

# **State of the province address of the Premier of Mpumalanga, Thabang Makwetla, to the opening of the sixth sitting of the third Democratic Legislature**

20 February 2009, Nelspruit

Madam Speaker and Deputy Speaker of the Mpumalanga Legislature,  
Members of the Executive Council,  
Honourable Members of Parliament and Members of the Mpumalanga Legislature,  
Your Excellencies, Ambassadors, High Commissioners and Members of the Diplomatic Corps,  
Chairperson and Deputy Chairperson of the Provincial House of Traditional Leaders,  
The Acting Provincial Commissioner of SAPS, Commissioner Machabi,  
The Acting Director General of the Province and Heads of Departments,  
The Executive Heads of our parastatals and Board Chairpersons,  
Our Honourable Mayors, councillors and leaders of SALGA,  
Our revered traditional leaders, Amakhosi/Magoshi, and our spiritual leaders,  
Struggle icon, Umama uNomazamo Winnie Madikizela-Mandela,  
The Treasurer-General of the African National Congress, Cde Mathews Phosa,  
Ambassadors of the Mpumalanga Heritage, Greening and Tourism Flagship Project, Gogo Magongo,  
Mama Esther Mahlangu and Uyanda Mbuli,  
Our distinguished guests and all dignitaries present,  
Residents of our province Mpumalanga at large,  
Compatriots,  
Comrades and Friends,  
Ladies and Gentlemen,

## **Introduction**

Today we have jubilantly rendezvoused at the seat of our provincial administration and in our districts as communities of Mpumalanga, to take stock of work done in government over the last five years, as our country fervently prepares yet again to root democracy on our soil by electing afresh, trusted South Africans to take our country forward.

In 2004, when we assumed duties, our assignment was to create work in order to fight poverty, as we proceeded to advance and consolidate change which was ushered in with the establishment of what we today know as the province of Mpumalanga, fifteen years ago. Part of what this mission entailed is that we consciously continued to pull down the ethnic walls and racial and social barriers-of-old, among citizens and communities, and forged a broader solidarity.

To tackle poverty we needed to mitigate the differences of life of those in the towns and those in the rural villages of our province, to ensure equitable access to opportunities government provides, irrespective of where the individual is, be it in Sikhwahlane or Seabe; Sonheuwel or Pienaar. The desire for better levels of cohesiveness in our country is indeed a well placed objective. In this regard, the need to promote a collective memory and knowledge of who we are as a people, remains an ongoing challenge to buttress the cohesiveness of our communities. And the place of heritage in that endeavour, cannot be over-emphasised.

Honourable Speaker, on this occasion last year, we made bold our commitment to tackle the outstanding priorities of our administration as business unusual, out of our belief that we can always do more.

I am happy to report to this House that our communities can accept this report without any nagging doubt whether we could not have done more, because this is about all they could get out of us. What we did not do, was not because of a lack of will nor desire to make good our resolve, but a function of the reality of our limitations.

Honourable Members, in the toil of public servants in our province and government in general to transform South Africa for the better in the contemporary period, I wish to pay special tribute to the legacy of the former President of the Republic, President Thabo Mvuyelwa Mbeki, for his inspiration and force of example of total dedication, self-sacrifice, clarity of purpose and integrity in the execution of public duties. Over and above this, there can be no doubt that when the history of the epoch-making breakthrough which brought an end to conflict in our country and opened vistas for a people's Republic is written, his name will speak volumes of our people's heroism and love for democracy and social progress.

Madam Speaker, I say this respectfully appreciating the many views South Africans hold on the record of our former President, hoping and believing that only time can salvage us from the massive confusion our country has been plunged into on this matter. This will come to pass, and the truth of the events of today will one day stand in much bolder relief for us South Africans to fathom. For now, let patience protect us, "it is the supreme virtue of the gods, who have nothing but time", as Robert Greene submits.

Everything good will happen - the grass will grow again.

Madam Speaker, before I turn to the courageous work of the last ten months, may I be indulged to offer unsolicited reflections on the state of our nation, the country I am privileged to have been born in, and the great people who bore me.

Returning from my first visit to China recently, I could not but concur with many South Africans who are worried by the unsatisfactory sense of urgency and common purpose in many spheres of our public endeavour. Now I can also say I have seen "the Rise of a Hungry Nation." It is fraught with scary consequences for complacent nations in the world we live in today.

But, Madam Speaker, China is most importantly an overwhelming inspiration of cohesion and an immense sense of national purpose. The Chinese people's strong collective memory of where they come from as a people, viz their heritage and how it informs the purpose of what they are doing today, and where they want to see themselves tomorrow, is palpable everywhere you go. When we add their incredible population statistics to the above strengths, we can begin to appreciate the phenomenon we are here talking about, their potential and possibilities. The transformation sweeping through China in the recent years has lifted more than 400 million people above the poverty line of one US dollar a day since reforms began in 1978. Their economy has posted average annual growth rates of 9,4 percent, the highest of any large economy in the world. In a country where in 1978 private telephones were unheard of, by 2005 over 350 million people had mobile phones, and over 100 million had access to internet.

Madam Speaker, maybe to help us comprehend the enormity of what we are talking about, reference to something that has made us all feel the convulsive force of a rising China is helpful, viz the disappearance of manhole covers from our roads, resulting in motorists bursting their car tyres ever so often, and unsuspecting pedestrians stumbling into holes.

As the British journalist, James Kyng, relates the story, it started during mid February 2004 when, "slowly at first but with mounting velocity, manhole covers started to disappear from roads and pavements all over the world. As Chinese demand drove up the price of scrap metal to record levels, thieves almost everywhere had the same idea. As darkness fell, they levered up the iron covers and sold them to local merchants who cut them up and load them onto ships to China." First, in nearby Taiwan, then Mongolia and soon it was Chicago, Scotland, Montreal Canada, Kuala Lumpur and of course, Johannesburg has not escaped this curse.

