



WHEN THE SUN RISES
WE WORK HARD TO DELIVER



STATE OF THE PROVINCE ADDRESS

24 February 2017



MPUMALANGA
PROVINCIAL
GOVERNMENT



MPUMALANGA
THE PLACE OF THE RISING SUN

Mpumalanga State of the Province Address by Hon Premier DD Mabuza 24 February 2017, Mbombela

Salutations

Madam Speaker of Mpumalanga Provincial Legislature, Mrs Blessing Thandi Shongwe and Madam Deputy Speaker of the Mpumalanga Provincial Legislature, Ms Violet Siwela;
Cabinet Ministers : Minister of Telecommunications and Postal Services, Mr Siyabonga Cwele, Minister of State Security, Mr David Mahlobo and Minister of Police, Mr Nkosinathi Nhleko;
Foreign Representative in South Africa, Ambassador of the Russian Federation in the Republic of South Africa, His Excellency, Mr Mikhail Ivanovich Petrakov;
South African Representatives Abroad: South African High Commissioner to the Republic of Mozambique, Mr MBM Mpahlwa and the South African High Commissioner to the Kingdom of Swaziland, Mr HHL Mahlangu;
Deputy Ministers: Deputy Minister of Transport, Ms LS Chikunga and Deputy Minister of Rural Development and Land Reform, Mrs KC Mashego-Dlamini
Deputy Speaker of the House of Assembly of the Kingdom of Swaziland, Mrs Ester Dlamini
Members of the Mpumalanga Executive Councils
Distinguished Members of the Diplomatic Community; Mozambique Consul for Mpumalanga and Limpopo, Mrs Ester Tondo, and Counsellor of the Embassy of the Russian Federation to South Africa, Mr Aleksandr Agafonov, and Mozambique Consular Attaché, Mr Pinésio Siteo
Esteemed Members of the Judiciary; Deputy Judge President P.M. Mojapelo of the High Court of South Africa, Gauteng Local Division, Johannesburg, and Deputy Judge President Aubrey Ledwaba of the High Court of South Africa, Gauteng Division, Pretoria.
Members of the National Assembly and permanent delegates to the National Council of Provinces
Members of the Mpumalanga Provincial Legislature
National Deputy Chairperson of the Executive Committee of the House of Traditional Leaders, Ikosi S Mahlangu
Chairperson of the Mpumalanga Province House of Traditional Leaders, Kgoshi LM Mokoena
The national Chairperson of the Public Service Commission: Adv. RK Sizani and Provincial Commissioner of the Public Service Commission, Mr DS Mkhwanazi
The Director-General of Mpumalanga Provincial Government, the Secretary to the Mpumalanga Provincial Legislature, Mr Linda Mwale Executive Mayor of the City of Mbombela Local Municipality, the capital city of the Province, Cllr. Sibusiso Mathonsi,
All Executive Mayors, Speakers, Chief Whips, and Councillors of Districts and Local Municipalities
The Provincial Commissioner of Police Major-General Bethuel Mondli Zuma
Heads of Department, CEO's of Parastals, Chapter 9 Institutions and Municipal Managers
Provincial Chairperson of SALGA, Cllr Muzi Chirwa and the entire provincial leadership of SALGA
Stalwarts and Veterans of the Liberation Struggle;
ANC Provincial Secretary, Cde Mandla Ndlovu and the entire leadership of the Alliance
Our Special Guest Miss South Africa 2016, Ms Ntandoyenkosi Kunene
Officials present
Representatives of labour, Civil Society faith-based organisations, business, sports, traditional and all sectors.
Eminent Group of Social Cohesion Champions;
Ladies and Gentlemen,
Ngiyanibengelela, Dumelang, Lotshani, Avuxeni, Ndimacheroni, Molweni,
Goeie More, Good Morning

The Context

1. Honourable Speaker, this year would have been the 100th birthday of **Mr Oliver Reginald Tambo** - the late leader of the African National Congress who led the struggle for freedom, justice and democracy. A visionary of note, an intellectual giant and a diplomat par excellence!
2. In 1994 we voted for the first time for a democratic state thus ushering in a **new democratic order and respect for human rights**. Our country was filled with hope for what we could become; optimism in the potential of all our people; and faith in the institutions of government.
3. This is what Mr Tambo had fought to achieve so that we build a non-racial, non-sexist, democratic and prosperous South Africa - where all of us live in full enjoyment of **human freedom**.
4. As a nation, we have made great strides towards the realisation of the society envisioned by our forebears.
5. It is **not a textbook journey!** Yet, it is one thrust upon us by circumstances of history. We will continue our efforts until we arrive at our final hour – tirelessly pursuing the attainment of the National Democratic Society!
6. When the ANC declared the Year 2017 as the year of Oliver Tambo, it was not a statement of convenience – but a clarion call for all South Africans to reflect on the life of this **selfless servant of our country** as we confront and tackle the challenges of our times.
7. Oliver Tambo was a **compassionate and principled leader** of all of us - not just the ANC. His life embodied **upright leadership**, and served as a **moral compass** to which world leaders could turn to understand how South Africa would navigate the evolving challenges of repression and isolation that it was subjected to - both at home and internationally.
8. Tambo was relentless in his pursuit for a better country where **all people irrespective of race and gender**, lived in dignity and at peace with one another. This **irrepressible spirit** should be our guiding light within our families, in our communities and our places of work.
9. Even in difficult times, he remained focused on the path to freedom. Our prevailing conditions of high unemployment, poverty and inequality require of us to be **resolute** in building a prosperous Mpumalanga and a better South Africa.
10. That the ANC government has made enormous progress on a number of fronts, cannot be denied. Is it enough? Absolutely not!
11. The challenges facing our people remain part of our **daily lived reality**. Let us remember that Oliver Tambo did not lead a struggle against one of the most brutal regimes - in comfort and convenience. There were hard times, but hope and belief in a better South Africa inspired him to continue the fight for a different future.
12. Equally, our prevailing challenges must not lead us to despair, but should **inspire** us to find **innovative solutions** and employ **collaborative approaches** that will produce a vibrant and caring Mpumalanga!
13. Honourable Speaker, globally a **new world order** seems to be evolving. We are witnessing a rise of populist nationalism both in the Americas and Europe. This may have serious socio-economic ramifications as a result of trade protectionism, which would impact on developing countries and ultimately the lower working classes and the poor.
14. As these shifts happen, it is us who would ultimately **feel the pinch**. Therefore, we need to reflect on our own **state of politics** and our **chosen development path**. We need to ask ourselves whether we have done enough to respond to the plight of the poor and those that may feel let down by the status quo.

15. Let us be clear, our enjoyment of **individual and collective liberties** brought about by this democracy should not be taken for granted. Ours has not just been about democracy, but also about improving the **livelihoods of the impoverished** majority through access to education, healthcare, water, housing, electricity and provision of social security.
16. This occasion allows us to **reflect on our achievements, to identify and acknowledge our shortcomings**, and to put in place measures to address these shortcomings. We must forge ahead with the common purpose of changing the lives of all our people for the better.
17. We do this comforted by the knowledge that the province we live in, is very different from the one we inherited in 1994 and is ripe with **myriad opportunities**.
18. That being said, Honourable Speaker, none of us can deny that some are cynical of this picture of a different Mpumalanga. Their reality is that they are **without gainful employment**; they are living in abject poverty with glaring inequalities.
19. It is therefore very important that as we address this Province we should do so in a manner that **brings hope, restores faith and demonstrates government's commitment to fighting the tri-faced menace** that is unemployment, poverty and inequality.
20. As a province and a people we are in the process of writing a new story. In this story every Mpumalanga citizen is concerned about the wellbeing of all other citizens and the development of our beautiful province. This is the story of **unity**.
21. We must continue to build on the **social solidarity** that helped us to survive the horrors of the Apartheid era. The kind of social solidarity which, through history and heritage, has demonstrated our aspirations to create **a cohesive Mpumalanga society** united by a common vision of peace and prosperity.
22. Peace and prosperity require **stability**. They require that voices are heard and **aspirations supported**. Stability comes with understanding your environment, your strengths and your challenges so that you are able to be **sure-footed** when you take your next steps.
23. Collectively, we must transcend the legacy of our fractured past, racism, ethnicity, and divisive party political ideologies to imagine a **new future for our children** and generations to come, a future full of equal opportunities for all our citizens.
24. Our future must be founded on **unity and social solidarity** so that we forge ahead to deal with our challenges.
 - No child, Black or White, must feel excluded from the future that we are building for this Province,*
 - No child must drop out of school because his/her parents cannot afford school fees,*
 - No person must die because of poor care in our health facilities*
 - No child must sleep hungry because of poverty and deprivation,*
 - No farm work worker must suffer the indignity of abuse and torture,*
 - No farmer, black or white, must relinquish farming for fear of being killed and deprived of production land,*
 - No woman must be subjected to abuse and violence,*
 - No senior citizen must be abused, neglected and left destitute, AND*
 - The dream of every young person must be nurtured and nourished to blossom.*
25. United by our **common vision and purpose**, let us put our shoulders to the wheel, break the barriers to progress and build a prosperous Province.
26. None of us can deny that there is **growing cynicism** from certain quarters of our population who hold a view that the status quo is skewed in favour of the few who have economic power. We must also accept that such cynicism at times is toward those in elected positions.

