
DEBATES AND PROCEEDINGS OF THE THIRD

KWAZULU-NATAL LEGISLATURE

FIFTH SESSION

THIRD LEGISLATURE

WEDNESDAY, 25 FEBRUARY 2009

**THE HOUSE MET AT 10:04 IN THE LEGISLATIVE CHAMBER,
PIETERMARITZBURG.**

- 1. SILENT PRAYER OR MEDITATION, OR READING OF THE PRAYER IN
SCHEDULE 2.**

The Speaker, Mr T W Mchunu, took the Chair and read the prayer.

- 2. OBITUARIES AND OTHER CEREMONIAL MATTERS**

THE SPEAKER: There are no obituaries.

- 3. ANNOUNCEMENTS BY THE SPEAKER**

THE SPEAKER: I just want to recognise our hon members from the National Council of Provinces who are here with us today. Thank you very much, hon members of the NCOP from KwaZulu-Natal, for being with your Legislature today. They are the hon Mrs Oliphant who is the Deputy Chair of the House; Mr Chris Ntuli who is the Whip of the KwaZulu-Natal delegation and Mrs Mchunu. Macingwane! Ndabezitha!

I also need to announce that when we adjourn after today's sitting, we have arranged that those hon members who are present will take a group photo as part of the institutional memory of this Legislature. There are new hon members who were not part of taking any photos in the past, so we are accommodating that. There are hon members who will be leaving us, who will not be coming back. We want to remember them on this occasion.

However, I also want to announce that the Legislature will not rise today. There has been some speculation as to whether this is our last sitting and that the Legislature is therefore rising at the end of its business. We still have 50 odd days to the election and therefore anything is still possible. This institution wants to ensure that when we say the Legislature is rising in this session, we do it because we know that for a fact. We prefer to be on the safe side. I have had a discussion with the hon Chief Whip of the Legislature, and I am sure he will be able to explain our rationale to other Whips. We, together with the Whips, will work out the final, final rising day of the Legislature. That is why, hon Premier, hon Burrows and hon Mrs Ambler-Moore, we do not say goodbye to you today. We know you may not want to come back again. [Laughter] We know that, but we know that we will persuade you. We will use our powers of persuasion to convince you to attend the final and rising sitting of this Legislature. We know you will be persuaded. We have a way of persuading you. Please bear with us. We are acutely aware of our obligations towards our hon colleagues with whom we have served. That is the announcement I wanted to make.

There is an apology from the hon Mr B H Cele, MEC for Transport, Community Safety and Liaison.

I also need to indicate that the hon Deputy Speaker is much improved and back on duty, but we do have an MEC who is unwell. The hon Dr B M Radebe still remains on sick leave.

4. ANNOUNCEMENTS OR REPORTS BY THE PREMIER

THE SPEAKER: Mr Premier, are there any announcements from your side?

DR J S NDEBELE (Premier of KwaZulu-Natal): Mr Speaker, thank you. I have no announcements to make.

THE SPEAKER: Thank you, hon Premier.

5. TABLING OF REPORTS OR PAPERS

THE SPEAKER: Hon members, I am the first one to table a report. This is a report on Taking the Legislature to the People. We are compiling reports on a number of aspects regarding the programmes of the Legislature, and this is the first one that we are tabling

here today. I hope it will be of use to hon members, and I hope it will also be of use to those hon members who will come back and take forward these programmes, or review them with a view to ending them.

Are there any further tabling of reports? No? There is a Whip of the Opposition who is very observant and has drawn my attention to an error which we must correct in the House, as well as in our Hansard. I do not know why I imagined that Mrs Oliphant is the Deputy Chair. She is, of course, the Chair of Committees in the NCOP. If that came out incorrectly, I apologise profusely to Mrs Oliphant. Being a long-standing colleague of mine, she will understand that I did not have any intention of diminishing her stature or misleading hon members about her position. Hon members of the Legislature and members of the public, I am sorry about any incorrect pronouncement that has been made.

6. FORMAL MOTIONS AND NOTICES BY THE CHIEF WHIP

THE SPEAKER: Hon Chief Whip, are there any formal notices of motions?

MR V C XABA (Chief Whip of the Legislature): Mr Speaker, I have no motions and/or reports to table today. Thank you very much.

THE SPEAKER: Thank you, Chief Whip.

7. NOTICES OF BILLS OR MOTIONS

THE SPEAKER: Hon members, I do believe that I have captured all your names. If I have not, we will address that problem when the time comes.

MR P N NGCOBO (ANC): Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

This House noting:

That Jozini, kwaMbonambi, Newcastle, kwaNongoma, Nquthu, Ulundi and Umkhanyakude municipalities all received reports with disclaimers;

In Nquthu an amount of R1 389 000 for goods and services was never received by municipalities;

Four companies received payments without valid tax invoices and payments were processed prior to issuing orders;

A company Nkunzemnyama was paid R206 000, exceeding the originally agreed price by R87 000, and

Siyethemba Contractors CC reached a verbal agreement with the municipality to pay salaries amounting to R84 431-00 to its employees, but this has never been seen in the House.

Therefore resolves:

To remind people who live in glass houses not to throw stones.

DR L P H M MTSHALI (IFP): Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

This House noting:

The admission in the media that the provincial Department of Health had knowledge of the past conviction of Mr Leon Mbangwa, but employed him as departmental spokesperson regardless because apparently it was not serious.

Therefore resolves:

To call upon the MEC for Health to kindly explain what criteria her department uses to determine what would constitute a serious fraud conviction.

MR G MARI (DA): Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

This House noting:

The recent disgraceful conduct of the ANC-controlled eThekweni Council and its withholding of title deeds of home owners and using it as a political stunt to woo Indian voters in Phoenix;

The continuing outcry of new home owners for their title deeds to be released, and

The allocation of R46 million by the MEC for Housing to speed up transfers to home owners.

Therefore resolves:

To call on the MEC for Housing to investigate the delays in new home owners not receiving their title deeds upon release by the Deeds Office in Pietermaritzburg.

MR T J DLUDLA (NADECO): Mr Speaker, I hereby give notice that I shall move on the next sitting day of this House:

Le Ndlu:

Ibuka iqiniso lokuthi ngomhlaka 22 Ephreli 2009 abantu baleli zwe bazozikhethela umbuso abawufunayo.

Ibuka izinga lobubha obuhambisana nokungabi namsebenzi kwabantu.

Ibuka izinga lokukhwabanisa elisezibhedlela zalesi sifundazwe.

Le Ndlu inquma kanje:

Ukuncoma kubo bonke abantu abangabavoti ukuvotela i-NADECO enezinjongo zokuqeda inhlupheko.