As Kyng correctly observed, "the events re-shaping China are no longer merely resonating on foreign shores, but actually changing the way the world works."

Honourable Members, I have inordinately dedicated time to comment about China because I believe there can be no better wake-up call to the perilous syndrome in parts of our national life, of lack of motivation, the culture of entitlement and greed across all levels of society, which pose a real threat to the re-making of our country, and the common purpose our struggle bequeathed us as South Africans.

In spite of being a young country with a glorious legacy of struggle and pregnant with purpose, we have in several areas a syndrome of schools which are lacking leadership, important sections of our workers who are disappointingly selfish and thrive on poor work ethics and are alienated from the product of their labour; and business individuals who have no regard for integrity and are bold to pursue naked greed.

These, Madam Speaker, are weaknesses we must mobilise our people to resist to stay our cause, lest our national project is allowed to cave in.

Madam Speaker, the good news is that in spite of the drag we have sketched above, our province has again displayed growing capacity to deliver and accelerate development. Our budget spend has continued to grow such that the province was for the first time projecting overspending its finances at our half-year mark.

### **Economy**

Honourable Members, in our address to the First Sitting of the Third Mpumalanga Democratic Legislature, in 2004, we drew inspiration from the 2004 Manifesto of the ruling party, the African National Congress (ANC), we said, and I quote;

"As we enter the Second Decade of Freedom, our main challenge remains speeding up the creation of work and further strengthening the fight against poverty. In eradicating poverty and underdevelopment we must as a matter of course encourage the growth, development and modernisation of our regional economy, thereby increasing its ability to create jobs in order to provide more people with incomes."

Over the past five years the provincial economy has grown steadily in line with the national trends, achieving an average growth of 4.7% in Gross Domestic Product per Region between 2005 and 2007.

These achievements of the past few years in our regional economy have occurred against the backdrop of a favourable national economy and global economic outlook. However, none of us here today can pretend to be ignorant of the gloomy skies and horizon presented by the likely impacts of the global financial crisis on the developing world and Africa in particular.

Indeed, these are uncertain and uneasy times for all of us!

Minister Manuel and the National Treasury forecast a GDP growth rate of 1.2% for 2009, the lowest our national economy has grown in the past decade, but improving in 2010 due to various interventions including public infrastructure spending, lower interest rates, the 2010 World Cup and a possible recovery in the world economy.

These developments will undoubtedly lower demand for products from our farms, mines and factories whilst making the achievement of targets in employment creation and poverty alleviation more difficult.

According to the International Labour Organization (ILO), we are now facing a "global jobs crisis" as global unemployment in 2009 could increase by a range of 18 million to 30 million workers, and more than 50 million if the situation continues to deteriorate.

The time for finger pointing on the causes and consequences of the global economic downturn is definitely over. We readily agree with those who have suggested that the solution will lie in a collective global effort to return the world economy to a favourable growth path whilst also addressing global finance governance deficits in order to minimize future susceptibility to crises.

Madam Speaker, I am happy to announce that in response to this crisis, the provincial government will, in a few weeks, be hosting together with its social partners, a provincial stakeholder forum to assess the impact of the global financial crisis on our province and to explore the appropriate responses to

improve our competitiveness, to minimize job losses, and to mitigate negative consequences on our communities.

### **Five Year Review**

Great strides have been made by our province in attracting investment into our economy. Indeed, many individual businessmen and corporates are realizing the enormous potential that exists in our province. Since 2005, our provincial parastatal, the Mpumalanga Economic Growth Agency (MEGA) and before the Mpumalanga Investment Initiative (MII), have facilitated more than R1.2 billion investment into the province.

Our domestic industrialists have significantly boosted our regional economy through new investment initiatives as they grow their operations further. Among others, Anglo Coal, Sappi, Columbus Stainless and York Timbers have invested a combined total of R11,3 billion in the province between 2004 and 2008 and, in the process, managing to create close to 5,000 jobs.

To be able to comply with the new legislation regarding fuel specifications, Sasol launched Project Turbo in 2004, which became operational in 2006. This project was one of the largest projects ever undertaken by Sasol at that stage and amounted to an investment of R13 billion. During the construction phase the project provided employment to 13,000 construction workers and created 400 permanent jobs.

The re-commissioning of three power stations in our province by Eskom is another important on-going investment project that has presented opportunities to municipalities in the province. Eskom has invested R85 billion in the Kusile Power Station, South Africa's cleanest coal-fired power station, situated next to the Kendal Power Station in Witbank. Kusile is expected to provide a much needed boost to employment in the area, as at least some 5000 jobs will be created during the construction phase.

This massive energy infrastructure project will inject much needed economic life in the province. We are happy that without prompting, Eskom and the Department of Public Enterprises put in place a plan to ensure that local spend is optimised in order to trap these billions of rands in the provincial economy. A joint task team between Eskom and the Department of Economic Development and Planning has been agreed upon.

In support of the Provincial Growth and Development Strategy, we have also launched a Growth Fund for which we allocated R200million in this financial year as seed capital. The Fund Manager and Board of Trustees have been appointed. We are confident that the aim to attract R1.2 billion from the private sector for the Growth Fund will be achieved in a short space of time. Critically, the Growth Fund will enable larger economically viable projects with long payback or high perceived risks to access commercial finance whilst contributing to the much needed infrastructure development that will improve the status of the province as an investment destination. This should not have come at a better time for business in our province.

Madam Speaker, in our interactions with the business community in the Province, the inadequacy of our road and transport infrastructure has always been an issue. Over the last five years, we have made substantial investments towards improving our road infrastructure.

As we indicated in our Address to the Legislature last year, our efforts to rehabilitate the provincial coal haulage network grid are in progress.

On the 9th of December we formally launched the Maputo Development corridor Flagship in Nelspruit with the attendance of a strong Mozambique delegation led by the governor of the Maputo City Province Ms Rosa Manuel da Silva. We announced the first priority projects and I can today report on progress on some.