27. For these people, their lived reality is one of joblessness, poverty and glaring inequalities.
28. Some of the criticism levelled at us as leaders, is of our own making. We get ***preoccupied by our own responsibilities*** of office and spend less time ***talking to the people*** and responding to their needs.
29. The ***arrogance of leadership must give way to humility***. Leaders must listen to the people and respond to the issues raised by our communities. All leaders must make themselves available to lead and unite our communities to advance the vision of a Province that is united in its diversity.
30. It is therefore of critical importance that as we address the people of this Province, we do so noting these contrasting realities and confront them in a manner that brings hope and restores the faith of the people in their elected government.
31. Honourable Speaker, to honour the late Oliver Reginald Tambo we would like to *position the coming year as one of integrity and servant leadership*. By this we mean fostering a commitment to *reflect openly and honestly on our progress to date*. Boldly identifying where we may have faltered and fearlessly *charting an accelerated course of action*, together, that ensures we meet the targets we have set for ourselves and our people.
32. Make no mistake, our people are ***not mere passengers*** on this collective journey, they are our ***drivers***, and when we take a wrong turn they are surely entitled to point it out and to insist that we get back on track.

The Mandate

33. Honourable Speaker, between our last State of the Province Address and now, we have since had ***elections for Councillors*** that will serve our people at ***local level*** for the next five years. A number of challenges on basic services persist in our various municipalities. The task ahead is not easy, but doable.
34. As for the Provincial Government, let us remind ourselves of the contents of our mandate as raised in the 2014 Election Manifesto of the African National Congress, the Mpumalanga Economic Growth and Development Path, our Medium Term Strategic Framework as well as the National Development Plan.
35. We promised our electorate that we will focus on;
- Growing the ***economy and creating decent employment*** to address the triple challenge of unemployment, poverty, and inequality
 - Improving the quality of ***education***
 - Improving our ***health care system*** to ensure that we increase life expectancy and mitigate the negative impact of HIV and AIDS, and opportunistic diseases
 - Ensuring that our people have ***access to basic services*** to improve their quality of life
36. Today, as we do every year, we have come to account on the progress made on each and every one of these key priorities.

Growing the Economy and Creating Jobs

37. Honourable Speaker, despite the economic headwinds we have faced in recent past, economic data shows that the South African economy avoided a recession in 2015, but barely grew in 2016.
38. Within this ***overall pattern of declining growth***, limited domestic investment in the economy by the private sector has negatively impacted on the labour market and constrained our ability to create jobs.
39. At this difficult time, we ***call upon the private sector*** invest in the economy, and join hands with government as we navigate challenging economic conditions.

40. Honourable Speaker, we **strongly condemn the collusive behaviour** of some banks on their currency trading platforms as found by the Competition Commission. This does not bode well for our economy and the confidence we need to inspire to build a dynamic globally competitive economy.
41. The Provincial economy **created 130 000 net jobs** over the past five year period, achieving approximately **36 percent of our annual job creation target** due to lacklustre economic growth.
42. More could have been achieved if it were not for the substantial fluctuation in **global commodity prices**, which was further compounded by the **drought** we experienced over the past two years. The **mining industry** shed 23 000 jobs over the same period.
43. Over the past five years, 77 000 jobs were created in the Province in the community and government services making the public sector the biggest contributor to employment.
44. We continue to make significant headway in the **fight against poverty**. The share of Mpumalanga's population below the poverty line improved to 36.3 per cent in 2015 from 37.6 per cent in 2011.
45. Whilst important strides have been made in setting our economy to work for the people of Mpumalanga, there are still **structural constraints** to economic growth and job creation.
46. Honourable Speaker, the majority of our people who have remained trapped in poverty have demonstrated remarkable patience, showing that they understand that **centuries of structural damage by colonial and successive nationalist apartheid governments** cannot be undone in a few decades
47. We cannot expect them to remain patient forever.
48. True **social transformation** requires **steady and sustainable economic growth**, and here, Honourable Speaker, we have faltered.
49. When we addressed this eminent house last year we were confident that we would be able to rally our resources and, in line with the **National Nine Point Plan**, boost **infrastructure development** as a means to attract investment, accelerate service delivery and drive economic growth and transformation.
50. We have been disappointed.
51. We have not moved at the **envisaged pace** due to a number of factors, both internal and external.
52. However, Honourable Speaker, we have taken action. We have investigated the challenges and identified the shortcomings. The following areas will become **cross cutting priorities** in the coming financial year:
 - We have established **stronger linkages** between our service delivery departments and our lead implementing agent for **infrastructure development** in the Province, the Department of Public Works Roads and Transport. As we refine and finalise our plans for 2017/18 we are pleased to note **tangible improvements in our planning and resourcing processes**, including **acceleration plans** to ensure that projects already committed to are prioritised and completed as soon as possible.
 - Honourable Speaker, to further ensure that our **big ticket infrastructure projects** are rolled out as planned, we will be establishing a **Provincial Project Management Unit** coordinated by the Office of the Premier to manage and oversee these critical projects from start to finish.
 - Where we have experienced delays in the establishment of our **Infrastructure Delivery Fund**, we have ensured that in the interim we can employ our own resources to facilitate the completion of key infrastructure projects.

- We will no longer find ourselves at the mercy of **unscrupulous contractors and sub-contractors** vying for personal gain at the expense of our people and the services they are entitled to. We have established a **panel of experts** from across disciplines in the **built environment** and we will be utilising their expertise in all infrastructure projects to ensure both **value for money and quality deliverables**.
 - 53. Honourable Speaker, we have noted that many in our communities are still unemployed and desperate to escape the poverty trap. It is therefore not surprising that some of our communities express their dissatisfaction with the status quo by **disrupting activities on our building sites**. Whilst the behaviour is unacceptable and causes undue delays, it is understandable.
 - 54. As a Province we have committed to ensure that all our infrastructure projects are as **inclusive** as possible, and to this end, both the leadership and our key officials will ensure that the appropriate **social facilitation processes** accompany project planning and roll out.
 - 55. Honourable Speaker, we are investing in **various social and economic infrastructure projects**, which in the year under review has amounted to more than R2 billion.
 - 56. During this period of our electoral mandate, we have finished the **reconstruction of 16 road projects** totaling 284 kilometers, including the **coal haulage grid**. We have upgraded 74 km of **gravel roads** in highly populated rural areas; and completed the **blading of 10 644 km of municipal roads**;
 - 57. On **health infrastructure**, we have finished the construction of 8 new community health centres, the revitalization of 5 hospitals; the rehabilitation, renovation, refurbishment and maintenance of 61 health facilities; and the replacement of life support equipment across the Province.
 - 58. On **education infrastructure**, we have finished construction of 5 boarding schools; replacement of 28 unsafe schools; completion of basic services and sanitation projects in 222 schools since 2015; construction of 24 Grade R facilities; and construction of 6 new secondary schools. We have finished the construction of 9 new libraries.
 - 59. As part of our infrastructure portfolio, we are pleased to report that the construction of the state-of-the-art **Mpumalanga Traffic College** has been completed.
 - 60. Over the last two and half years of the current administration, we have made progress in the roll out of key municipal infrastructure to improve the quality of service delivery.
 - 61. We have successfully finished **327 water infrastructure projects** benefiting 350 259 households; **165 sanitation projects** benefitting 285 065 households; 85 electrification projects benefiting 48 140 households; 17 solid waste disposal and treatment projects benefiting 146 835 households; 250 km of road and storm water constructed in various municipalities; and we have drilled 582 boreholes equipping various municipalities.
 - 62. Honourable Speaker, although limited resources remain a major obstacle to infrastructure delivery, a total of **R1.9 billion capital investment** has been set aside to continue the construction and completion of the various road upgrade, flood damage and rehabilitation projects.
 - 63. This is by no means a small achievement. No young democracy like ours anywhere in the developing world has ever accomplished what we have achieved. Let history judge the ANC led-government on these achievements and nothing else.
- Leveraging state power for the radical socio-economic transformation agenda**
- 64. Honourable Speaker, our infrastructure delivery programme creates an important platform to **leverage state procurement** for targeted enterprise development in the built environment value chain.
 - 65. We will focus on deliberately **building the capacity of local communities** to participate in the construction and maintenance of their own infrastructure.