[This House noting:

The fact that the citizens of this country will elect a government of their choice on 22 April 2009;

The poverty rate and unemployment levels among our people, and;

The incidences of fraud at our public hospitals in this province.

Therefore resolves:

To call on all voters to vote for NADECO which has plans to deal with the eradication of poverty.]

MRS J M DOWNS (ACDP): Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

This House noting:

The economic crisis that has hit South Africa and Trevor Manuel's call to practise restraint;

Noting the Mpumalanga Legislature's four-page advertorial in the independent newspapers; and

The use of taxpayer's money to support the ANC's election campaign, thinly disguised as departmental programmes.

Therefore resolves:

To call on the Legislature to condemn in the strongest possible terms the continuous profligate spending on advertising.

MR B J MSOMI (UDM): Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

Le Ndlu inaka:

Isimo sokungabekezelelani kwezombusazwe siya ngokuba sibi njengoba nsuku zonke ezindaweni ezahlukene sithola imibiko yokuhlukumezeka kwamalungu ethu ngenxa yobulungu babo nje benhlangano ye-*United Democratic Movement*. Lesi-ke isimo esesidlulelwe yisikhathi njengoba sesibe nentando yeningi iminyaka eyishumi nanhlanu.

Ngakho-ke le Ndlu inquma kanje:

Ukuthi ubuholi bamaqembu onke ikakhulukazi kulesi sifundazwe abubonakale noma buzwakale bukuhlaba lokhu okwenzeka ezindaweni lapho kunezinhlango zabo buphinde futhi bufundise izinhlaka zamaqembu ukubaluleka kokubekezelelana kwezombusazwe nobungozi bokuqhubeka nokubandlulula abanye ngenxa yobulungu babo kwamanye amaqembu.

[*This House noting:*

The escalating incidences of political intolerance outlined in the daily reports we receive from various areas regarding the intimidation of our members, purely because of their association with the United Democratic Movement. Political intolerance has outstayed its welcome in our political fold as we are already 15 years into our democratic order.

Therefore resolves:

To call on political party leaders, especially those in this province, to be seen and heard condemning these incidents which take place in their strongholds, and to educate their structures about the importance of political tolerance and the danger of the escalation of discrimination based solely on political affiliation to other political parties.]

MR T JEEBODH (ANC): Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows;

This House noting:

That the past five years of governance under the leadership of ANC Premier S'bu Ndebele and the Legislature under the hon Willies Mchunu has put KwaZulu-Natal on a sound foundation of peace, prosperity and future expansion; and

The words of another great human being, Mr Roger Burrows, who said that "a lot of good has been done" and a lot more needs to be done.

Therefore resolves:

To call on the electorate of KwaZulu-Natal to be proud of these achievements, and

To put their faith in the ANC to take the lead on April 22 so that others can follow.

MRS L RAJKUMAR (IFP): Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

This House noting:

That while the ANC-led government may occasionally enjoy a casual acquaintance with democracy, its departments continue to flounder within the sprawl of mismanagement, fraud and nepotism, and

That recent articles on Mahatma Gandhi Hospital is a reflection of the Department of Health's dismal management with 10 senior staff members having been suspended on allegations of fraud, nepotism and sexual favours.

Therefore resolves:

To call on departments to combat fraud, mismanagement and nepotism which have become popular within the ANC-led government, because this is unacceptable to the taxpayer.

MR J KROG (DA): Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

This House noting:

The major financial losses Ithala is facing with irregular loans awarded to Dolphin Whispers and a housing estate on the North Coast;

Some R300 million in write-offs by the MEC for Finance on the co-operatives funding that Ithala controlled;

The replacement of the CEO of Ithala by the Head of Department of Treasury who has no banking experience, and

Irregular advances to politicians, MECs, their wives, next of kin and senior government officials.

Therefore resolves:

To call on the MEC, Dr Mkhize, to disclose the names of all related parties who were given loans by Ithala during the past four years, in the light of the Premier's undertaking of clean governance.

MR S N MTETWA (ANC): Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

Le Ndlu iyakunaka ukuthi:

Lapho kukhona khona ukubekezelelana nokuthula intuthuko yesizwe ibakhona lapho, nokuthi lapho kunokungabekezelelani nodlame isizwe asithuthuki;

Kwakuyileli langa lomhlaka 25 Febhuwari 1990 e-Kings Park Stadium eThekwini lapho abantu ababengaphezulu kwekhulu lezinkulungwane babehlangene khona ukuzokwemukela *utata* uMadiba. Insizwa endala yafika yanikeza umlayezo woxolo nokuthula yathi 'masithathe izikhali sizifake olwandle'.

Izolo izinhlango zomphakathi ezehlukene zalapha KwaZulu-Natali zisho ngazwi linye ukuthi ukulwa nodlame akusizi. Ntambama le Ndlu ibe seyithatha isinqumo ngo elethu sokuzibophezela ekubekezelelaneni.

Ngakho-ke le Ndlu inquma ukuthi:

KuKhabazela kaMavovo “sesilinde wena uze nokuthuthuka komnotho walesi sifundazwe”.

[*This House noting:*

Where there is political tolerance, a nation will know peace and development, and where there is political intolerance and violence, a nation will not develop;

It was on this day, 25 February 1990, at King's Park Stadium in Durban, when more than 100 000 people converged to welcome Tata Madiba. The old man delivered a message of peace and stability when he said: “Let us throw our weapons in the sea”;

Yesterday, various community organisation in this province unanimously said that fighting and violence do not help, and

Yesterday afternoon, Members of this House took a unanimous decision to commit themselves to political tolerance.

Therefore resolves:

To say to the hon Dr Mkhize: "We are waiting for your administration to develop the economy of this province".]

MR P GOVENDER (IFP): Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

This House noting:

That the highest matric pass rate (77,2%) in KwaZulu-Natal was achieved under the IFP in 2003;

That since then there has been a continuous drop in matric pass rates under the ANC, with an unacceptably low pass rate of 57,8% in 2008;

That workshops for educators and principals held during school hours are one of the contributory factors for this, and

That many classrooms are without educators who attend workshops during daytime.

Therefore resolves:

To call on the MEC for Education to put an immediate end to workshops during school hours and to ensure that educators are in class, teaching.

MR M E MTHIMKHULU (ANC): Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

This House noting:

That since 2004 the people of KwaZulu-Natal have witnessed unprecedented levels of development, especially in historically underdeveloped rural areas which have been under IFP rule since 1975, and

That there is still a lot to be done since there are still areas in our province which need to be developed.

Therefore resolves:

To commend the ANC government for the sterling job it has done for the people in this province, and

To call on all stakeholders to join hands with this government because by working together we can do more.