We have identified premises for hosting and completed the business plan for the English Portuguese Language Institute, and are now in advanced negotiations with various accredited academic providers

to roll out language training. The institute will have a business section for SMMEs interested in starting up translation and interpretation services tapping into the output of the institute. The initial intake is expected in June 2009, and we have committed 30 bursaries for the class of 2009.

We have signed a memorandum of understanding with the Lowveld Showgrounds Society to begin the civilisation of the Showgrounds into a world class Outdoor Events and Recreational and Cultural Hub. The designs have been completed and we are undergoing a due diligence process and the various authorisations from the environmental and municipal authorities. We are certain that construction will begin by June 2009, with an initial R12 million rand provincial government contribution. The facility will stage various shows, exhibitions and cultural events ahead of 2010 and prepare us for the great football spectacular on African soil.

Whilst there are delays with the construction of the One Stop Border Post (OSBP) in Komatipoort, we have in partnership with the joint chambers of Tourism and Business and the Municipality in Nkomazi completed an investment master plan to take advantage of the public investment in the OSBP. The provincial government will contribute appropriately through our own savings and further engagements with national treasury to ensure that the OSBP is indeed back on track.

Despite this challenge we will begin construction of the Corridor User Call Centre and Customer Care Facility integrated with the Tourism Information Centre nearing completion at the border precinct. This facility will support the general public with public and private services like insurance, customs, car hire, internet and courier, immigration information, health advice and SARS information before travellers reach the border. Construction will begin by 1 April and the facility will be fully functional and staffed by August 2009.

The Food Technology Centre and SMME Incubator is finally taking off. The DEDP has signed a memorandum of understanding with Tshumisano Technology Trust under the auspices of the Department of Science and Technology and the National Research Foundation. We have initiated discussions with the Tshwane University of Technology to become our academic partner. Land for the Facility has been identified and negotiations are advancing smoothly.

In our Address last year we indicated that we would finalize work on the scoping of economic opportunities along the Moloto Rail Development Corridor to ensure that opportunities are fully developed through private and public sector investments.

I am happy to report that the Moloto Economic Scoping Report has been finalized and is to be presented to the Executive Council shortly. During the course of the year an implementation plan for economic development will be presented and consultations embarked upon with relevant stakeholders for the projects to become a reality in the targeted areas.

### **Employment Creation**

Madam Speaker, in 2004, we set ourselves a target of creating 100,000 job opportunities through the Expanded Public Works Programme by 2009. Today, I am happy to report that 106,159 job opportunities have already been created, surpassing the target we had set ourselves over this period by over 6,000 jobs. Women, youth and persons with disabilities benefited from EPWP. In last year's Address we stated our intention to enrol a further 1,000 young people into this programme in the 2008/09 financial year. I am happy to report that 1050 youth enrolled in the National Youth Services this year.

We created opportunities for women empowerment through our "SIYATENTELELA" programme, which by the third quarter of 2008/9 had benefited 1,983 women in labour intensive road construction and maintenance.

During the past year, the provincial Tourism Development Strategy was launched. Ten strategic initiatives have been identified as steps we need to address the challenges facing tourism in the Province. These include, among others; improving air access, expanding the tourism product offering;

upgrading service skills, and strengthening community involvement and transformation in the tourism sector.

Madam Speaker, in line with the Provincial Growth and Development Strategy, we have emphasized the role of agriculture in enhancing food security and creating much needed jobs, particularly for the rural poor. Most worryingly, research commissioned by the Province shows that this sector's contribution to the provincial economy has declined since 1996, although it remains the biggest employer. It remains critical that we implement strategies to improve the agricultural sector's contribution to economic development, food security and job creation.

Madam Speaker, agriculture remains one of the key priorities to alleviate poverty and enhance sustainable livelihoods. Our Masibuyel' Emasimini programme was initiated to address the challenge of poverty and food insecurity in rural areas by aggressively tilling the land. Support in the form of tractors, seeds and fertilizers are provided to the rural poor in order to maximize food production in poor rural areas of our province. As at the end of December 2008, a total of R61million had been spent during the programme's three years of existence. To date, 30,600 have benefited from the programme.

In 2008/09, we promised to allocate R20 million to initiate a bio-fuels pilot project on 8,000 hectares of land, with a view to expanding the scale in the 2009/10 financial year. We have planted 3,042 ha of soya, maize and sunflower, 19 tractors purchased for soya production, marketing arrangements finalized with National Marketing Council.

Madam Speaker, around the world, small enterprises constitute a large and growing share of employment. During the period of our administration, we achieved three major milestones with regards to the promotion of small business; the adoption of a provincial SMME strategy, the successful rolling out of the Small Enterprise Development Agency (SEDA), and the establishment of the Mpumalanga Economic Growth Agency (MEGA) replacing the MEEC and MII. During the past year alone, 16,657 SMME's accessed business development support, and 284 SMME's were assisted to access financial support.

Honourable Members, the provision of scarce and critical skills remains an important priority to ensure that the Province has requisite skills to drive accelerated economic growth and service delivery. The implementation of the 'Vul'ematfuba' initiative is intended to enhance the availability of scarce and critical skills needed in the Province, as part of the ASGI-SA national initiative.

Last year, we awarded 91 engineering bursaries to enable students to pursue qualifications in various engineering fields. The Mpumalanga Regional Training Trust (MRTT) continues to play a key role in training the unemployed, workers, out of school youth, the semi-skilled and community based groups at its various centres. Between 2004 and 2008 MRTT trained 8,315 students, with a placement rate of 54% and 44% for males and females respectively. As a Province, we need to continue implementing various measures to develop skills to empower communities and achieve social and economic transformation objectives. Be that as it may, we could have done more on this programme. I am happy that facilitation arrangements have been corrected around this initiative.