66. We will also take necessary measures to **scale up emerging contractor development programmes** to ensure meaningful participation of previously disadvantaged groups within the construction sector.
67. In this regard, we have adopted a **Social Enterprise Model** which seeks to unlock opportunities for **community-based SMMEs and cooperatives** to manufacture and supply construction materials for government infrastructure projects such as integrated human settlements, roads, schools, hospitals, paving for access roads and maintenance of public infrastructure.
68. The main aim is to **support black-owned enterprises** in the manufacture of bricks, doors, tiles, trusses, concrete pipes and many other products in the construction environment.

Revitalisation of township and rural economies

69. Honourable Speaker, as a Province we are now consolidating the implementation of a number of programmes in line with the **Nine Point Plan**. These are already in the pipeline, including the revitalization of township and rural economies.
70. Over the past year, we allocated **R80 million** to ensure the success of this programme. This amount was intended to stimulate economic activity through **financial and technical support** to a range of small and medium enterprises.
71. Amongst MEGA's interventions was the **rehabilitation, of industrial premises** in former homelands and the establishment of partnerships with financial institutions for further funding initiatives.
72. Progress in the establishment of the **SME Fund** has been slower than anticipated but the process is close to finalisation. Once finalised, this will be capitalised at R500 million in joint funding supported by MEGA and Standard Bank.
73. Through this partnership with Standard Bank, we will enhance our **capacity to fund the development of SMMEs** and cooperatives in townships and rural areas.
74. Notwithstanding delays on this front, we have made strides in the disbursements of funding support to small businesses and cooperatives. To date, the **value of loan applications** that MEGA received stands at R72.7 million. These are at various stages of evaluation.
75. Loans totalling an amount of **R49.8 million** were approved and R6.3million will benefit women R7.4million will support youth owned enterprises. R36.9million is directed to rural enterprises and township enterprises will benefit from R2.35million.
76. The anticipated **total number of jobs** created through this support is 1 428.
77. As government, we have resolved to use **state buying power** to procure goods and services produced and supplied by township and rural SMMEs and cooperatives.
78. The **supply of fresh produce** for the Government Nutrition Programme to schools, hospitals, ECD centres and the Traffic College will soon be managed and provided by designated **cooperatives largely owned by women and the youth**. The Executive Council has approved the delivery model and set April 2017 as a date for implementation.
79. Our plan is to empower our people starting from the manufacturers and or producers right up to the end of the **value chain**.
80. Equally, we **call on the private sector partners** to follow suit especially those in the **wholesale and retail sector** to support cooperatives that are in fresh produce, particularly fruits and vegetables.

81. We are collecting further data from all our municipalities on any **existing small businesses** that are either in the agricultural or manufacturing sectors. This data will assist us to understand the capacity of these businesses and prepare targeted interventions where needed.
82. Honourable Speaker, radical socio-economic transformation requires that we take bold and decisive action to deconcentrate patterns of economic ownership and participation through the **targeted deployment of state resources** in support of black-owned enterprises in manufacturing, agriculture and agro-processing, as well as tourism and services.
83. In the coming year, we will commence with the implementation of **key economic transformation initiatives** to drive the development of black-owned businesses.
84. As government, we will designate **a range of products and services** and introduce transversal contracts to achieve cost-effectiveness and efficiencies whilst ensuring that **state procurement** creates opportunities for entrants into the mainstream economy. These products and services will include:
- **Cleaning materials and detergents** – in this regard, we will focus on setting up facilities for the manufacture of chemicals and cleaning materials to supply government.
 - **School and office furniture** – this is intended to create capacity for the manufacture of wood products, including furniture for schools and government
 - **Printing of government materials** – here we intend to provide support to cooperatives and small printing businesses to undertake printing works for government to ensure the establishment or expansion of black-owned printing companies.
 - **Meeting and Conferencing facilities** – here, we want to support the establishment of high capacity black-owned meeting and conference venues with the capacity between 5000 and 7500 seats.
 - **Travel and accommodation services** – in this regard, we will support the establishment or expansion of travel agencies.
 - **Animal feed supply**, – we will begin to support the establishment or expansion of black-owned animal feed production enterprises linked to DARDLEA’s agriculture production support programmes.
 - **Supply of Fertilisers and seeds** – we will explore the feasibility of establishing a black-owned fertiliser manufacturing plant to supply government supported projects as well as the establishment of Nurseries to supply seedlings to government supported fresh produce enterprises.
 - **School uniform, protective clothing, hospital laundry and patient gowns** – in this regard, we intend to identify opportunities for youth and women-owned cooperatives to supply government requirements.
85. Honourable Speaker, we believe these radical economic transformation initiatives can be achieved if there is a collective will to transform our economic landscape. Until we get down to doing the difficult things and boldly charting a new course, the status quo of **skewed economic ownership** and participation will remain.

Land Reform and Rural Development

86. Honourable Speaker, land reform is a fundamental policy of government and is a necessary route to the **full realisation of the Freedom Charter** through the restoration of dignity to the landless and dispossessed majority.

87. Our government has to date, through *the land reform programme*, acquired and allocated **461 946 Hectares** for land redistribution and a further 503 769 Hectares for the settlement of land claims. In the process, a total of almost **R7,5 billion** has been spent by government on these acquisitions.
88. It is of great concern that despite such investment, most of these *farms are lying* fallow without any agricultural activity. This is not right and cannot be accepted. It undermines our efforts of addressing the land question. It affects the agenda of growing the agricultural sector to address food security, and of creating much needed jobs for the unemployed.
89. The situation is further exacerbated by *infighting within Communal Property Institutions*, which hold ownership of these assets. Instead of people focusing on working the land, much of their time is spent fighting over the limited resources.
90. The state of *dysfunctionality and non-compliance* of these Trusts and CPAs is of major concern. They inadvertently *threaten peace* and stability in some communities as is the case in Mpakeni-Mlegeni.
91. We are conscious of the challenges faced by *farm dwellers and farm workers*. Our government is working with the Department of Rural Development and Land Reform, the land owners and the farm dwellers/workers to find *negotiated solutions* to prevailing problems.
92. The *beneficiaries of land reform* have through the Office of the Premier, the Public Protector, the Legislature and the Presidential hotline, reported a number of challenges.
93. It is for these reasons that as the Provincial Government we are approaching the *land reform programme as a critical pillar* of our transformation to bring about equity and dignity to all South Africans.
94. Our *land reform programme* must be anchored to our agenda of *growing the agricultural sector* for both domestic consumption and exports to international markets. This is important for us as a Province because this sector contributes 3.4% of the Gross Domestic Product, accounting for 630 000 formal jobs.
95. As Government, we have in the recent past responded to the decline in productivity by engaging stakeholders through various forums, including the National Land Summit in 2005 and the Vulnerable Workers Forum in 2010.
96. To take this process forward and to comprehensively respond to these issues, we will in the course of next month, host a *Provincial Land Summit* to discuss pertinent policies and issues affecting the land reform programme.
97. Honourable Members, alongside our efforts to address land challenges, we need to urgently intervene to *improve the socio-economic conditions of farm dwellers* to ensure that, like all of us, they live in environments that support their full enjoyment of socio-economic rights and dignity.
98. I am pleased to report that *the Commission on the Socio-Economic Conditions of Farm Dwellers* completed and presented its report in September last year. The report raised critical issues around security of *tenure*, the violation of *rights*, and matters related to *poor access* to key infrastructure and *social services* such as education, health, housing and basic services.
99. In the coming financial year, we will implement an *integrated programme of action* to address the recommendations contained in the Commission's report. An institutional coordinating structure located in the Office of the Premier will mobilise all key stakeholders to work together to deliver programmes that will change the lives of farm dwellers for the better.