MR G B BHENGU (IFP): Mr Speaker, I request your Office to check the number of words of this speech that was given by the hon member.

THE SPEAKER: We will have that checked.

END OF CCC 1 done by JAX

8. ORDERS OF THE DAY

THE SPEAKER: Hon members, we will now give an opportunity to the hon MEC to deliver his budget speech.

8.1 BUDGET SPEECH BY MEC FOR FINANCE AND ECONOMIC DEVELOPMENT

THE SPEAKER: Hon members, we have completed that item and now we are ready to go on to item number 8. Item number 8.1 is the Budget Speech by the MEC for Finance and Economic Development. **Insert isiZULU XXX10:29:03**

Can we give a chance to the hon MEC? **Insert isiZULU XXX**

DR Z L MKHIZE (ANC): Thank you Mr Speaker. **Insert isiZULU XXX**

Mr Speaker, hon Premier and colleagues in the Executive, hon members of this Legislature, I rise once again in front of this House to table what will go down in history as one of the most difficult budgets to craft. National and subsequently the provincial economy experienced a number of endogenous and exogenous shocks during 2008. The effects of these shocks will, to a large degree spill over to 2009 and 2010 and will impact negatively on the performance of the national and provincial economies over the short term to medium term.

To begin with, the nation experienced significant electricity supply disruptions and constraints during the first quarter of 2008. Fuel and food prices rose to record levels causing inflation to accelerate rapidly reaching the high of 13.7% annual rate in August 2008. These higher prices together with sustained high interest rates during 2008 reduced purchasing power of households and narrowed profit margins of many firms causing a drag on consumption in business fixed investment. For the first time in a decade, the 2008 third quarter GDP growth rate was measured at a mere 0.2% and it is likely to be negative in the fourth quarter.

In August 2008, mounting losses on sub-prime mortgages and mortgage related securities began straining financial institution in the USA. The repercussions from these losses have triggered a period of severe turbulence in world financial markets. These financial markets crises have not stayed confined to the US financial system but have spread to the real economies of the major economic powers, pushing most of the latter into recession. The UK economy, our major trading partner, will for example register a contraction in 2009. Even in China prolonged the growth engine of the world economy is affected with imports and exports in January reflecting a 17% and 43% decline compared to the previous January.

There is an impact on the South African economy - the South African economy has not been insulated from these events. Although direct impacts have been minimal, direct impacts have been much more significant and will continue to affect the national economy during 2009 and 2010. economic reports are already indicating an overall slow down in employment growth and job losses amounting to tens of thousands in several sectors such as mining and automotive industry. As Minister Manuel stated in his budget some weeks ago, and I quote;

“The storm we spoke of last year has broken and it is more severe than anyone anticipated”.

That statement reminded me of a poem by Dean Thorpe. It is entitled:

The Storm

Hear the thunder rumble, a sound from miles away

Is getting nearer, or over for today

A flash of blinding light, electric in the skies

Looking out the window, it really hurts my eyes

After comes the rumble, the clash of cloud on cloud

Feel the floor vibrating, that one was really loud

Still more lightening flashes, it hits the old oak tree

Lightening in the garden, now that's too close for me

That is the poem that describes our situation. The storm that was thought to be far has finally caught up with us. It is however my belief that we will weather the storm. It may not be easy but with focus, strong will and fiscal discipline, we will come out of the crises.

In tabling the 2008/2009 budget last year, I reaffirmed your commitment to strategy we call “the step-wise rise to prosperity”. This strategy represents government investments at various stages of an ascending ladder to help our people move from poverty to prosperity. The strategy recognised that the wide gap between the impoverished second economy and the privileged elite at the apex of our economic structures could only be addressed through a targeted and incremental process of transformation and empowerment.

In the face of such severe global economic turmoil, our efforts should now single-mindedly be focused on protecting the poor, providing the job opportunities to create a better life and in creating the wealth at the bottom of a pyramid. We will do this by

increasing investment in social services, particularly education, skills development, health and in the development of infrastructure. This is the only way that our province can cushion its people from paralysing effect of the prevailing economic slow down.

STRENGTHENING THE EDUCATION SYSTEM

In the Premier's State of the Province Report and the response by MEC Cronjè clearly indicated that this government has invested and achieved in the Education Sector. A number of schools with sanitation facilities increased from 5 379 to 5 797 in 2008. We also made significant strides in the provision of electricity on our schools; in 2004/2005, 3 916 schools had electricity. By the end of 2008/2009, 4 767 schools had the electricity. The number of outstanding classrooms in the province declined from 13 559 to 7 451 reflecting our efforts at reducing the backlogs but also encouraging is the reduction of the teacher-pupil ratio from 35:1, in 2004/2005 and to a more appropriate 31:1 in 2008/2009. By 2010/2011, the Masifundisane Campaign will have taught more than 670 000 adults how to read and write.

The declaration from the Freedom Charter that the "doors of education and culture shall be opened" remains as relevant today as it was 54 years ago when the Freedom Charter was adopted in Kliptown. It is our considered view that education must be elevated from being a departmental issue, or even a government issue, to a societal issue – one that occupies the attention and energy of all our people.

In order to ensure maximum value of our investment in the education of our children, I call upon teachers, a crucial element of our education delivery machinery, to commit to a set of non-negotiables, that is; to be in class, on time, teaching and not abusing learners or neglecting their duty. Otherwise additional funds will not suffice to solve all the problems. The department's management, school principals, parents and learners must honour their responsibility. Little money can do wonders if the attitude is right.

For its part, the provincial government will continue to improve access of poor South Africans to quality education. This we will do by increasing the number of no-fee schools from 40% to 60%. The budget I am tabling today will indicate the amounts allocated to the expansion of the no-fee schools policy in the coming years.

The total budget for Education has increased from R13 billion in 2004/05 to R21.3 billion

in the current financial year, and is poised to increase further in the coming MTEF. By 2011/12, Education's budget will reach R30.4 billion, making it by far the largest budget in the entire country. Likewise, Education's capital infrastructure budget has increased from R308 million in 2004/05, to well over R1 billion in the current financial year, rising to R2.4 billion in 2011/12.

SKILLS DEVELOPMENT AND YOUTH EMPOWERMENT

Our government places great importance on investment in human capital as a key input and a requirement in pursuit of economic growth. Our commitment to human capital formation is evident in the amount of resources we have dedicated to funding FET colleges – this is in line with the national priority of placing Further Education and Training Colleges at the centre of a drive to develop the skills needed by our country. The nine FET colleges we are financing, provide affordable access to education and training to meet the needs of the labour market and empower our youth. The throughput rate in all our FET colleges has improved from 68% in 2004/ 05 to nearly 90% in 2008/09.

