assassinations and acts of thuggery are occupying their rightful space in our prison cells. Programmes of communities in dialogue have been used to mediate amongst groups of communities in conflict and foster reconciliation resulting in long lasting peace.

We acknowledge that there has been a drop in the crime rate in the Province, but it remains unacceptable. However, we still need to address the crime where we experienced an upsurge, for example in stock theft, driving under the influence of liquor or drugs, drug-related crimes and common robbery.

We are reclaiming the space occupied by the drug dealers. We are right on the heels of those who rape and kill our grandmothers and daughters often under the influence of drugs.

At the beginning of this term of office, we committed Government to intensify the fight against substance abuse as part of on-going efforts aimed at eradicating social ills from our communities. A campaign against drug trafficking has been launched by the Provincial Government led by the Premier, involving a specialized team of police investigators.

We commend the people of Chatsworth, Wentworth, Merewent, Inanda for the partnership they have demonstrated in this campaign. Their support for the police in supplying concrete information has resulted in high profile arrests of drug lords that have eluded police for many years. The active participation of The Post Newspaper demonstrates progress that is possible with media partners playing a constructive role in support of the communities.

This campaign will continue throughout the year under a forum against drug trafficking and substance abuse launched yesterday. Chaired by the Premier, this Forum will have members representing Government and a broad section of civil society. It will focus on prevention, care, research and support for communities in their resolve to stamp drugs out of their homes, schools and neighbourhood.

We have taken a very strong stance on road safety and prevention of accidents in the Province. Over 3 million people were stopped and 575 023 written charges were issued. Over 29 000 unlicensed vehicles have been taken off our roads. While the total decrease in fatalities from 2009 to date has been 33,6%, we are disturbed that at the alarming number of truck accidents, especially those involving multiple trucks.

As Honourable Members would have noticed in the media, we have launched a campaign against rhino poaching in the Province. Our message to syndicates, both local and international, is that our justice system is ready to deal with them harshly. It is truly tragic that we have recorded 48 rhinos killed between April 2012 and January this year. We encouraged, however, that 39 culprits of various nationalities have been arrested. We salute our law-enforcement agencies for their dedication and achievements.

We salute iSilo samaBandla for consistent leadership in this regard.

CLIMATE CHANGE COUNCIL

Following the successful hosting of COP 17 Summit, the Provincial Government has demonstrated its commitment to ensure that KwaZulu-Natal becomes a model of a Province that is greener, cleaner, sustainable and prosperous.

Compatriots, allow me to inform this house that in September last year we hosted the inaugural meeting of the KwaZulu-Natal Climate Change Council. It is comprised of representatives from the private sector, non-governmental organizations, civil society, academics, religious leaders, traditional leaders and the media.

Over the recent months, we have seen that climate change has the potential to affect almost every sector in the economy of this Province. As a result, the Council is developing a programme of adaptation and mitigation with an aim of reducing the risks of climate change, including planting one million trees in 5 years, promotion of the community-based waste for food programme for job creation and is a member of an international association of provinces called the Climate Group.

The council is co-ordinating the work of the three tiers of government to ensure business and society are provided with the necessary tools to ensure the reduction in greenhouse gas emissions by increasing energy efficiency, without compromising sustainable development.

GOOD GOVERNANCE AND ADMINISTRATION

At the beginning of the term of this current Administration, we undertook to create an image of a clean and efficient government, with a strong focus on good governance and to be very firm and decisive in the fight against fraud and corruption in our Public Service. We continue to maintain this position.

The Performance Monitoring and Evaluation Unit working through the Nerve Centre in the Office of the Premier monitors all departments and evaluates performance and ensures that set targets are achieved.

The total vacancy rate involving all government in 2009 was 23%. We are pleased to report that the vacancy level in our Province has been reduced and now sits at 7% - well below the national level of 10% in line with the Presidential directive.

In the Provincial Operation Clean Audit, the Provincial Government offers assistance to municipalities to improve audit outcomes. COGTA and Treasury focus strongly on engagement with political and administrative leadership of poor performing municipalities. This will be more so for the 7 municipalities that received disclaimers.

We congratulate Umtshezi Municipality for sustaining a clean audit.

It will be recalled that in 2009 the Government faced the prospect of a massive over-expenditure of over R4.5-billion which was reduced through austerity measures. These cost-cutting measures have since been recommended by National Treasury for implementation by all Provinces.

In KwaZulu-Natal, this practice has been adopted continuously but gets more emphasized whenever the threat of over-expenditure rears its head.

Over-expenditure has been declared a no-go zone!