Revitalisation of Agriculture and agro-processing

100. Honourable Speaker, we will continue to focus on agriculture as one the key sectors to drive **industrial development and job creation**. The establishment of the **International Fresh Produce Market** remains our critical lever to stimulate increased agricultural production to supply domestic and international markets.
101. Construction of key infrastructure is underway, and we urge all our farmers to unite, organise themselves, and ensure that we are ready for increased demand to supply the Agri-parks and the International Fresh Produce Market.
102. Government is moving with speed to implement Agri-parks in all three Districts of our Province. Two **Farmer Production Support Units** have already been developed by the Department of Rural Development in Bushbuckridge and Nkomazi municipalities respectively.
103. The Feedlot in Mzinti is complete while the packhouse in Bushbuckridge is 90% complete at a cost of R20 million.
104. Honourable Speaker, we are pleased that the **Fortune 40 young incubator programme** is making progress by promoting the participation of youth in the agriculture sector. In its fullness, this programme will see the empowerment of **20 youth owned SMMEs and 20 youth owned cooperatives** fully integrated into the agricultural sector. We must make agriculture attractive to young people not only as a means of employment but as a business.
105. To this end, through this programme we have secured 15 farms, with eight of these being provided with required infrastructure including tractors to enable the farms to start with production. *Seven of these farms are in production and are already selling to the market.*
106. Our focus for the year in this programme is the **provision of inputs** and the **development of infrastructure** in these farms including irrigation, broilers, mechanization, pack-houses and fencing to the tune of R81,917 million.
107. Each farm was allocated a **full time extension advisor** to oversee and mentor these youth throughout the production cycle. We are also subjecting these young people to technical agricultural and farming business management skills.
108. We will have interactions and enter into agreements with *Amakhosi* as part of **supporting agricultural activity on communal land** and this process will identify land that is under-utilised to bring it into full production.
109. We will also continue to **upgrade the Nooitgedacht Research Farm** to build our research capabilities in order to support farmers across a range of farming activities with sound research.
110. We have already procured a **state of the art soil testing machine** for the soil testing laboratory. This will ensure that farming is carried out with scientific rationale and rigor and that all farms we are servicing with inputs, are mapped with up to date soil information.
111. Other agricultural projects include the **re-commissioning of the Bushbuckridge poultry abattoir** as well as the farmer support programme to assist farmers to produce soya and maize to supply the **Lekwa Oilseed Crushing Plant** in Standerton.
112. We are also exploring the viability of **re-opening of the Marapyane Agricultural College**, which is located in Dr JS Moroka Municipality in Nkangala. We need a College that will operate as a farmer-training centre to cater for famers to ensure continuous improvement of their skills and expertise.
113. Honourable Speaker, our success in agriculture calls **for collaborative partnerships among key stakeholders**, including emerging and commercial farmers, manufacturers of agricultural machinery, the Provincial government, as well as universities and research institutions.

114. I am privileged to announce our partnership with the *Mpumalanga Show* to stage one of the biggest, unique and diverse agriculture, forestry, wildlife and tourism shows in the country. This show will create a platform for innovative collaboration and exchange of ideas among industry players.

Growing our Tourism industry

115. Honourable Speaker, the tourism industry in the Province is one of our most strategic sectors and has the potential to grow our economy and contribute to job creation.
116. Despite the lacklustre global economic growth and the decline in disposable income, foreign and domestic tourists have been steadily visiting our shores. Over 1.3 million international tourists visited Mpumalanga in 2015 with international tourists spending R3 billion in our province.
117. As government, we took a decision to invest in our tourism infrastructure to improve the tourism experience in our facilities.
118. We can report that construction work at Manyeleti is progressing well despite initial challenges experienced with community facilitation. All priority infrastructure upgrades will be completed by the end of April this year.
119. We have appointed the transaction adviser to assist with packaging new catalytic projects to attract investment for the development of new tourism products.
120. The development of the Sky Walk, Cable Car, and the 5-star Bourke's Luck hotel are priority projects that have already been registered with National Treasury for public-private partnerships.
121. We are pursuing the nomination of the *Barberton Makhonjwa World Heritage Site*. The draft nomination dossier was submitted to UNESCO in September 2016. We are now in the final stages of the compilation of the nomination dossier and hope for a positive outcome in this regard.
122. As part of promoting Mpumalanga as a destination of choice, we have launched a Convention Bureau to attract and host major international events, conferences and exhibitions. The Convention Bureau will also provide support to the industry to host signature events in the Province.
123. We will need to complement this initiative with a clear strategy on International Air Routes, and target specific airlines to fly directly to our Province. The City of Mbombela must pursue with vigour the issue of building an International Convention Centre and attracting at least one top brand hotel.
124. Another exciting initiative is the partnership with the Ural Association of Tourism in Russia, which will host ten (10) tour operators from Mpumalanga in Yekaterinburg to expose them to the tourism potential of that region.
In return, a similar delegation from Russia's Sverdlovsk Region will visit our Province in May 2017 to document our tourism sites for promotion among tourists in their region. This exchange will assist in expanding our tourists' base.
125. I have since assigned the MEC for Economic Development and Tourism to work on this project, and to ensure that our participation at the International Trade Exhibition to be held in Yekaterinburg in April is a success.
126. On new investments, I am pleased to announce a new *public-private partnership tourism venture*, between Graskop Gorge Lift company in Graskop, Thaba Chweu Local Municipality and the National Empowerment Fund.

127. An outdoor Panorama lift will be constructed, which will ferry people up and down the cliff into the gorge where various elevated walkways such as tree top walks, escarpment walks and river trails will allow visitors to explore this unique environment.
128. The objective is to develop the Graskop Gorge into an adventure center that will serve as a major tourism node on the Panorama Tourist Route.
129. Supporting this outdoor lift system will be a newly constructed retail complex that will provide a multitude of tourism products and services including a restaurant, bar, retail outlets and kids play area.
130. The Second phase of this project will include a 40-bed Boutique Hotel. When completed this venture will cost over R60 million, creating 46 direct jobs and 32 indirect jobs.
131. There will be more seasonal jobs created in and around this venture. Unemployed women and youth are targeted for these jobs. The Graskop Gorge project is expected to commence as soon as next month.
132. Honourable Speaker, central to all these initiatives are deliberate actions towards transformation of the tourism sector to eliminate barriers to entry and broaden ownership and participation by previously disadvantaged individuals.
133. This will include leveraging state procurement to support the growth and expansion of Black-owned enterprises across the tourism value chain.

Strengthening partnerships with the private sector.

134. Honourable Speaker, the context of limited fiscal resources calls for more innovative and collaborative partnerships with the private sector and State Owned Enterprises to respond to economic growth and unemployment challenges. Our success is dependent on sustainable partnerships between government, business, labour and civil society.
135. Our partnership with **ESKOM** has seen a number of initiatives that have contributed to enterprise development and job creation in the Province. The construction of Kusile Power Plant over the last few years has catalysed economic activities around Nkangala District, thereby impacting positively on job creation.
136. As we move forward, we should be cognisant that the Kusile Power Plant presents downstream opportunities from their Fly-ash and Synthetic Gypsum which are major applications in *construction and agriculture*. We will collaborate with Eskom and other role players and come up with concrete multi-year action plans on how to benefit these products.
137. This downstream industrial development will benefit black industrialists and create new export capabilities for the Province.
138. We also appreciate the contribution Eskom has made in supporting enterprise development around each of their power stations. Last year they committed R30m for Cooperative Development that benefits three (3) cooperatives for each power station. These cooperatives will create a total of 145 direct jobs and 415 indirect jobs.
139. Honourable Speaker, we also welcome Sasol's contribution to the economy of the Province.
140. The company is investing R6 billion in the construction of a Fine Ash Dam 6 (FAD6) in Secunda, which is a significant investment with high impact in terms of enterprise development and job creation.
141. This project which will span over three decades, is already employing 481 people and has subcontracted 102 small businesses owned by local people at the pre-first phase stage. We expect that this investment will benefit local contractors.

142. Sasol will also partner with us to support initiatives like building clinics, community centres and schools.
Furthermore, the company has also agreed to absorb some learners who have been completing artisanships with Hydra Arc in Secunda.
143. Honourable Speaker, we are also working closely with SAPPI on the development of the Ngodwana Project, which will contribute a total of R13bn to Mpumalanga's economy over 20 years leading to 300 jobs during construction and a BBBEE procurement spend of ±R626 million. Of this total, R51 million will be spent on SMMEs thereby creating much needed jobs.
144. Honourable Speaker, we are strengthening partnerships in the mining sector to address challenges brought about by the closure of a number of mines leading to retrenchments. Mining remains an important sector of our economy contributing 25.9% of our GDP and employing 53 000 people.
145. The closure of Glencore's Optimum Colliery and the tragic incident at the Lily Mine is one such area where we have had substantial job losses. Last week, together with the Minister of Mineral Resources, we visited this mine and thousands of workers and their dependents are now destitute and living in dehumanising conditions.
146. As government the government of Mpumalanga we continue to work closely with multiple stakeholders in the sector, to limit the negative consequences of this situation. We have to find innovative ways to revive such mines.
147. Our approach will have to be bold and innovative. That is what the situation demands. We have directed MEGA to explore the viability of utilising its current mining holdings as a base from which to build a diversified state owned mining company. We cannot have mining assets in this province that are lying idle and unproductive when unemployment is this high.
148. This initiative will not only create new jobs but will also practically demonstrate our commitment to the growth and development of a sector that will remain a significant contributor to our GDP for some time to come.
149. I am excited that despite this negative outlook in the sector, we are partnering with Exxaro on skills development and enterprise development to ensure that we respond to the plight of communities living around their mine. I am also excited that they have decided to invest in the Province to the tune of R3,8 billion in Belfast. This investment will create 1160 new jobs and the GDP impact over the entire life of the mine is R39 billion.
150. As part of this development, Exxaro will donate 80 Hectares of land to establish an agri-village to accommodate the resettlement of 32 households affected by the establishment of this mine. Exxaro will also invest R50 million as part of the resettlement of these families. As government, we are committed to work with Exxaro as this is a model of sustainable business practice. We also welcome their investment in Leeuwpan Mine to ensure that its life is extended by 10 more years, thus saving 1 200 permanent jobs.
151. Honourable Speaker, we are buoyed by Highveld Steel's announcement that its Structural Mill will be restarted during the second quarter of 2017.
152. Highveld Steel, together with ArcelorMittal South Africa concluded a Contract Manufacturing Agreement that will result in the only medium to heavy Structural Mill in South Africa restarted after Highveld ceased production in 2015.
153. We are happy that this restart will create much needed jobs in Mpumalanga.