In conclusion, I wish to say the future economy of our province looks exciting. Over the last two years we have been involved quietly in hard work to acquire two key infrastructure projects, namely government ownership of the private KMI Airport and the building of an ICC for the province, and I am happy to announce that negotiations around the two projects have been concluded and the necessary development plans will commence. We started our economic sector work on a low institutional and economic skills base. We must steadily continue to grow our capacity.

### **Social Transformation and Service Delivery**

Over the last five years of the current Administration, the major tenets of our social transformation and development programme focused primarily on fighting poverty, underdevelopment, social deprivation and growing inequalities characterizing our society.

Pivotal to advancing the vision of a better life for all was our capacity to accelerate investment in social infrastructure, improving access to housing along with basic services such as water, decent sanitation and electricity, improving access to quality education and skills development opportunities, improving access to the social security net for poor and vulnerable households, advancing access to comprehensive health care as well as addressing high rates of crime in our communities.

Alongside efforts to grow the economy in order to fight poverty and unemployment, providing the safety net in the form of social grants continues to be critical in government's efforts to alleviate poverty among the poor and vulnerable sectors of society. For many citizens of Mpumalanga, life has changed for the better.

In Mpumalanga, the total number of social grants beneficiaries has exponentially grown by 65% from 579,907 in 2004 to 958,229 as at the end of January 2009. The number of children accessing social grants has grown by 92% from 368,500 in 2004 to 707,772 as at the end of January 2009, attesting to government's commitment to addressing the challenge of income poverty.

Madam Speaker, last month we launched the Anti-Poverty War Room campaign in Nkomazi as part of our contribution to tackling poverty in Mpumalanga. This campaign entails the profiling of most deprived households to identify their specific needs, accelerate their access to government services and development opportunities, as well as provide safety nets that would assist in alleviating poverty among the identified households. The launch of the Anti-Poverty War Room campaign at Sikhwahlane in Nkomazi represents another qualitatively new intervention in the evolution of government strategies in the fight against poverty. Two elements on which the Anti-Poverty War Room campaign rests are, firstly, the appreciation that to uproot poverty we need to move from the general to the specific. That is to say, we must address poverty according to the specific challenges and needs of every homestead or affected family instead of responding to generic partners of communities as gleaned from statistics. To deal with the personal circumstances of human beings as statistics may indeed not be very helpful because human beings with a similar problem may react differently to the same solution provided. Secondly, the effective eradication of poverty in many instances, as the pilot has shown, may not require government to do new things but to get what government is already offering, to work better. Many of the government programmes do not reach the intended beneficiaries because at times they are not properly tailored to be effective on the ground, or because of the way they were conceived, or due to other handicaps beneficiaries may have. To overcome this, the eradication of poverty challenges government to work genuinely in a new way.

In the initial pilot phase, we have prioritised 6 municipalities for the implementation of the Anti-Poverty War Room campaign. These include Mkhondo, Albert Luthuli, Thembisile, Dr J.S Moroka, Bushbuckridge and Nkomazi municipalities.

### **Delivery of Basic Services**

Madam Speaker, the delivery of basic services such as electricity, water, sanitation, refuse and waste removal is essential in improving the quality of life and sustainable development for communities. Notwithstanding current backlogs and challenges, remarkable progress has been made in the delivery of basic services.

Currently, 583,505 households have access to electricity. A total of 219,375 households have access to Free Basic Electricity. Despite advancements we have made, the need to address the backlog of 242,059 households who do not have access to electricity still remains.

As part of improving access to decent sanitation, we are encouraged that the Province was able to eradicate all bucket toilets in all formal areas and informal settlements. To date, 18,617 bucket toilets were eradicated ahead of the stipulated national target of December 2007.

We have enhanced the capacity of our municipalities to provide adequate sanitation so that we address challenges posed by poor sanitation. Last year, we finalised an assessment of sewerage plants in the Province to ascertain the extent of work that needs to be undertaken to address operations and maintenance challenges.

This assessment pointed to urgent interventions required to upgrade sewerage plants to expand their capacity to handle increased volumes resulting from growth and development in the areas serviced by these sewerage plants. The assessment also pointed to the challenge of overflowing VIP toilets that require attention. The Executive Council allocated an initial amount of R40 million to address the problem of VIP toilets and attend to urgent operations and maintenance work. To date a total of 57,300 households have been assisted through this intervention. Currently, various initiatives are in progress in municipalities to improve the condition of sewerage plants. However, the only sustainable way forward is for municipalities to acquire the necessary capacities to perform these mandatory duties assigned to them in law.

Madam Speaker, access to sufficient, safe and affordable water is vital for human development and poverty eradication. It is a fundamental human right that constitutes an important measure of the improved quality of life that the citizens of Mpumalanga enjoy. Admittedly, access to clean and safe water is critical in minimising negative health impacts such as water-borne diseases that Mpumalanga has occasionally experienced over the last few years.

As part of the `Big Five` flagship programmes announced in our 2007 State of the Province Address, the `Water for All` flagship was prioritised to ensure that communities have access to water services infrastructure and clean water by 2010.

We are encouraged by the progress we are making in reducing water services backlogs. The accelerated implementation of this flagship has gained the necessary momentum to enable the incoming Administration to take the programme to new heights.

Madam Speaker, of 945,394 households, 72.7% have access to water at RDP level and above. The backlog of the number of households with inadequate access to water has been reduced to 257,912, constituting 27.3% of the households in the Province. Of this amount, 3.5% households have no access to infrastructure at all. Critically, these households are our real urgent priority for the provision of water infrastructure and services.

Among other high profile projects, the implementation of the Nkomazi Intervention Plan to the tune of R87 million has commenced to address problems hampering the delivery of clean water to the impoverished and deprived areas of Nkomazi. This intervention will benefit 54,081 households this year.