In 2009 at the beginning of the term of office we undertook to create a caring, respectful and responsive government that is guided by the principles of Batho Pele. To this effect the office of the provincial ombudsperson was created and located in the Office of the Premier.

This office has assisted to co-ordinate the complaints and opinions from the public to various provincial department's ombudspersons through the Provincial Ombudspersons' Forum. From April to December last year the Ombudsman received 302 cases, 97 of which have been resolved. Most of the matters are received from the Anti-corruption Hotline of the Public Service Commission and take a while to resolve.

The Ombudsman's Bill to further strengthen and regulate the office of the ombudsman will be introduced in the Legislature in the New Year.

As we announced last year, the Premier's Operation Sukuma Sakhe Hotline (0800 596 596) has also been introduced.

As we tighten the screws on illegal and repugnant activities by some of our employees, this year we have processed 149 investigations relating to infringement in supply chain management. 212 disciplinary hearings have been conducted, resulting in 29 officials having their services terminated. We have registered 99 criminal cases with the police and 67 cases of disciplinary hearings are in progress. The message is loud and clear, fraud and corruption shall never be tolerated.

In the 2011/12 financial year the police received 2033 cases on fraud and corruption while 16 forensic investigations were carried out in Government Departments. Between April and December last year they processed 433 dockets involving R449 536 121 and 389 of the cases have been through our courts, many resulting in convictions.

As Government, we are determined to remain a step ahead in the fight against this cancer eating into the fabric of our Public Service. In that regard, we are vetting employees in Government and para-statal.

To date 5871 government officials have undergone security screening and we continue to implement the resolutions of the 2011 Integrity Leadership Conference where we committed ourselves that "I do right even when nobody is watching".

OPERATION SUKUMA SAKHE

Operation Sukuma Sakhe (OSS) is a strategy to integrate departmental programmes and deliver jointly on outcomes since success depends on several departments cooperating. It has ensured that services are brought together at the level of communities in the wards and empowers communities to discuss with various government officials who do not necessarily work at ward levels in a venue designated as WAR ROOM. This strategy has been implemented to coordinate the efforts of various sectors and mobilize society for a common purpose.

OSS is about building society and helping us to heal from the trauma of our divided past in a country that practised oppression of one community by another. It is about creating confidence, empowerment and ability to face each other and provide solutions. It is a way we make government accountable to ordinary South Africans. It is about creating a non-racial democratic society where people live as equals, in peace, mutual respect and support one another. It is about the promotion of social cohesion.

Working with community leaders, churches, amakhosi, business etc, OSS has proven to be a very effective strategy to mobilize society to fight social ills. It is a strategy to mobilize society to fight the challenges of youth unemployment, youth apathy, crime, social misconduct, substance abuse, teenage pregnancy, school dropout, suicide, HIV and AIDS and unsafe sex, obesity and predisposition to non-communicable lifestyles disease, etc.

To deal with issues above, the department of Arts Culture Sports and Recreation has been directed to mobilize youth around sports, arts and culture to occupy their abundant energies and engage them in physical activities. This programme creates

a platform for awareness about diseases such as HIV & AIDS, and prevention of drug abuse and many others.

Through Operation Sukuma Sakhe, the Department of Sports and Recreation has been directed to put together a social mobilization programme focusing on different sporting codes. This campaign will be inclusive of schools and communities and will deliver basic sports facilities including equipment and attire.

Working with Tourism, Hospitality and Sports Education Training Authority (CATHSETA) and Federations, we want young people to be afforded access to accredited training programmes in sports administration and co-ordination.

Government will stage sports tournament and indigenous games as part of mobilizing young people to intensify the fight against HIV, Aids and other social ills such as drug abuse and teenage pregnancy.

The Youth Ambassadors are part of this campaign aimed at providing life-skills training to young people so that through these life skills, these young stars can be positive agents for behavioural change.

Honourable Members, at this stage I would like to express my appreciation to the people of KwaZulu-Natal for their contribution towards this State-of-the-Nation Address. We have received inputs and suggestions from ordinary members of society through face-book, twitter, emails and text messages.

I want to pay tribute to the staff in the Office of the Premier and the whole government of KwaZulu-Natal.

Next, I wish to express my appreciation to my colleagues in the Provincial Executive Council and my party, the African National Congress, for the confidence they have shown in me from the beginning of this term of government.

I wish to thank my wife Dr May Mashego, my children Naledi, Linda and Dedani for the support.

Lastly, but not least, I wish to thank Isilo for the support over the years.

“Working Together for a Secure and a Prosperous Future”.

I thank you