Integrated and Sustainable Human Settlements

154. Honourable Speaker, our **physical wellbeing** is as much a factor of our bodily health as it is a factor of the environment within which we live.

155. For those who **have no access to the amenities** that many more of us take for granted, their daily life remains a struggle to meet basic needs rather than an opportunity to explore and define a prosperous future for themselves and their families.
156. **Decent housing**, and the backlog created by the dysfunctional and inequitable investment and development patterns of apartheid remains a priority, but so too is the ability of our citizens to access basic services, schools, healthcare, open spaces for recreation, suitable sports grounds and appropriate places of worship.
157. Our work has evolved away from merely providing much needed **housing units** to the people towards a holistic approach that considers the **broader basket of socio-economic needs** and this is evident in our settlements.
158. We have taken our cue from the **United Nations Habitat** approach, and our planning and investment now considers a range of cross cutting issues including social inclusion, local economic development, urban prosperity and environmental stability.
159. Currently, Honourable Speaker, our approach is to implement our programmes, existing and future in the prioritised areas that experience shortages in respect of basic services, or face rapid population growth. As such, our key human settlement projects are being implemented across the Province.
- The more than R1 billion invested in projects in **Ehlanzeni** will result in the completion of a total of 6 652 housing units in Mashishing, Sabie, Tekwane North and South, Mjindini and Malelane.
 - We set aside more than R5.8 billion for integrated human settlements projects in the **Gert Sibande**. These will comprise of 4 000 units in Standerton Ext.8; 3 500 units in Balfour Ridge; 626 units in Wesselton Ext.7; and 5 465 units in Emzini.
 - In **Nkangala** we are investing R2,47 billion to build 11 450 units in Siyanqoba, 1500 units at Duvha Park, 3 300 units in Siyathuthuka and 2200 units in Rockdale Ext.
160. The roll-out of these projects has seen the creation of more than 3000 job opportunities.

Access to Basic Services

161. Honourable Speaker, I am sure that you will agree with me that any human settlement programme without **the full spectrum of basic services** is little more than a **house of cards**.
162. **Access to basic services** such as water, sanitation, electricity, and refuse removal is what makes our living spaces liveable.
163. When the Statistician-General, Mr Pali Lehohla, presented the Statistics South Africa Community Survey in 2016, he **commended Mpumalanga** Province on its sterling performance in the provision of basic services.
164. Where we have not excelled is reflected in the fact that only **39.4%** of our households have access to **weekly refuse removal**. Whilst we are disappointed with this figure we have chosen to focus on the **green economy aspects of waste management** as a mechanism to deal with the waste challenge, whilst simultaneously creating economic and employment opportunities.
165. Honourable Speaker, whilst the **number of households** in the Province continues to increase year on year, we can report that **90.7%** of these households have access to **electricity**.
166. Current **electrification** projects across the Province will see a further **900 households** benefitting within this year.
167. We cannot, however, speak to **issues of access to electricity** without acknowledging the dire circumstances that some of our municipalities found themselves in January.

168. eMalahleni, Mkhondo, Mbombela, Lekwa, Msukaligwa, and Chief Albert Luthuli **municipalities** faced imminent electricity cuts as a result of the exorbitant amounts owed to Eskom. Whilst we managed to avert a crisis at the time, the predicament persists. It is a complex systemic problem and we have committed, through our department of Cooperative Governance and Traditional Affairs, and our Provincial Treasury to support our local government to resolve the issues strategically and manage future transactions sustainably.
169. Honourable Speaker, **88%** of our households have **access to clean drinking water** and this reflects an **additional 150 933 households** since 2011.
170. It is however **inexcusable** that only **49%** of our households have access to the minimum required standard of **sanitation**.
171. During the State of the Province address last year, we reiterated our commitment to spending a **large portion of our infrastructure budget** on the provision of water and sanitation.
172. That commitment will remain with us until a critical mass on **water and sanitation** has been reached.
173. Testament to this commitment is the fact that, with the 2016/17 **Municipal Infrastructure Grant (MIG) allocation** of R1.8 billion, 265 projects are currently being implemented across the Province.
174. **Water supply and sanitation** are the most important basic services funded through MIG for poor communities and as such, **58% of the grant**, which amount to R1 billion, is **prioritised for 149 water and sanitation projects**. The remaining 42% amounting to R768 million is committed to 116 projects that will include electricity, solid waste, roads, and sports facilities.
175. The following projects are currently underway:
- In **Gert Sibande** we are implementing **47 water and sanitation** projects to the value of **R215 million**. Of the 47 projects under implementation, 7 are completed **benefiting 8 124 households** in various municipalities and creating **129 job opportunities**.
 - In **Chief Albert Luthuli** a water project in Elukwatini B is completed, benefiting **2 410 households** with a further 2 sanitation projects in Emanzana and Elukwatini benefiting **5 034 households**.
 - In **Govan Mbeki** we drilled **25 boreholes** in farm areas, benefiting **230 households**.
 - In **Dr Pixley Ka Isaka Seme** a water reticulation project in Daggakraal has been completed benefiting 90 households. A further 2 sanitation projects in Hlanganani Trust and Sinqobile will benefit 360 households in our rural areas.
 - In **Nkangala** we are implementing 39 water and sanitation projects to the value of R301 million.
 - Of the 39 projects under implementation, there are 2 water and sanitation projects in Kwazamokuhle Ext.8 that have been completed benefiting 395 households within the jurisdiction of Steve Tshwete municipality. A total of 40 job opportunities were created through the projects.
 - In **Ehlanzeni** we are implementing 63 water and sanitation projects to the value of R512 million. Of the 63 projects, 14 water projects have been completed in Bushbuckridge and Nkomazi municipalities benefiting 11 369 households.
176. Municipalities, such as **Nkomazi and Bushbuckridge** are performing well in respect of project implementation and the **National Treasury** is considering giving them **additional MIG funding** in the coming financial year.
177. Overall, however, the performance of our municipalities in respect of basic service delivery does not meet our expectations.

178. Honourable Speaker, we had a frustrating situation in ***Bushbuckridge*** where a significant number of villages had ***internal water reticulation*** completed but they could not receive water. This was largely due to the ***lack of bulk water supply*** that was supposed to connect these villages.
179. We have completed the bulk water supply systems connecting a number of villages like Hluvukani, Zoeknog, Tsakani and others.
180. It is evident from the above that our ***local government institutions*** are still facing ***multiple challenges*** at the coal face of service delivery and we are certain that in this regard, they will continue to require our ***support and intervention*** to ensure that our citizens have the access they are entitled to.
181. Whilst the delivery of basic services remains the ***competence of our municipalities***, it is for us to guide and intercede where we see that the availability and quality of public services is faltering due to ***mismanagement and capacity constraints***.
182. To this end, our department of ***Cooperative Governance and Traditional Affairs*** (COGTA) has identified institutional weaknesses in our municipalities and developed a programme of support to accelerate the delivery of basic services.
183. This ***Integrated Municipal Support Plan*** prioritises municipalities that are ***institutionally dysfunctional*** when rated in respect of the five pillars of the ***“Back to Basics”*** service delivery approach.
184. COGTA, the Office of the Premier and our Provincial Treasury will support identified municipalities in respect of good governance, financial management, revenue collection, institutional capacity and administrative capability to ensure that they are better positioned to discharge their service delivery mandate.

Institutionalised Long-Term Planning

185. Honourable Speaker, we have acknowledged the progress to date as well as the setbacks encountered as we establish and service our human settlements. Looking ahead, it is obvious that we can do more to ensure that we effectively address ***each of the elements*** that constitute ***prosperous and sustainable human settlements***.
186. We have made significant progress in ***eradicating informal settlements*** and upgrading existing human settlements. However, we will not succeed in building sustainable human settlements that will stand for generations to come, if our processes are not anchored on ***long-term planning***.
187. When we prepare to build integrated human settlements, we must identify ***growth points*** that will catalyse the ***sustainable development*** of such settlements. This requires careful planning that takes a long-term view and integrates the ***sustainable economic activities*** that make such settlements ***viable***.
188. Such plans would have to be cognisant of current and future economic development nodes, priority corridors and migration patterns so that we are able to utilise our resources to create settlements proactively.
189. We need the capacity to predict and plan for the future beyond 2030. This process will have to take into account principles of spatial planning especially issues of access to social services like education and healthcare, as these are critical components of human development.
190. We have undertaken to establish a ***Provincial Planning Commission*** that will take this work forward using human settlements, the ebbs and flows of economic activity, migration patterns, the performance of our productive sectors, transport logistics *et cetera* as a basis for long-term planning.