The KwaZulu-Natal Treasury entered into a Youth Skills Development Training partnership with Ifihlile Training Academy in June 2007. The purpose of this pilot partnership is to ensure a complete alignment between training and available employment opportunities. The first intake has focused on technical skills in air-conditioning, refrigeration and construction, with a contribution of R39 million at the inception of this partnership. The successful implementation of this venture was due to the collaboration between the Departments of Education, Public Works, Economic Development, Labour, MERSETA and the Youth Commission, resulting to date in the recruitment of 271 learners since June 2007.

Out of this initial batch of 271 learners, 58 learners in construction are already doing their practical training with respective private companies, 54 learners have secured employment, and 3 have opened their own companies. This partnership, that guarantees employment for learners after completing all the modules, has to be expanded. Government has committed massive resources for infrastructure development in the next three years. Growth in the construction industry reached 12% in the past few years. To take advantage of these opportunities, in the coming months, we will be expanding

this training programme to include short courses in construction, panel beating, spray painting, landscaping and security, in partnership with the eThekweni and Umgungundlovu FET colleges. Through this programme, an additional 10 000 learners will be trained and attached to jobs in the next three years.

Moses Kotane Institute

To further our education and skills development objectives, a few weeks ago the Honourable Premier launched and announced the Moses Kotane Institute, targeted at facilitating youth access to science and mathematics streams of training. The institute will focus on research, innovation, science and technology. In addition, the institute will focus on training scientists to support the agrarian revolution. All of these are crucial tools to be used to arm our youth with the skills that industry will need. Hopefully, this will bring to an end the phenomenon of unemployed graduates. It is sad to see unemployment among young people who have taken the trouble to attend school and universities to learn, simply because of a skills mismatch. This we will aim to obliterate.

ICT Training

The provincial departments of Economic Development and Education are also strengthening these efforts and spearheading another skills development programme in Information Communication Technology (ICT) and Business Process Outsourcing (BPO) in collaboration with the National Institute for Information Technology (NIIT) from India and the Confederation of Indian Industry (CII). An additional 10 000 students from this province are set to undergo intensive training over the next five years. The focus is on software engineering, networking, website development, database development and integration of website development, computer programming and databases. In due course, Economic Development will indicate the number of jobs that will be created through the establishment of BPO centres attached to government departments.

HEALTH

In Health, it will be noted that the budget allocation specifically for HIV and AIDS in KwaZulu-Natal has been rising in the past four years, and continues to do so in the 2009 MTEF, and will reach R2 billion in 2011/12.

Mr Speaker, allow me to share with this House significant progress in the fight against HIV and AIDS:

- In 2004/05, the Department of Health had 11 449 patients in their anti-retroviral treatment (ART) programme,
- In 2006/07 this figure went up to 73 641,
- It went further to 146 537 by 2007/08.
- For the current financial year, the department intends to enrol a total of 205 120 patients. This is what this allocation is going to be dealing with.

Latest statistics suggest a declining trend in the neonatal mortality rates in KwaZulu-Natal. From 11 out of every 1 000 live births in the first 28 days in the year 2004/05, this number has now been reduced to on average nine. The correctness of the district health system and primary health care is demonstrated by the increased rate of primary health care utilisation in the province, from 2004/05 to 2008/09 per person, representing a rise from 18 million to 22 million in the total amount of visits to our institutions in the respective years. We have improved our tuberculosis cure rate from 35% in 2005/06 to 85% in 2007/08. For the past four years, the province has not recorded any deaths from cholera. Our district health and central hospital services have increased their OPD headcount from 1.7 million in 2005/06 to 2.7 million in the current financial year.

Additional resources have been allocated to this department to ensure that the mortality rates are reversed, in line with our targets for the Millennium Development Goals. It has to be accepted that, were it not for the financial constraints, the challenges posed by increased burden of disease in this department deserve a much higher allocation than our fiscus can currently afford.

SUPPORTING SMALL BUSINESSES AND EMPLOYMENT CREATION

A key element of the stepwise rise to prosperity strategy is, of course, the interventions in the informal second economy aimed at supporting co-operatives and small businesses, with the objectives of broadening participation in the economy, creating jobs and making individuals and communities less dependent on the welfare institutions of the state.

Our commitment to the co-operatives programme is demonstrated by the fact that, as I speak, we are into the second day of a major international conference on co-operatives in Durban, the first of its kind in the country opened yesterday by the Premier and attended by national Ministers and a number of delegates from other countries. The purpose is to share experiences and learn from the best practices found in Africa and beyond in relation to the promotion, regulation and management of co-operatives. The fact is that, despite sustained government support since 2005, many co-operatives have been under-performing, while others have failed. For this reason, we have embarked on a comprehensive programme, in partnership with the University of Zululand, which will:

- Rehabilitate under-performing or failed co-operatives;
- Promote and support Financial Services Co-operatives, also known as savings and credit co-operatives;
- Establish a co-operative training centre and co-operative bank; and
- Strengthen and expand the scope of co-operatives in key sectors of the economy.

Since 2005, 1 177 primary co-operatives have received funding from Ithala, amounting to R175 231 248. During this period, 6 033 jobs have been created.

The first few years of the co-operatives campaign has yielded good lessons. For us in KwaZulu-Natal, this strategy is fundamental in bridging the gap between the first and second economies and building the rural economy. The main challenges that we have identified in ensuring the sustainability of the co-operatives have been the inadequacy of training, and a lack of consistent and reliable markets for their services and commodities they produce. Intensive training is underway, utilising a team of specialists from Kenya, brought into the University of Zululand, to bolster the training and ensure that the co-operatives strategy is based on a sound footing. Valuable experiences and lessons have enriched the training of staff, including all regional co-ordinators who have just returned from a month-long training session in Kenya. A group of members from secondary and tertiary co-operatives will be dispatched to Kenya for similar short-course training. Scholarships will be announced soon to recruit hundreds of young people to be trained

as trainers and managers of co-operatives in Africa and further afield.

Going forward, the intention is to create and strengthen tertiary and secondary co-operatives in key sectors such as clothing and textiles, arts and crafts, agriculture and construction. Government procurement processes have been aligned to ensure access to sustainable markets in these sectors.

Secondary and Tertiary co-operatives will be assisted through a combination of grant, bridging and loan financing to acquire inputs such as seed, fertilizer, construction material, bulk fabrics, and sewing and manufacturing equipment at very competitive prices to support their members at a primary and secondary level. To rehabilitate and strengthen SMMEs and co-operatives and improve repayment of loans, we shall embark on massive training that will ensure that communities benefit from value of the money and not cash. This will negate the negative incentive for people who look for cash hand-outs, as we have seen in the past.