A water treatment plant is currently under construction in Delmas to alleviate clean water challenges and provide 15 million litres of clean water a day to affected communities. The plant will be operational by the end of 2009. The collaboration between the Provincial Government, Delmas Local Municipality, Rand Water and the Department of Water Affairs and Forestry will deliver the construction of a Water Pipeline valued at R85 million to Delmas from Bloemendal in Gauteng to provide 25 million litres of water per day to the Delmas Municipality so that we relieve current water pressures. Construction will commence in December this year.

Honourable Members, it is an irony that we who have kept a keen eye on overall challenges of water quality management and control in our municipalities, and the contamination of our river systems, should today be the region that is hardest hit by cholera. From the beginning we were never convinced that the cholera outbreak in the province emanated from outside. The precious lives we have lost in our communities must serve as a painful reminder that the provincial flagship projects we have, viz Water-for-All; and the greening of the province through environmental waste management are not just nice pastimes, but critical work to achieve a safe and better life for our communities.

### **Housing Delivery**

Madam Speaker, the delivery of housing to the people of the Province is not only about the provision of shelter as a fundamental right, but it also speaks to government's commitment to the alleviation of asset poverty among the poor and vulnerable sectors of our society. Between January 2004 and January 2009, the Province built 57,553 housing units, thereby providing shelter and enhancing the asset base for many poor and vulnerable families.

When we reported in previous Addresses to this House, we acknowledged serious capacity challenges that impeded the effective delivery of our housing programme. Part of the intervention to enhance institutional capacity for the delivery of the housing programme entailed the reconstitution of the Department of Local Government and Housing into two distinct departments. I am happy to report that this process has been concluded. We have reviewed organizational structures to make provision for the appointment of additional personnel to compliment existing capabilities in the Department of Housing.

Our overall assessment is that our capabilities to accelerate the delivery of housing have been significantly enhanced by the turnaround interventions we have implemented in the Department of Housing. In March last year, the backlog of incomplete houses had been reduced to 16,682 units, significantly less than the 18,000 units we had projected in our 2008 State of the Province Address. This year, we are on course to meet our revised target of completing 13,682 housing units. The progress we have made this year puts the Province in a better position to complete all incomplete houses and resume the construction of new housing projects in the next 2009/10 financial year.

In addition to the accelerated delivery of incomplete houses, we will also complete 1,131 emergency houses to alleviate the distress and damage caused by the recent natural disasters that occurred in the Province this year. 805 of these emergency houses are in the Bushbuckridge municipality, an area of our Province that was hard hit by storms.

Honourable Members, the social transformation imperative extends beyond the provision of shelter to include the need to advance the development of integrated and de-racialized human settlements and quality housing. The launch of the provincial Breaking New Ground housing programme last year marked our commitment to the development of socially inclusive settlements which are intended to reverse the inherited distortions of the apartheid space economy.

In the State of the Province Address in February last year, we committed to the construction of 500 units in Thaba Chweu as part of our roll-out of the Breaking New Ground programme. I am pleased to report that work is already underway for the construction of 548 housing units in Thaba Chweu. All in all, our housing programme is now back on track. The bold step we took to address all unfinished projects across the province will now allow the new Administration to start housing delivery on a clean slate, with improved management capacities.

## **Education**

Madam Speaker, improved access to quality education remains one of the crucial levers of social development and progress in any developing society such as ours. As a basic human right, education is one of the most powerful tools to develop the human capital that is able to drive high levels of economic growth, reduce poverty and break inter-generational cycles of poverty.

Notwithstanding challenges that still face us in the provincial education system, we believe the overall systemic improvements to broaden access to education constitute significant achievements under the current administration.

Over the last five years, the Province has invested substantial resources to cater for the increased demand and expansion of opportunities for broadened access to education. As part of advancing the achievement of the Millennium Development Goals (MDG) equity targets, this period has seen the increase in the number of girl children gaining access to education. Although female enrolments in the system remain slightly less at 49,64%, the overall female enrolment growth trend is a good indication that Mpumalanga will reach the equity targets of the Millennium Development Goals by 2010.

Madam Speaker, in the February 2008 State of the Province Address, I articulated the critical importance of Early Childhood Development to ensure that we provide the necessary learning foundation that will impact positively on future learning performance and educational attainment of young children. In this regard, we have made significant progress in expanding access to early childhood development. The number of learners accessing ECD grew from 18,301 in 2004 to 50,196 in 2008. The number of ECD Practitioners doubled from 750 in 2004 to 1,785 in 2008.

Madam Speaker, poverty remains one of the key barriers to accessing education and development opportunities by the poor households, resulting in children not attending school because parents cannot afford school fees. As part of the national effort to address the plight of the poor, the Province has ensured that the 'no fee' schools policy is effectively implemented. To date, 952 schools have been declared 'No Fee' schools, benefiting 420,238 learners.

To mitigate the impact of poverty on poor learners, the implementation of the school nutrition is benefiting 573,725 learners, representing 40% of the total learner enrolments in the schooling system. This programme will be extended to all Quintile 1 secondary schools in April this year.

Critically, the challenge facing our education system is ensuring that we continue to work hard to improve the quality of education and performance of perennially low-performing schools. This will contribute to enhancing learner attainment levels across all grades, including matric. Working collaboratively with the national Department of Education, it is crucial to strengthen systems and processes for managing matric examinations so that we prevent the recurrence of the experience we had at the end of last year's matric examinations.

In this regard, I would like to apologize to the parents and students whose results were delayed or may still be outstanding for one reason or another for failing them in our management of systems and processes, thereby subjecting them to undue anxiety and inconvenience. The debacle surrounding the delayed matric results must never be repeated. The managerial and administrative failures involved at both the provincial and national level have come close to undermining the integrity of the State. The report of the Ministerial Special Investigating Team must be properly studied and its recommendations be actioned without further delay.

## **Health**

Madam Speaker, access to quality comprehensive health care is a critical measure of progress we have made towards improving the quality of life for the citizens of the Mpumalanga.

As a Province, we have worked hard over the last five years to contribute to the national effort to meet the health related Millennium Development Goals of reducing infant mortality and maternal mortality, and reversing the spread of HIV and AIDS, tuberculosis, and malaria.