191. This commission will bring together **practical, academic and technical expertise and experience** from across the sectors as a means to ensure that the upward socio economic trajectory of our Province is based on **sound evidence** and **specialist advice**.
192. We are looking forward to laying the groundwork for a brighter future that extends **beyond a 50-year horizon**.

Improved Quality of Education and Training

193. Honourable Speaker, there is no need for me to try to convince this House of the **value and importance of education**. I do not have to sell the idea that every child is entitled to the life of opportunities and possibilities that come with a decent education.
194. I do not have to emphasise the **importance of nurturing successive generations of capable and committed citizens** willing and able to work for the realisation of our collective vision of a positively transformed and prosperous future.
195. Over the years, our Department of Education has faced its **institutional demons** and emerged the better for it. There remains, however, much work to be done as we nurture our youngest, keenest minds through their school going years and into their first years as the employers, employees and entrepreneurs of the future.
196. Let us take a moment to reflect on progress and to distil the future pathways necessary in our ongoing efforts to educate and empower the children of our Province.
197. **Early Childhood Development**, according to Dawes (2008) *prepares our children for adulthood and provides them with the necessary opportunities for social, cognitive, spiritual, physical and emotional development*. These programmes lay the foundation for holistic development, whilst cultivating a love for lifelong learning.
198. In 2016 we continued to **improve access to such ECD programmes** in the Province by reaching 179 787 learners. The quality of our ECD programmes was also enhanced as 1080 schools now have access to Grade R resources and 500 pre-grade R centres have access to ECD resources too.
199. We have trained 792 Pre Grade R practitioners through our **ECD Institute** and the remaining 1000 practitioners will complete their training by the end of this month. This is part of streamlining curriculum delivery and providing support to community centres across the ECD sector.
200. Honourable Speaker, we must confront the unfortunate reality that, due to a number of systemic challenges, the construction of the **additional 7 ECD Centres** envisaged last year was not completed as planned. We have addressed the site suitability and contractor appointment challenges to ensure that we get back on track in this regard and these critical centres remain a priority in 2017/18.
201. Furthermore, an **existing 55 ECD** centres will be renovated in the coming year through a conditional grant amounting to approximately R 5.3 million.
202. The Education sector is not immune from the **persistent budget cuts** and we are constantly exploring new and innovative approaches to ensure that we offer our children the best possible teaching and learning opportunities and experiences throughout their primary and secondary school years.
203. Overall, Honourable Speaker, our **Grade 12 performance** has stabilised. 77.1% of our learners passed in 2016 and this is above the national performance rate which stands at 72.5%.
204. Of concern, however, is the fact that some of our top performing areas in terms of pass rates over the last couple of years, such as Steve Tshwete and Nkomazi, have declined with more or less 5 percentage points.

205. As the **Provincial leadership** we will act swiftly in this regard and my MECs will be deployed to circuits that are underperforming so that we can offer hands-on support to address this regression.
206. **Academic performance** at a secondary school level is a key determinant for future success, starting with University admission. As a Province we have recognised the critical importance of **mathematics and science** as subject choices for our future professionals. To this end we have invested strategically in programmes intended to improve the maths and science uptake and success rate of our learners.
207. To augment the establishment of our **MSTA Hub** we undertook to ensure that we have a suitably qualified cohort of professional educators with the relevant content knowledge and expertise.
208. Honourable Speaker, it bears mentioning that the Province is faced with **an aging population of teachers**, most of who are approaching retirement age. In fact, the percentage of young teachers aged 20-25 is relatively small, with only 4.9% in secondary and 2.1% in primary schools.
209. We are working on turning this around and **already a new pool of young teachers** is being supported with training.
210. Honourable Speaker, in its most basic form, a learning environment could be reduced to the **bricks and mortar** that constitute a classroom.
211. Our Province was not exempt from the ravages of apartheid on our education system and we found ourselves inheriting **structures that were not fit to be labelled classrooms** at all. In 2010 we undertook to eradicate 253 of these inappropriate and unsafe structures and to date we have replaced 247.
212. In effect, since 2010 the department of education has invested R4, 9 billion and completed a total of 923 projects. Infrastructure investment has grown from R604 million in 2010/11 to over a R1 billion in 2016/17.
213. Over the last seven years the department has managed maintain, and renovated 283 dilapidated and storm damaged schools. Further to this 65 schools were upgraded in order to ensure their optimum functionality as schools.
214. In line with the implementation of the **norms and standards for education infrastructure**, the province embarked on a basic services programme. This included provision of services (water and electricity) where required. Thus far 515 schools have been provided with sanitation facilities, 140 schools with electricity and 289 with water.
215. Honourable Speaker, let us pause to welcome the **contribution that Eskom has made** in respect of improving our education facilities in the Province. We thank them once more for the R34million invested in the state of the art **Wilge School in Emalahleni** Local Municipality, which was handed over to the Mpumalanga Department of Education in July 2016.
216. Every contribution moves us forward, but we are still left with much to do.
217. **Our Provincial school profile** indicates that we have a total of 1 074 schools, including 18 special schools and 5 state funded boarding schools.
218. It is a bitter pill to swallow, but it must be said that in some of these schools, **proper teaching and learning** is not taking place. There are higher than acceptable teacher to learner ratios, mixed grade classes and abysmal facilities.
219. These **so called schools** require immediate and radical intervention for the sake of their learners.
220. We have resolved that these **schools will be demolished** and that the learners will be accommodated in centrally located **boarding schools**.

221. In 2010 we adopted this **Boarding School Strategy** in rural areas in order to close small non-viable farm schools and improve the quality of education for our rural population.
222. This resulted in the **successful construction and operationalization** of 5 comprehensive boarding schools and in this coming financial year, we will start with the construction of an additional boarding school in Bohlabela.
223. Honourable Speaker, the progress in the boarding school programme has prompted us to consider that these schools may further enhance the education sector in the Province by providing **existing sites** for the establishment of **specialised schools**.
224. It is our vision that our learners have the opportunity to **specialise in fields of study** that are directly aligned with the economic growth and development opportunities of the Province. In 2017/18 we will focus on determining appropriate curricula and strategic technical partnerships for schools specialising in agriculture, sports and sports management and the creative industries.
225. Honourable Speaker, as we turn our attention to the **transition from school to tertiary education** and ultimately a positive and rewarding career path allow me to announce that we are planning to augment the R200 million that we are currently providing for bursaries.
226. At present we **have awarded 1017 bursaries** to learners who are currently studying at various universities across the country. In addition, one hundred youths were awarded bursaries to study Medicine, Veterinary Science, Education (Maths & Science) and Engineering in Russia in the 2016 academic year.
227. It is our intention to ensure that our bursary money continues to be **well invested in deserving learners** pursuing relevant tertiary qualifications and as such, in 2017 we will establish an inter-departmental **Bursary Committee**, supported by external industry expertise to ensure that appropriate candidates are selected and supported.

Youth Development

228. Honourable Speaker, in my opinion the success of our education system should not only be measured in respect of numbers of learners, teachers and classrooms functioning at any given time. A true measure of success would be the number of learners who exit Grade 12 with a certificate that unlocks the **further studies** or **employment opportunities** that they aspire to.
229. There must be **a positive post-secondary school reality** that enables our learners to take their lives in a constructive direction, and I am afraid, Honourable Speaker, that it is at this juncture that we have yet to make a significant progressive impact on the lives of our youth.
230. As it stands, we have a **learner throughput rate** of only 59.7%, which means that, in effect, only 40% of the learners who enter the schooling system actually make it through Grade 12. Add to this the fact that of those who do pass in Grade 12, only 22.9% achieve Bachelor's Degree admission.
231. What happens to those individuals that do not progress through the system with a positive outcome? The system is bleeding and our youths are feeling the pain.
232. Our **unemployed youth** currently constitute 71.9% of our total unemployed population. This is the reality that we are faced with, and this a reality that requires a multi-dimensional approach to youth development in the Province.
233. Honourable Speaker, our **young people are agitated** – and justifiably so. They have the energy and optimism of youth, and yet they are trapped in the shackles of unemployment and poverty and easily fall prey to the social ills that go hand in hand with deprivation.