The relevant departments will provide more detail, but we need to ensure that, during these challenging times, our budgetary allocation focuses on fighting poverty, creating jobs, and providing services to underprivileged communities. Through these strategies, our budget will be spent at the level of the community.

More details of the model being developed to support co-operatives in these priority sectors will be provided in the departmental speech for Vote 4: Economic Development. We will also be indicating the total investments made in skills development and training for co-operatives, as well as the number of jobs that this investment will generate going forward.

Ithala

Ithala is one of the vehicles used by the province to finance small business development. As Members will know, there has been a leadership change in Ithala. This was done to resolve the differences in understanding the implementation of the mandate of Ithala. We also needed to deploy an individual who understands development finance. The insinuation that this strategic decision is an attempt at “covering up corruption” is as unfortunate as it is incorrect; especially that those who make these statements have not had the benefit of the reports. I also believe that the constant attacks on Ithala as an

institution are unwarranted. I undertake to fully brief the Finance Portfolio Committee on the redeployments, including all investigations, forensic and otherwise that have been undertaken at Ithala. I will do this because I believe that it is the right thing to do. I will also be indicating the progress made by Ithala on their banking licence application, the expansion of its branch network and the increases in its client base. Let me assure this House that all recent decisions were taken for the good of the institution.

Expanded Public Works Programme Incentive grant

In an effort to reduce the impact of job losses as a result of the economic downturn, a new Expanded Public Works Programme Incentive conditional grant has been created. This grant provides an incentive to provinces and local government to utilise labour intensive methods of service delivery, as encapsulated in the EPWP guidelines. An amount of R84 million has been allocated to KwaZulu-Natal to initiate the incentive programme. Because the programme is on a claim-back basis, I therefore call upon all provincial departments to take advantage of this grant.

IMPROVING FOOD SECURITY AND STRENGTHENING RURAL DEVELOPMENT

The programme to strengthen agricultural co-operatives will be supplemented by an increased focus on land reform projects, post-settlement support, and the implementation of the Makhathini Flats Master Plan – all with the objectives of:

- Maximising the agricultural potential of the province;
- Lowering the cost of food and improving food security;
- Creating jobs; and
- Combating poverty.

The provincial government remains convinced that the agricultural sector in the province has an enormous potential to be expanded.

The Economic Cluster of Cabinet has identified major land reform projects across the province, and has developed a model whereby integrated post-settlement support will be

provided to beneficiaries. All relevant provincial departments will be involved. The Land Bank has been approached to assist with the provision of capital and operational finance for these projects.

The Department of Agriculture and Environmental Affairs has been allocated R97.5 million in this MTEF budget as a conditional grant (iLima/Letsema Projects) to implement the Makhathini Master Plan, and to improve food security and production.

This budget furthermore makes provision for a total of R363.4 million to the Departments of Economic Development and Local Government and Traditional Affairs to support the regeneration of small towns, including the building of trading centres in small towns and villages. Feasibility studies will be completed this financial year and the full roll out of this programme will begin in 2009/10.

RESPONDING TO NATURAL DISASTERS

Mr Speaker, KwaZulu-Natal has once again been a victim of several natural disasters in 2008. Within a period of three months (November to January), widespread storm damage affected 9 242 households, displaced 1 821 individuals and claimed 28 lives across all provincial districts. Through the Provincial Disaster Management Centre, KwaZulu-Natal has been able to provide financial assistance to the affected families utilising its own funds. National government has also made a significant financial contribution in an effort to rehabilitate damaged infrastructure.

For 2008/09, National government has allocated a total of R638.5 million to:

- Transport (R616.8 million);
- Education (R16.7 million); and
- Agriculture (R5 million).

For 2009/10, the Department of Housing has been allocated an additional R150 million to rebuild houses destroyed by storms. These allocations are over and above the baseline provisions in the budget.

Fighting crime

Members will recall that KwaZulu-Natal introduced a programme to recruit crime fighting volunteers in 2007/08. Between 2007/08 and 2011/12, a total of R260 million has been allocated to this programme, and by 2009/10 a total of 2 100 will have undergone the necessary training. This is an indication that KwaZulu-Natal is serious about fighting crime. These efforts are over and above the initiatives announced in the budget speech by Minister Manuel, increasing the numbers and remuneration of police and upgrading the criminal justice infrastructure.

ECONOMIC INFRASTRUCTURE INVESTMENTS

As both President Motlanthe and Minister Trevor Manuel have emphasised in recent weeks, government's investment in infrastructure, amounting to R787 billion nationally over the next three years, is key to mitigating the tough economic conditions currently gripping the country.

Roads

In this province, we have made significant investments in economic infrastructure over the last three years, as an integral part of our growth and development strategy. Our provincial roads rank among the best in the country. A total of 1.9 million m² of surfaced roads have been resealed in 2008/09, compared to 679 thousand square metres in 2004/05. Eighteen pedestrian bridges will be completed by the end of the 2008/09 financial year, providing the much needed access to schools and clinics. Some of the roads in the Department of Transport's portfolio are constructed by local residents through the *Zibambele* programme, thus creating much needed employment opportunities for our people. The details were provided by the Premier in his State of the Province address and for sure it will also come out with the departmental vote debate.

DubeTrade Port and international airport

The construction of the new airport at La Mercy is at 50% completion, and the first phase will be completed by May 2010 in time for the 2010 World Cup.

Key milestones achieved to date include:

- The start of the installation of roof sheeting on the passenger terminal building, with final completion of the roof scheduled for June 2009; and

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- The initiation of the installation of the baggage handling system in the terminal.

The Cargo Terminal building is nearing completion, and the Air Bridges, which have been factory tested in Spain, are making their way by sea to Durban. These large structures will be visible to the public as they make their way from the port to the site. Key future milestones include:

- The completion of the building of the Passenger Terminal, Cargo Terminal, Runway, Aprons and Taxiways on 29 January 2010.
- The access road will be completed by 15 March 2010. All other construction related to the airport will be completed by 30 March 2010, followed by a period of testing and commissioning prior to opening in early May 2010.

It is my view, that many people in this province have under-estimated the impact that the Dube Trade Port will have on economic growth and development in the province. The Trade Zone will provide dedicated space for import to, and export from KwaZulu-Natal of high value goods, and by providing the state-of-the-art air freight handling facilities, is expected to attract industries such as motor components, electronics, clothing and textiles, perishables and value-added logistics, which depend on specialised and dedicated cargo handling facilities.

From 1 October 2009, the Emirates Airline will connect KZN with the rest of the world by launching a daily service between Durban and Dubai in the Middle East.