Madam Speaker, the fight against the devastating impact of HIV and AIDS is one of the social development priorities that my administration pursued relentlessly to ensure that we contain the prevalence of this pandemic.

As part of strengthening our capabilities to drive the implementation of HIV and Aids initiatives, last year saw the re-launch of the Provincial Aids Council. This was an important commitment to mobilise stakeholder partnerships and support for the accelerated implementation of the national HIV and AIDS strategy.

We are encouraged by the progress we have made in ensuring that 157 facilities are providing dual therapy for the Prevention of Mother-to-Child Transmission. To further expand access to comprehensive care, treatment and support to those infected with HIV and Aids, the number of wellness centres providing access to anti-retroviral treatment has increased from zero when we launched the first six in 2004, to 33 in 2008. As at the end of December last year, 39,878 patients were accessing anti-retroviral treatment.

Madam Speaker, we took note of the recently publicised shortage of ARV drugs threatened to impact negatively on the beneficiaries of our ARV treatment programme. However, I am pleased to indicate that the information peddled was not accurate and therefore misleading. Our Health Department has procedures through which the exposure of patients because of such shortages is prevented.

We have always been conscious of the obligation to expand primary health care facilities to ensure that we are able to reach as many people as possible. To improve access, we have over the last five years ensured that the number of primary health care (PHC) facilities has increased from 167 in 2004 to 270 in 2008.

Honourable Members, in the State of the Province Address in February last year, we acknowledged serious challenges confronting the health sector and committed that the Department of Health would put in place a multi-pronged turnaround plan to address identified challenges that impede the effective delivery of health care services to the people of Mpumalanga. I am pleased to report to this house that work on the implementation of the key pillars of the turnaround plan has commenced. Among other things, the plan has begun to address human resource and organisational design issues to improve efficiencies and unlock capabilities at different levels of health care delivery system.

As part of this transformation plan, the erstwhile Department of Health and Social Services has been reconfigured into two separate departments with distinct mandates and dedicated personnel. An appropriate organizational structure for the Department of Health has been developed to enhance management and implementation capacities at different levels of the organization. Among other key initiatives, we have ensured that 1,129 health professionals have been appointed to address shortages in crucial areas of health service delivery. Quality improvement plans have been developed for our hospitals to enhance responsiveness, turnaround times and efficiency in our health care delivery system.

Despite progress that the current Administration has made in key areas of the health care delivery system, there are challenges that still need to be addressed as part of the ongoing turnaround of the health care system in the Province. Among these is the revitalisation of our health facilities. This work still requires close monitoring going forward because it lies at the heart of the consolidation of our health services. The revamped organisational state of the Department will go a long way in addressing this challenge.

### **Heritage and Greening**

Madam Speaker, our rich and diverse heritage defines our past as the people of Mpumalanga and accords us an opportunity to reflect on how we continue to nurture a shared sense of nationhood and promote social cohesion.

In part, our history and heritage draws on the inspirational narratives of the struggle for freedom and democracy and the relentless pursuit for creating a just and caring society. As we tackle the development challenges of our time, the core values and the legacy of heroism and sacrifice of countless South Africans who fought for liberation continues to mobilise and inspire our commitment towards creating a better life for the people of Mpumalanga.

In contributing to preserving and celebrating our history and heritage, the Province erected cenotaphs in honour and recognition of our struggle martyrs and heroes. The cenotaphs in Nkangala, Ehlanzeni and Gert Sibande are indelible inscriptions of our history that must inspire future generations to emulate the values of selfless service to create a better society.

As part of the commemoration of the 50th anniversary of the potato boycott, we unveiled Gert Sibande's befitting monument in Bethal to salute and honour the contribution of Gert Sibande and his fellow freedom fighters who organised this boycott to highlight the appalling and repressive conditions under which farm labourers worked and lived. In our time, this monument should represent our collective rejection of the repulsive behaviour of some of the unrepentant racist farmers who continue to perpetrate abuse against workers on the farms.

Madam Speaker, to immortalise the legacy of Gert Sibande, the Province has commissioned the musical theatre production based on the life and times of Gert Sibande. Through this musical theatre production, we have unlocked opportunities to develop local dance and musical talent, and provided the necessary platform for the youth of the Province to hone their artistic talents while narrating the story of our liberation heritage. That production, Madam Speaker, is now at an advanced stage and I have reason to be elated because it is destined to leave theatre lovers in this country spell-bound.

Madam Speaker, as part of the implementation of the Heritage, Greening Mpumalanga and Tourism flagship, we are heartened by the progress we have made in preserving and restoring the Province's

cultural and natural heritage in a way that promotes the diversification and expansion of tourism development. However, I believe this is only the beginning of a long exciting journey for the province.

Enhancing biodiversity conservation, sustainable development and effective environmental management practices are essential elements of creating a `green` Province. The degradation of the environment requires collective commitment towards improving management systems that reverse the negative consequences of pollution and unsustainable development practices.

Madam Speaker, initiatives to address environmental management issues include, among others, the installation of nine air quality monitoring stations to reduce pollution and meet ambient air quality standards, the promotion of the cleanest town competition and clean-up campaigns to contribute to the vision of our `greening` agenda. I am pleased to report that the Emalahleni - Steve Tshwete concentration on the Highveld, and the national highest air pollution zone, is now equipped with nine air quality monitoring stations, thanks to the collaboration between the province and the Department of Environmental Affairs and Tourism in this endeavour.

### **Governance**

Madam Speaker, the task of creating a caring and just society requires the existence of strong public institutions that have requisite capabilities to guide policy development and implementation. These institutions are characterised by a strong culture of sound governance, transparency and accountability to the citizens of the Province.

When we took office in 2004, we understood one of the important tasks we had to make a contribution towards building an organisation that would last.