234. Over and above our efforts to improve the education system, we will continue with **a programmatic response to youth unemployment and social exclusion** that is premised on targeted skills development programmes to enhance youth participation in productive economic activities.
235. A core element of this response is our partnerships with the private sector.
236. We are pleased to acknowledge that in 2017/18 **Eskom** will continue to work with its partners in the Nkangala District Municipality to contribute R36 million towards the Siyasebenza Job Creation Initiative which is predicted to create 900 jobs.
237. This project will also encourage **rain water harvesting** in households, government and business premises in support of the Presidential water conservation initiatives.
238. In keeping with the emphasis on **Skills Development** as a key sustainable intervention, the **Eskom Generation Learnership** programme has absorbed 644 learners into permanent positions to date, 88 are currently undergoing training and Eskom has planned a further intake of 59 learners for 2017.
239. We are further collaborating with the private sector and SETAs to ensure that young people are exposed to business and employment creation programmes across a number of sectors.
- The **New Venture Creation** programme is benefitting 322 youth to enhance their entrepreneurship skills, thereby equipping them with skills to start up, and run new businesses,
 - In this coming financial year, our **Graduate Placement Programme** will see 1200 recruits placed in various sectors of employment as part of our skills development endeavours,
 - Our **Artisan Development Programme** with MQA will place 120 youth through structured programmes focusing on electrical engineering and diesel mechanics.
240. Honourable Speaker, our key priority for 2017/18 is the operationalization of the **Skills Development Hub** in Emalahleni, in partnership with the private sector, to ensure that we develop a pipeline of skills to support the key sectors of our economy.
241. This hub will create an **institutional platform** for better coordination and investment in critical skills that respond to industry and development needs.
242. Honourable Speaker, the partnerships and approaches enumerated above have yielded positive results and have been the primary pillar of our youth development mainstreaming approach to date.
243. It is not enough.
244. It addresses a fraction of our challenges. Whilst these initiatives respond to the skills development part of our intervention, it does not cover the entirety of the crisis at hand.
245. We need a **paradigm shift** that is holistic, pointed and radical. The Youth Development Directorate in the Office of the Premier has developed a **Provincial Youth Development Programme of Action** that seeks to respond to these issues.
246. With the PoA in place, we are able to explore opportunities for our youth **along specific sector value chains** including agriculture, mining, manufacturing, energy and tourism.
247. Honourable Speaker, our job seeking youths face **additional socio-economic barriers** to finding employment, and this is why the social support dimension of our youth development strategy is equally critical.
248. A recent study by the Centre for Social Development for Africa reported that the average transport and other work seeking costs for young people amount to about R560 per month. This same group has an average per capita household income of R527 per month, which renders the costs of finding employment prohibitive.

249. Our support programmes and partnerships must seek to address these additional constraints if we hope to make a meaningful impact on youth unemployment.
250. We will be working with all departments and municipalities to determine the commitments and resources required to phase in the implementation of the Youth Development PoA.
251. The fact that the number of youth utilising the services in our 90 Youth Development Centres is almost double the number planned for is a further testament to the dire need for support experienced by our youth.
252. One of the greatest obstacles to the attainment of sustainable economic activity and independence for our youth is **substance abuse**.
253. In 2015 the World Health Organisation reported that an estimated 15% of the South African population, predominantly youth, suffered from drug abuse.
254. Various studies also put the rate of alcohol abuse among South Africans at 40%.
255. This gives us some indication of the **pervasiveness** of this scourge in our communities. Add to this, Honourable Speaker, the fact that, as reported by the South City Institute for Social Justice in November 2016, substance abuse costs South Africa close to **R136 billion per year** spent on treatment, policing and education, and it is clear that we have a massive problem on our hands. This is budget that could be directed to development programmes.
256. Substance abuse among our youth is one of the leading causes of crime, interpersonal violence and risky sexual behaviour. It denies our young people the opportunity to fully participate in the socio-economic development of our Province.
257. This year we managed to reach 72 851 of our children through drug prevention programmes and our rehabilitation and treatment centres in Nkangala and Swartfontein will strengthen our efforts in this regard.
258. But it is not enough.
259. To date we have reached 105 666 youth with our services, and the construction of our government run Msogwaba and Daantjie Youth Development Centres will further assist.
260. An integrated Youth Development Programme of Action demands more and calls for a responsive **network of social development services** and partnerships with the private sector.

Health System Effectiveness

261. Honourable Speaker, I would like us to turn our attention to the **Provincial Healthcare System**. What constitutes a healthy population?
262. To be healthy, in its simplest sense, means to be **free from illness or injury**. It therefore follows, that healthcare is the **organized provision of medical care** to individuals or a community. Our healthcare system is pivotal to our vision of a Province populated by **strong and capable individuals** able to make a **positive impact** on the livelihoods of their families and communities and the development of the **Provincial economy** as a whole.
263. Allow us to be frank – healthcare in the Province of Mpumalanga has long been fraught with **allegations of mismanagement, neglect and poor performance**. In the past, this has negatively impacted on our **citizens' rights to accessing quality healthcare** and by extension, has obstructed both **their social and their economic aspirations**. The burdens of TB, HIV/AIDS and maternal and child mortality have, in particular wrought havoc in the day to day lives of our communities.

264. In the face of these challenges, we have put increased pressure on our Department of Health to ensure that they **turn the situation around** and when we assess the progress made in respect of the **turnaround strategy**, we can confidently say that **the Department** is moving towards a **better resourced and more professional institution** capable of providing a **decent standard of medical care** to our citizens.
265. We have, as planned, **appointed additional specialists** in both the Gert Sibande and Nkangala Districts.
266. We continue to **develop the capacity of our healthcare professionals**, current and future, through our partnerships with **Cuba and Russia** – this year alone we have provided **bursaries for ten first year medical students** to study in Cuba.
267. Honourable Speaker, the **Ideal Clinic Initiative** commenced in the 2015/16 financial year and is aimed at **fast-tracking delivery** on the priorities included in the National Development Plan 2030 to improve **healthcare service delivery**.
268. Currently, our Department of Health has **42/286 PHC facilities** that have achieved an Ideal clinic status and more assessments will be conducted around the Province in March 2017 to determine the additional PHCs now worthy of being rated as “ideal”. Gert Sibande District has **23/75 facilities** that have achieved Ideal Clinic Status, **nineteen** of which have undergone **major and minor refurbishment** this year to date.
269. The plan is for **all PHC facilities** to reach the Ideal Clinic status by 2019/20.
270. We have also **completed refurbishments** at three hospitals including **Sabie Hospital, Middleburg Hospital** (Wards 15) and **KwaMhlanga** where we have now provided doctors’ accommodation.
271. Our patients currently rate their **experience of care** at PHCs at 82% and the satisfaction rate at **regional hospitals** is recorded as 87%.
272. Honourable Speaker, we continue to take a **generative approach** to the **maintenance of our healthcare facilities** by ensuring that this task also provides opportunities for **employment and income generation** in our communities. In **the year to date**, our Department of Health has thus **contracted ten cooperatives** to undertake maintenance contracts at selected healthcare facilities.
273. However, our **PHC sites remain underutilised** as our community members still **prefer to use hospitals** for services that are rendered at PHC facilities. This places an undue burden on already **overstretched hospital personnel**.
274. Our **Ward Based Outreach Teams**, on the other hand, are starting to register success. This is evidenced by **improvements in some priority indicators** including a **reduction in the TB client lost to follow up rate** which is **now at 4%** and the increased **number of antenatal first week visits** which is at **65.9%**, 10% higher than the target.
275. Honourable Speaker, the **Integrated School Health Policy** was signed by the **Ministers of Health and Basic Education** in 2012 to **increase access to health services** and provide a **safety-net for children** who never had access to health care services.
276. Currently we have **43 School Health Teams** established throughout the Province, 13 of which were appointed during 2016/17 financial year. Since 2012, the teams have managed to **assess 354 296 learners** and **referred 53 044 for further management**, thus reducing the **health barriers to education** for a significant number of learners. We will continue to support these School Health Teams as **strategic mechanisms** for positive community intervention.