2010 FIFA World Cup Legacy projects

The KwaZulu-Natal government has made a number of infrastructure investments which will ensure that the province successfully hosts the world during the 2010 World Cup, and leaves a lasting legacy for our people beyond the World Cup.

Construction of the world class Moses Mabhida Soccer Stadium, to which the province has made a significant contribution, is well on schedule and, on 13 January 2009, we witnessed the last piece of the 350m arch being fitted. The provincial government has also, through the Department of Local Government and Traditional Affairs, invested a total of R137 million towards the development of other stadia that will be positioned as potential training venues for some of the teams participating in the World Cup.

These include:

- Harry Gwala stadium in Pietermaritzburg;
- Ugu Sports & Leisure Centre in Zotswa, Port Shepstone;
- Umhlathuze Multi-sports Centre in Richards Bay;
- Monte Vista Sports Centre in Newcastle;
- King Goodwill Zwelithini stadium in Umlazi;
- Princess Magogo stadium in KwaMashu; and
- Sugar Ray Xulu stadium in Cleremont.

The provincial Department of Transport, for its part, is spending a total of R2.269 billion in upgrading road infrastructure and improving access to the main soccer venues and the King Shaka International Airport, in preparation for the World Cup.

GOOD GOVERNANCE AND FINANCIAL MANAGEMENT

Mr. Speaker, the House will also recall that, in tabling the 2008/09 budget, I emphasised the importance of good governance and financial management. I would still like to make a similar call to all Accounting Officers to refrain from wasteful expenditure, and exercise prudence in financial management. This call is even more important now that we are faced with serious fiscal resource constraints, both as a province and as a country. We need to do more with less. We need to be able to account properly for the expenditure we incur in our respective departments.

Audit Outcomes

It was such a pleasure to learn of the outcomes of the 2007/08 audits carried out by the Auditor General. Thirteen departments received unqualified audit reports compared to only five in 2004/05. Likewise, the number of qualified audit reports declined from nine to three in the last audit. The province had no disclaimer. This bears testimony to improvements in financial management. We commend the Accounting and Chief Financial Officers for the good work.

Over expenditure

I am, however, disturbed by the prevailing trend of budget overruns in the province. This House will recall that the province over-spent its 2007/08 budget by a net amount of R164.3 million, largely due to the R1.03 billion over-expenditure in the Department of Health. This trend is continuing this financial year. According to the latest in-year monitoring (IYM) report, the province will overspend by R1.9 billion in total, with the Department of Health projecting to over-spend by R1.4 billion. Part of this over-expenditure is explained by an increase in the serious disease burden countrywide, necessitating repetitive visits to health facilities, overshooting of the target for recipients of the Anti Retroviral Treatment, as well as the implementation of the Occupation Specific Dispensation (OSD) for nurses. Of course when it comes to the issue of Anti Retroviral Treatment, if the Department overshoots the targets, which is welcome. In fact, seven out of nine provincial Health departments are projecting to over-spend their 2008/09 allocations. This is the reality we have to contend with and we need to adopt a different approach towards financing Health. While I appreciate these expenditure pressures, I am of the view that we can still do much more to contain over-expenditure. I would like to send an unambiguous message to all Accounting Officers. In general, you cannot spend the budget you do not have. Full stop!

As per Cabinet resolution, I also would like to inform the Accounting Officers that all provincial departments are requested to reduce their *Goods and Services* expenditure by 5% in the 2009/10 financial year and this is a Cabinet decision. We will do this by reducing the use of consultants, promotional advertising, and by using competitive procurement processes. This should allow the province to return to a balanced budget within two financial years. Our Treasury has undertaken a ground-breaking research model that provides micro-analysis of expenditure patterns to track details and location of expenditure right from the smallest item to the last unit. This has proved helpful in identifying areas of over-expenditure, and has been adopted by national departments. It is going to help a lot for the Accounting Officers to know where to try and manage the over-expenditure.

Fighting Corruption

The Premier addressed the matter of corruption as a cause of concern for which the

government has taken major steps to prevent and uproot.

Thirty eight investigations relating to fraud and corruption in the province have been conducted by our forensic investigations team. Some of these have resulted in disciplinary hearings, criminal charges and convictions. A full report in this regard will be given to the Finance Portfolio committee.

We have now been successful in rolling out project *Unembeza* across all provincial departments. As Members will recall, the main objective of this project is to identify fraud and corruption vulnerability in the provincial IT systems and networks. To all of those cyber-fraud syndicates who are hell bent on defrauding the province, this is the message: **We will find you and arrest you.**

The Performance Budgeting System (PBS) is now implemented in all departments. By the end of the first quarter of 2009/10, the province will be able to use PBS to monitor performance against the allocated budget.

These initiatives will go a long way to reduce corruption and improve efficiency.

MUNICIPAL SUPPORT PROGRAMME

Our work in supporting our municipalities continues. Mr. Speaker, this House will recall that the Provincial Treasury introduced the Municipal Support Programme in the 2007/08 financial year. The programme was designed to specifically address the following:

- To identify the cause of financial problems experienced by the municipalities; and
- To implement measures through a financial recovery plan that will place the municipalities on a sound and sustainable financial position.

Provincial Treasury has successfully implemented the first phase of the Municipal Support Programme at seven municipalities: uMgungundlovu and Sisonke District Municipalities, Ubuhlebezwe, Mandeni, Greater Kokstad, Ingwe and Impendle Local Municipalities. Some of the major achievements of the Municipal Support Programme to date include:

- Updating general ledgers;

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- Performing important reconciliations;
 - Implementing conditional grant registers to ensure that unspent grants are cash backed; and
 - Established accurate cash flow status and projections.

A partnership with the Development Bank of Southern Africa's (DBSA) *Siyenza Manje* project as part of Phase 3 has now been formalised and we will be assisting a number of other municipalities.

THE 2009 FISCAL FRAMEWORK – RECEIPTS

Let me now turn to the 2009 fiscal framework. The receipts side of the framework is made up of three main sources, namely the equitable share, conditional grants and provincial own-revenue. After factoring in additional equitable share allocations, conditional grants and increases in provincial own-revenue, the total baseline for KwaZulu-Natal increases from R58 billion in 2008/09 to R60.5 billion in 2009/10, and it rises to R71.7 billion in 2011/12. That is our future focus.

Downward revisions of the Equitable share

Crafting this fiscal framework has not been easy. Let me share with this House the difficulties we have encountered in putting together the 2009 fiscal framework. The first challenge relates to the equitable share allocation for KwaZulu-Natal. This House will know that equitable share allocations are formula-driven. There has been a slight population decline in our province. After updating the statistics that inform the equitable share, KwaZulu-Natal actually had a reduction in its share. A total of R1.5 billion has been reduced from the provincial equitable share over the 2009 MTEF, due to unfavourable trends in the data that informs the formula.