To build Mpumalanga Provincial Government as a public institution whose continued progress will not be dependent on the coming and going of politicians, but fashioned by the collective and a shared understanding of things that must be done professionally to improve the lives of citizens for the better, irrespective of who enjoy the privilege of using blue lamps.

Madam Speaker, we prioritised the need to enhance management and leadership performance to ensure that the Province is able to deliver on its development and service delivery priorities. Following the management skills audit that was conducted in 2004, the Province elevated the implementation of the Accelerated Capacity Building flagship as part of the `Big Five` flagship programmes.

Through the Accelerated Capacity Building flagship programme, government paid particular attention to honing the skills of the management echelons of government to ensure that managers have requisite leadership and management skills to perform their jobs. Alongside this, we focused on improving organisational performance through the effective implementation of performance management systems, recruitment and retention of appropriately skilled managers.

To date, 126 senior managers have been afforded the opportunity to attend the Executive Development Programme that empowers them to enhance their management and leadership skills. The Executive Coaching Programme has also been implemented to complement leadership capacities for selected senior managers.

Madam Speaker, when we assumed office in 2004, we were cognisant of the need to enhance organisational capacities of various Departments to spend financial resources to achieve their respective service delivery mandates. Over the last five years, we have seen sustained improvements in the utilisation of resources allocated to Departments, attesting to our growing capacity to execute our service delivery responsibilities. For all these achievements I wish to pay tribute to Members of the Executive Council of our province for their steadfastness and the single-minded way with which they approached this challenge.

In spite of the increased constraints to delivery due to both negative global and domestic factors over the last ten months, our administration has sustained a growing spending capacity of the province progressively since 2004. For the first time this financial year, 2008/09, our mid-year expenditure

projections anticipated overspending to the tune of R1,2 billion. These trends have reliably tracked the volume of work the province has been able to do, year-on-year.

Despite challenges in local government, our overall assessment confirms that over the last five years we have experienced significant improvements in the capacity of local government to effectively deliver services. There also are indications of improved corporate governance of municipalities in the Province. One of the areas of improvement is the ability of our municipalities to submit financial statements to the Auditor-General. Improvements in the audit performance by many of our municipalities are a cause for optimism.

The high level of expenditure in the Municipal Infrastructure Grant (MIG) suggests increased capacities by municipalities to accelerate the roll-out of infrastructure projects. On average, the municipalities have spent 90% of the municipal infrastructure grants (MIG) in this financial year. Still and all, the secret behind the delivery in any municipality is political stability. Where it is lost, delivery inevitably collapses.

Madam Speaker, strong partnerships between government and traditional leadership institutions are essential in improving the quality of service delivery in areas under the jurisdiction of traditional leaders. Over the last five years, the Province has enjoyed a constructive and fruitful relationship with the institution of traditional leadership in the Province. In 2005, we finalised the Mpumalanga Traditional Leadership and Governance Act and the Mpumalanga Provincial House and Local Houses of Traditional Leaders Act to guide the operations and the institutionalization of traditional leadership. We have successfully conducted elections to reconstitute 53 out of 59 of our Traditional Councils by electing the 40% which was to be directly elected by members of the community. The remaining traditional councils will be reconstituted once all outstanding issues have been resolved.

I wish to take this opportunity to thank all traditional leaders most sincerely for their cooperation and congratulate the MEC for a job well done.

As government, we will continue to provide the necessary support to the traditional councils to ensure that they are able to function effectively.

Government will ensure that the capacity building programme for traditional leaders is implemented to enable traditional leaders to perform their tasks effectively. We will soon take through Cabinet policy that will guide the provision of resources to traditional leaders, their tools of trade, so to speak.

Madam Speaker, the negative impact of crime remains one of the serious threats to social development, progress and realization of human rights and freedom.

The fight against crime remains a major priority. It requires the mobilisation of partnerships between law enforcement agencies, business and communities to bring the perpetrators of crime to justice.

As part of mass mobilisation against crime, the Province will continue to conduct izimbizo to raise awareness about the role communities should play to combat the scourge of crime. Community safety forums have been established in 31 prioritised police stations to help combat crime. Volunteers have been recruited to participate in crime prevention initiatives. Working together, we can do more to defeat the scourge of crime.

Madam Speaker, over the last five years, we have ensured that our international relations are strategically targeted to enhance the implementation of the provincial priorities, including the `Big Five` flagships and the 2010 World Cup programme.

Our twinning partnership with the Province of Alberta in Canada continues to strengthen cooperation on programmes of sustainable environmental management. As part of ongoing capacity building, the Executive Council and District Executive Mayors undertook a study tour to the Province of Alberta in Canada in 2006 to benchmark, learn and share experiences on environmental management issues with their counterparts and draw lessons for implementation in Mpumalanga. Lessons learned are currently being implemented by Province to advance our `greening` agenda.

In promoting the objectives of NEPAD and regional cooperation within the African continent, we have renewed our Memoranda of Understanding with Maputo Province and the newly formed Maputo City Province in Mozambique. We also signed a new Memorandum of Understanding with the Governorate of Ismailia in Egypt. Among others, our cooperation with these African Provinces focuses on strengthening trade and investment, agriculture, tourism development, culture, as well as the implementation of the 2010 World Cup Programme.

We are pleased that with the renewed interest in the Maputo Development Corridor our cooperation has begun to facilitate the identification of joint projects between Mpumalanga and Mozambican provinces.

Madam Speaker, the Province also renewed the Memorandum of Understanding with the Province of North Rhine Westphalia to strengthen cooperation on the preparation for the 2010 FIFA Soccer World Cup, good governance, sports and youth development, economic development as well as health and HIV & AIDS.

The experience of Germany in hosting the World Cup in 2006 has enabled North Rhine Westphalia to provide our Province with invaluable technical expertise in the preparation for hosting the World Cup games in the Province. As part of the Youth Empowerment Scheme through Sport programme, 604 educators have been trained as soccer coaches. The Scouts Mpumalanga and Nangu Thina NRW initiative has assisted our youth in the Province with scout and life skill courses.