In January 2009, we were further informed by National Treasury that, due to lower than anticipated revenue collection at a national level, which is a direct result of the world-wide economic slowdown, further reductions in the equitable shares of all provinces needed to be made. As a result, KwaZulu-Natal's equitable share was further reduced by R432.3 million in 2009/10, R539.1 million in 2010/11, and R645.3 million in the outer year of the MTEF. This is the first time in many years that we have seen these kinds of

reductions. On a positive note, however, the overall provincial budget is still increasing, albeit at a lower rate compared to the previous years. Over the 2009 MTEF, the provincial budget increases by 10% annually in nominal terms, on average.

In order to protect key social programmes targeted at the poor households and individuals from the negative effects of these reductions, we needed to reprioritise the provincial budget. The reprioritisation allowed us to release a total of about R3.7 billion from the Department of Economic Development's SMMEs, Growth Fund and Co-operatives programmes. This reprioritisation does not mean that we consider these programmes less important. The reprioritisation was necessitated by the tight fiscal constraints we face as a result of the economic downturn. We have, however, retained sufficient resources in the budget to ensure that we still deliver on our development mandate with regard to the SMMEs and Co-operatives programmes.

ADDITIONAL ALLOCATIONS

Let me briefly indicate to the House some of the departments that have received additional allocations. I will not list them all.

Health

The Department of Health's budget increases from R17.8 billion in 2009/10, to R22.2 billion in the outer year of the MTEF. Factored into this budget are additional allocations of R926.2 million, R1.14 billion and R1.71 billion (both equitable share and conditional grants) over the three years to finance both national and provincial priorities. Some of the programmes that will benefit from these additional resources include:

- MDR/XDR Tuberculosis;
- Occupation Specific Dispensation for professional health workers (and the doctors will be following soon after the nurses);
- Combating infant and child mortality;
- Medical goods and services;
- Comprehensive HIV and AIDS programme; and

-
- Hospital Revitalisation programme. Those are the priority areas.

Education

The total budget for the Department of Education rises to R24.8 billion in 2009/10, and will reach R30.4 billion in 2011/12. This includes additional allocations of R895.9 million, R1.46 billion and R2.45 billion over the three years of the MTEF to fund some of the following expenditure areas:

- Increasing the number of teachers to reduce the teacher/learner ratio;
- Extension of No Fee policy to Quintile 3 schools;
- Learner-teacher support material;
- Expansion of the school nutrition programme; and
- School infrastructure.

Social Development

The baseline here increases to R1.1 billion in 2009/10, rising to R1.3 billion by 2011/12 to strengthen care and services to older persons, crime prevention, child care and protection, and services to persons with disabilities. This increase in baseline includes an additional allocation of R107 million to finance early childhood development programme.

Transport

Transport's baseline increases to R4.5 billion in 2009/10, and further to R5.1 billion in 2011/12. This increase includes R734.8 million, R87.3 million and R261.3 million to accommodate expenditure on:

- Road infrastructure;
- Public transport operations; and
- Continued construction of Sani Pass.

Housing

Housing's budget increases to R2.1 billion in 2009/10, rising to R2.8 billion in 2011/12. This increase includes amounts of R439.4 million, R360.8 million and R796.2 million added to the two housing conditional grants, namely:

- Disaster management; and
- Integrated Housing and Human Settlement Development.

This House will also be pleased to know that the province has allocated R72.8 million, R69.9 million and R76.4 million to the **Legislature**. Early last year, the Provincial Treasury and the Legislature undertook a zero-base budgeting exercise to determine whether the baseline for the Legislature is adequate, given the important oversight function the Legislature has to perform. The results of the exercise showed that the baseline was not adequate. Part of this additional allocation is therefore made to correct that inadequacy. Mr Speaker, I am the only one who is cheering. I hear the House is very quiet.

THE SPEAKER: I am actually also very surprised MEC. I thought the House would "Yeh! Yeh!"

DR ZL MKHIZE: Hon Burrows only is allowed to keep quiet because we know he will not be a part of this.

The allocations in the rest of the departments are covered in the table as shown. The additional allocations to departments over the MTEF period are summarised in Table 2.

The Legislature PPP project

It is important for this House to know the progress made with regard to the construction of the new Legislature Complex. As most to us will know, the building of the Legislature will be procured through a Public Private Partnership process. After delays in finalisation of the process due to technical legal issues, the Legislature, with the assistance of the Transaction Advisors, undertook an in-depth review of the feasibility study previously submitted to the National Treasury to align it with the Legislature Policy adopted in October 2008. The required authorisations have now been obtained for both the

Feasibility Study and the Request for Proposals.

The request for the expression of interest was advertised on 7 December 2008, and nineteen groups/persons expressed interest in submitting proposals for the project. The first milestone date is the submission of proposals by the bidders on 27 March 2009, and it is anticipated that financial close could be reached by the end of August 2009, at which stage a final funding commitment must be made by the MEC for Finance.

In a PPP procurement, the first payment is only due after the completion of the complex and the successful relocation of the Legislature, which is expected to be in 2011/12. Details of the estimated cost contained in the feasibility study cannot be made available until the selection of the preferred bidder(s) is made. Once the actual numbers are available, provision will be made in the next MTEF cycle. Of course, we need to understand that the payment processes is not a lump sum that will need to be provided on the spot. It is going to be based on a longer term contract that is going to make the payments more affordable as PPP arrangements are; they are more a re-scheduling of debts and therefore, that will be tabled in this House.

Having made these allocations, the Province of KwaZulu-Natal proudly tables a balanced budget with positive growth. As I mentioned earlier, balancing this budget has been achieved largely through internal reprioritisation of the provincial baseline.

I humbly request Members of the Legislature, as they will be voting on these allocations in the coming days, to familiarise themselves with the details as contained in Budget Statements 1 and 2.

Drafting a budget is a team effort. There are several players who have contributed in various ways to the budget proposals we are tabling today. Let me start by thanking the Premier, Hon. J.S. Ndebele, Manzankosi and the entire Cabinet for the leadership demonstrated in drafting the 2009 MTEF. I am also indebted to Minister Manuel and the rest of Team Finance for the deep insights and technical advice provided on national policy priorities which form the backbone of this budget.

To the Chairperson of the Finance and Economic Development Portfolio Committee, Ms Belinda Scott and the rest of the Committee, I would like to say: Thank you for the robust engagements with the Provincial Treasury on all fiscal matters.

The expenditure proposals contained in this budget have been a matter of intense discussions at the Ministers' Committee on the Budget (Mincom Bud). I therefore extend my sincere appreciation for the work done by the Mincom Bud MECs Thusi and Mabuyakhulu, Ndiyema

Lastly Mr. Speaker, I wish to thank all the officials in both my departments for ensuring that the budget documentation we are presenting today is of high quality. To Siphoshe Shabalala, Mshengu who has just been redeployed to Ithala, thank you Mavuso for your sterling work on the technical aspects of this budget. I would also like to convey the same sentiment to the Acting Head of Treasury, Leslie Magagula, Mthombeni, and the rest of the Treasury team, officials in the Department of Economic Development led by Carol Coetzee and the staff at the Ministry, led by Dr Warwick Daling?? XXX11:26:12, *udokotela*. To my wife, May and my daughters and son, thank you very much for putting up with my hectic schedule. Without all your support, my work would have been impossible.

It is my honour to formally table the Appropriation Bill, 2009 for the Province of KwaZulu-Natal for consideration in this House, together with the Budget Statements and other associated budget documentation.

Mr. Speaker,

When the storm was raging and its power was felt by the economies in the United States, Europe and Asia, the South African economy was resilient. We need to draw strength from that experience and unite and hold each others hands: government, labour, private sector, big business and small business to help our country to survive.

Maybe we may be able to say it in the poetic words of G. Rynk

Thunder BOOMS.

I hear the sound.

Lightning FLASHES.

I see the sight.

The sky turns black within an instant,

A storm begins to form.

The wind blows hard.

I feel its power.

People run.

They try to hide.

They are afraid of the storm.

I do not move.

I stand very still.

I have no fear of the storm.

May South Africa face the storm without fear?

I thank you.

THE SPEAKER: I now refer the Appropriation Bill with all the documents that go with it, to the Portfolio Committee on Finance for its scrutiny, deliberation and report back to this House at an appropriate time and I say appropriate time with due regard to the circumstances that we find ourselves in.

That then concludes our item 8.1 and concludes the business of the legislature for today. There are just a few announcements that I need to make. The first announcement is in respect of a point of order that was raised by Dr B T Buthelezi yesterday. This is my ruling:

A point of order was raised by Dr B T Buthelezi yesterday, in which he asserted that Mrs Tambo referred directly to him in her speech by referring to a qualified doctor and stated that there are sick doctors here. You will also remember that I did indicate that I will refer to the transcript of yesterday. I have since called for a transcript of yesterday's proceedings and I have studied Ms Tambo's speech as it appears in the transcript. The words that appear in the transcript are as follows:

“Mr Speaker, in this House there is a certain sickness which is caused deliberately by certain people. During the committee meetings we discuss and agree on matters, but when we come here, qualified doctors try to change everything that is progressive.”

Those are the words that we have come across which may be taken as a reference to the complaint by Dr Buthelezi. From reading the transcript, it is clear that although Dr Buthelezi was referred to as being the only qualified doctor, it is not clearly stated that he is sick. The message that is conveyed by Mrs Tambo’s statement in the transcript is that Dr Buthelezi agrees on matters in the committee, but changes them when we come to the House. The Standing Rules state that a member may not use offensive language, in terms of Rule 64, or make comments which are extremely injurious to another member. This is however balanced by the freedom of speech which members enjoy in order to facilitate robust debate – Rule 241(2)(k). In my view there is nothing in Mrs Tambo’s speech which is directly offensive or injurious to Dr Buthelezi. It is therefore my ruling that Mrs Tambo’s statements do not infringe our Rules and are in order. [Interjections]

Members who were here yesterday will know that I took very seriously the issues of offensive language. It worries me now that when I am making a ruling on this matter, there are rumblings. I am serious about offensive language and I did make it clear to all members yesterday that it is against the Rule and that it should not be done and that in future, anybody that is caught doing that will be severely dealt with by the Presiding Officer. If Mrs Tambo’s statements in the Hansard had appeared to infringe or to be injurious to Dr Buthelezi, I would not have hesitated to take strong action against her today. I therefore want that to be known, I am clear about it and I do not think there should be rumblings about those matters.

I want to make another announcement. The MEC for Finance and Economic Development, who is also the Leader of Government Business, Dr Z L Mkhize, invites all members of the legislature, all heads of departments, all district mayors, to the lunch at the members’ dining hall. All other invited guests are invited to the lunch at the administration building canteen across the road. There will be ushers in the foyer waiting to usher you across the road. Media personnel are also invited to the administration building canteen to have lunch there.

Moreover, members of the legislature are reminded to join the MEC for the gala dinner to be held today, 25 February 2009, at 17:00 at the Oval Cricket Stadium in Alexandra Park in Pietermaritzburg.

I want to take the opportunity to explain to our invited guests, we are not deliberately discriminating against our guests when we ask them to go across the road. Our dining room here is very small and we have always repeated this thing, the facility is a museum, the facility is an old facility, it was built for a few people, we now have a big legislature, hence the decision to relocate and build a modern facility. [Interjections] These are some of the obvious causes of us having to separate the invited guests from the MEC who invited them. By rights they should be joining the MEC, but we cannot do it and that is the reason. I am also then therefore pleading with our invited guests to understand that there is no intention to discriminate against them.

I am also informed here to make an announcement on behalf of the Chairperson of the Portfolio Committee on Local Government and Traditional Affairs, Mr Kubheka, akaMasobota, that the Portfolio Committee on Local Government and Traditional Affairs will hold its meeting and members of this portfolio committee are requested to be at the caucus room at 13:00 for a short meeting. This is in relation to the 16th Constitutional Amendment Bill. Please, members of the Portfolio Committee on Local Government and Traditional Affairs, must be at the ANC caucus room at 13:00.

There may be members who arrived after I had made an announcement about what we will do after adjournment. I want to repeat that announcement. After this adjournment, we are requesting all members who are present in this legislature today and I am asking Chief Whips, please, if there are any other members who are in their offices, ask them to converge in front of the legislature Chamber, there is a group photograph that will be taken there. The order of sitting and standing will be directed by the legislature staff. All we are asking is for your presence, unless obviously there is a reluctance to be part of a photo of the legislature, but this is an institutional memory, we are trying to preserve that as we go towards the end of this session, these are the members who were present.

Hon members, I now want to just check with the Premier if there are any announcements the Premier wants to make?

DR J S NDEBELE (Premier of KwaZulu-Natal): Thank you very much, Speaker. No

announcements, but thank you for the session.

THE SPEAKER: Thank you, Premier. Hon members, we are now adjourning this House *sine die* in order to allow for all the process to take their course and when we are ready to reconvene, the House should be able to do so. The House is adjourned.

HOUSE ADJOURNED