Honourable Members, we have continued to strengthen our partnership with the provinces of Sichuan and Chongqing in the People`s Republic of China. We have renewed our Memoranda of Understanding to pursue collaboration on programmes of economic development, human resource development and agriculture. Programmes for implementation have been identified.

Despite progress we have made in enhancing the Province`s relationship with the outside world, our overall assessment is that our capacity to derive more value from international partnerships remains a challenge that requires attention. Critically, we need to accelerate implementation and improve the monitoring and implementation of projects emanating from twinning partnerships. Equally, the coordination of municipal international relations programme should be prioritised to ensure that municipalities align their international programmes to contribute to existing provincial twinning partnerships.

### **2010 World Cup Programme**

Madam Speaker, we are satisfied with progress that Mbombela municipality has made following the Provincial Government`s intervention last year to assist the municipality in addressing management challenges that threatened to derail our preparations for the 2010 World Cup. Our intervention in accordance with the provisions of Section 139 of the Constitution was managed to its logical conclusion. On behalf of our Administration, I wish to convey our appreciation to Mr Mpungose, the Administrator who was appointed to normalise the administration of Mbombela for a job well done. We wish the new Mayor of Mbombela, Clr Lassy Chiwayo well, and hope and trust that, under his stewardship, the municipality will claw back to its past glory days.

Significant progress has been made in the preparations for the hosting of the 2010 FIFA World by the Province. It is particularly pleasing that the construction of the stadium is on course, and is due for completion in August this year, four months ahead of the FIFA stipulated December deadline.

Work on the implementation of the FIFA World Cup related projects to which government has committed is progressing well in terms of agreed plans.

Notwithstanding challenges in some areas, we are satisfied that there is satisfactory progress in the implementation of sector plans. Among others, the Public Transport Operational Plan is in place. Construction has commenced on the Matsafeni Access Road, the R40 High Occupancy Vehicle Lane, and the P166 and N4 interchange site. The Disaster Management Centre is operational at a temporary

site while the permanent Disaster Management Centre is under construction. An integrated 2010 Safety and Security Plan has been developed.

Madam Speaker, let me briefly return to the subject of the awakening of the oriental dragon of today, or shall we say of the future, and its fascinations, the People's Republic of China (PRC). It is true that there are many criticisms from those who study Development Perspectives, about development the China way. However, with the content of what constitute development defined and agreed upon, it is a challenge to find anything that parallels the Chinese phenomenon in the stakes of rapid accelerated development today.

Honourable Members, the plain truth is that there are many inspirational things about Chinese. For instance, it is probably understandable for construction workers not to feel excited about delivering infrastructure that is privately-owned, no matter how aesthetically exhilarating its design may be. But building public infrastructure that is expressly intended to showcase your country to the world, especially when you have never had anything like it before as a community, must be an exceptional experience.

We were moved by the excitement and enthusiasm of the Chinese about building one dam for close to eight years, simply from the knowledge that they are building the biggest dam in the world.

The alienation and apparent indifference evinced by the workforce in some of our 2010 infrastructure projects is, I believe, to every observer unhealthy and does not bode well for our country. Whatever it is that makes them not to be proud and excited about it, must be tackled at its roots. It is my plea that those from our communities who are involved in building all the infrastructure we have referred to above, the stadia, the roads etcetera, must consider building them the Chinese way, with pride and excitement, because it is after all their property.

Madam Speaker, last year we were privileged to host the Cosafa Cup games and the Mpumalanga Premier's International Football Cup as part of enhancing mass mobilisation and participation. In the Cosafa games, 13 Southern African countries were hosted by the Province during the period of the Cosafa Cup games, enabling the Province to collaborate with soccer bodies on the continent to promote interest and mass participation in World Cup related build-up events.

## **Conclusion**

Honourable Members, the story of change and advances made in Mpumalanga over the last five years we owe to the complimentary leadership role we enjoyed as the Executive from this august body, our provincial Legislature. The hard work by all members, individually and collectively, contributed to the quality of work the province was able to deliver. I know of many Members, our former Chief Whip included, who made us earn our salaries, who came to the House evidently over-prepared when they were dealing with the work of the Executive, and made us not fluff the business of government. May our Legislature keep up that constructive spirit.

Madam Speaker, at the end of the day we are just politicians; the people whose actions were busy transforming this province is our civil servants at all levels, in particular our senior managers as headed by our HOD's. On behalf of our Executive I wish to convey our appreciation for the good things done, especially those managers who did not say, "It is far safer to blend in and nurture the common touch." Who did not go by the Machiavellian dictum, "Think as you like but behave like others" so that you are not punished for making them feel inferior.

To our senior managers, the past five years have been a period of tremendous growth in my personal life, thank you for the free education you shared. Let me leave you with the edifying words of one of America's best sons and a statesman of the mid-19th Century, President Abraham Lincoln, "Let us have faith that right makes might, and in that faith, let us, to the end, dare to do our duty as we understand it."

To my colleagues in the Executive over the last five years; some say people get the rulers they deserve. Thank you for always believing that our people deserve better and always seek to give your best in

everything you do because of your respect for where our country comes from. And in so doing seek to challenge what the celebrated African writer, Chinua Achebe, lamented when he said the ordinary citizens of Africa are like sane people who find themselves trapped in a dangerous and rowdy madhouse; "the lunatics may be outnumbered but they own the place."

Despite challenges and constraints we encountered in meeting the social developmental outcomes we sought to achieve during this period of our administration, we are confident that, as a Province, we have contributed immensely to the progressive realization of fundamental socio-economic rights that the citizens of Mpumalanga are entitled to enjoy.

The future of our province is pregnant with endless possibilities to further improve the quality of life of Mpumalanga citizens whilst ensuring that the province occupies its rightful place in advancing the material prosperity of our country.

Let us confidently hope that all will yet be well.

I thank you.