277. Our ***District Clinical Specialist Teams*** established in 2012, as an intervention to fast track the ***reduction of Maternal and Child mortalities*** are operational in all three districts and continue to have a ***positive impact*** on the lives of our mothers and their newborn babies. In Gert Sibande alone, the teams ***have contributed in the reduction of maternal mortality*** from ***322.5 per 100 000 live births*** in 2010/11 to ***91.9 per 100 000 live births*** in 2015/16.
278. Due to ***ongoing infrastructure constraints***, our ***District hospitals*** are not yet compliant with all ***extreme and vital measures*** of the ***national core standards***. This should not be the case and whilst our efforts to cast the healthcare net as wide as possible are commendable, if ambitious, we are forced now to ***pull our efforts into sharper focus***.
279. Honourable Speaker, the ***pace of delivery*** in respect of ***critical health infrastructure*** is a persistent challenge. Whilst ***Mammetlhake Hospital*** is on course and our four ***District Clinics in Ehlanzeni and Gert Sibande*** respectively are progressing as planned, we are ***plagued by project delays*** and issues on site that make the pace of delivery in this regard, unacceptable.
280. Honourable Speaker, in the past, when confronted with such delays, we have been tempted to ***advocate for more*** – more capacity, more time, more resources.
281. I believe it is time to ***take stock*** and appreciate that ***before we attempt to do more, we must do better***.
282. It is time to ***change our approach***. We must admit that in as much as we have improved the lives of many by addressing past barriers to health services access, our efforts have been somewhat scattered.
283. We have tried to focus ***all our efforts and resources*** equally on infrastructure, attracting health professionals, access to medication, school and ward based outreach teams, preventative and curative approaches, advocacy and communication, etc.
284. It is time to ***consolidate***. We need to build on our successes and be ***strategic***.
285. The ***core measure of healthcare system effectiveness*** remains the ***national core standards*** attained at the ***sites of healthcare service provision*** – our provincial and district hospitals and our PHC facilities.
286. Our assessment of our performance against these standards tells us that despite our concerted efforts and many noteworthy gains, the overall performance of the Department ***ranges between 36% and 76%*** against the norm of 100% compliance.
287. This is NOT acceptable.
288. ***Infrastructure*** is a critical pillar of healthcare service delivery – our facilities must be fit for purpose, accessible and well equipped.
- In 2017/18 we will commit in the region of ***R600 million*** to ensure that the facilities we set out to ***build, maintain, upgrade and renovate*** meet the expectations of our citizens.
289. At these sites, our ***standard of service*** must be of ***the highest order*** – this includes the availability of ***suitably qualified medical professionals***, operational and current medical ***equipment***, the availability of ***medication*** and of course, medical staff that are committed to putting the “care” back into “healthcare”.
290. In 2016 we ***made 1 401 appointments*** to bolster ***human resources*** across our health facility network ranging from medical doctors and specialists to nurses, pharmacists, groundsmen and cleaners.
291. In the coming financial year, our resources will be used to ***strengthen this foundation*** at key healthcare ***delivery sites*** as a basis for future ***progressive implementation***.
292. Honourable Speaker, inasmuch as our healthcare service sites must meet all core standards, it is also incumbent upon us to ensure that our sick and injured are ***able to access*** these facilities ***in good time*** to ensure that they do not have to undergo any additional pain and suffering.

293. Honourable Speaker, our Province's healthcare system continues to make gains in the fight against **HIV and AIDS**, but the war is not yet over. The Province has an HIV prevalence rate of 37.5%, which is above the national average of 29.5%. What this tells us is that the **scaling up of HIV treatment** to eligible clients has prolonged the lives of people living with HIV.
294. Of course, we must seek to ensure that **HIV prevalence is maintained** whilst at the same time ensuring that we keep the **incidence or new infection** rate to a minimum.
295. In our Province, the **total number of clients** on Antiretroviral Treatment (**ART**) is currently at 351 978. In 2017/18 we will increase this number to 439 359.
296. This will result in more clients **living longer** and will also **reduce** their chances/probability of **infecting others**, thus contributing to **reducing new HIV infections**.
297. Moving forward, our **primary focus** will be to ensure both **access and adherence** to ARV treatment through **multi-agency collaboration** between the Departments of Health, Education and Social Development as well as via the **Mpumalanga Provincial Aids Council** and the **Youth Development Directorate** in the Office of the Premier.

Securing Communities and Fighting Crime

298. Honourable Speaker, ensuring **the health of our citizens** goes well beyond the simple transactional provision of treatment for physical ailments. As government we are also obliged to provide for the **psychological, social and economic well-being of our people**, in particular, our most vulnerable - older persons, children, and people living with disabilities, our women and our youth.
299. These sectors of our population continue to carry the greatest share of the poverty, inequality and unemployment burden that is the lingering legacy of the apartheid government.
300. We have made gains on either side of the age spectrum.
301. In terms of our **youngest citizens**, we have ensured that 50 000 children in the 0-4 age cohort are subsidised to access registered **Early Childhood Development** programmes whilst an additional 4 866 children are accessing sponsored non centre based programmes.
302. For those who are **entering their twilight years**, many of whom remain young at heart and agile of mind we have hosted **active aging programmes** for approximately 4000 of our older persons.
We have further ensured that 6 167 of our senior citizens have been supported to access community based care and support centres.
303. It gave me pride in July 2016 to participate in a sod turning ceremony marking the first step towards the establishment of a **R31 million retirement village at Ogies/Phola** which seeks to further preserve the dignity and quality of life for our elders.
304. **Five (5) cooperatives** who are going to build the village as part of a Skills Development Programme have already been registered and trained and will be on site in the second quarter of 2017/18.
305. We once more thank **Eskom** and their partners, in this regard, for further cementing their **Corporate Social Investment** footprint in the Province.
306. Honourable Speaker, whilst we acknowledge that we have managed to ensure that many families in the Province are able to put food on the table as a result of government **social grants** support, we must repeat our caution that this is **not sustainable** due to shrinking state revenue base.
307. We must **build a working economy** for the people of Mpumalanga so that those who are economically active, are absorbed into gainful activity. The state should support those who by circumstance will always be in **need of a social security net**.

308. Honourable Speaker, it remains a disturbing reality that many of our people are still the **victims of crime**.
309. The shocking statistics around substance abuse mentioned earlier gave us a sobering glimpse of only one dimension of the criminal activities that plague our communities. These so called "**social ills**" are the by-product of impoverishment and purposelessness.
310. Whilst we support our citizens to become educated, economically active and socially responsible, we must simultaneously root out the **criminal elements** intent on disrupting the peace and stability of our communities.
311. Our first priority remains **gender based violence** and crimes against **children**.
312. Our efforts in this regard will be **guided by the crime statistics** recently released by SAPS – these will enable us to determine which **serious crimes** need immediate attention and where they are most pervasive. These hotspots are a factor of mushrooming informal settlements, illicit mining activity, the illegal sale of liquor to minors and the like.
313. By adopting an approach that **geographically prioritises** the identified crime **hotspots** such as Emalahleni, Pienaar, Acornhoek and Tonga we will be able to concentrate our proactive and reactive programmes where they are likely to have the most impact.
314. Contributing to this impact is the fact that the SAPS in Mpumalanga has managed to **improve its policing resources** by procuring an additional vehicle fleet of 218 vehicles, comprising 4x4 police vans fit for our terrain, detective vehicles and additional vehicles for police support work.
315. Tomorrow in Middleburg, the MEC for Community Safety, Security and Liaison will join Minister Nhleko in welcoming **467 newly trained police officers** to the Province. These new members will be deployed in various police stations, various police units in this Province as well as in our ports of entry.
316. These are your children, your brothers and sisters work with them in fighting the scourge of crime. They are the defenders of our communities do not kill them. "*Wabulala iphoyisa, ubulala umphakathi*"
317. In addition to the human resources that we welcome, we must add that the **new police station in KwaMhlushwa** will be completed by the end of March 2017.
318. These additional resources will surely bolster the SAPS efforts to arrest crime in the Province, but we cannot assume that they can do it all on their own.
319. Fighting crime and addressing social ills requires **a collaborative and appropriately resourced effort**. Through the Department of Community Safety, Security and Liaison, we are working with the SAPS and other agencies to ensure that we intervene in a holistic fashion to these challenges.

Strengthening International Partnerships

320. Our Province continues to forge **strategic relations with our international partners** in order to support our agenda for development through investment in our economy, opening of markets for our products and seeking new technologies that would make us contribute to making our country a competitive player in the global economy.
321. These initiatives are bearing fruit. At the regional level, we signed agreements with Cuando Cubango in Angola with a focus on agriculture and forestry, tourism and nature conservation, infrastructure development as well as trade and investment. We will be sending a team of commercial and emerging farmers to that province for a technical assessment on agriculture potential. This is meant to support our food production supply for the International Fresh Produce Market.

322. With regards to **Oman**, our focus is on facilitating investment in support of our **International Fresh Produce Market** so that we are able to export agricultural commodities. Engagements are proceeding with other departments at national level. The Oman's Minister of Commerce and Industry will be visiting the country next month at the invitation of our Minister of Trade and Industry.
323. Most importantly, our international agenda must leverage the National Government's **BRICS platform**. This is why we are strengthening relations with select provinces in Russia and China in a mutually beneficial manner. Our partnership is not only limited to trade and investment, but also includes educational and cultural exchanges.
324. We signed agreements with **Hebei Province** on education, health, agriculture, infrastructure development, business to business cooperation. Last year on the 16th September MEGA organised and convened the **People's Republic of China Business Forum** (PRCBF), and was attended by a delegation 19 large Chinese Companies that are not only large by Chinese standards, but by world standards. We are working hard at attracting investment from these partners.
325. At the end of November last year, I together with few members of my Executive undertook a working visit to the **Russian Federation** where we met with various stakeholders in government and private sector to promote Mpumalanga as potential partner in development.
326. We were able to mobilise our Russian friends to consider investing in our Province but also to import agricultural products like citrus and red meat from us
327. I am pleased to report that an agreement to establish **a tractor assembly plant** in Mpumalanga was signed between MEGA and Minsk Tractor Works. The two Parties will by the end of this month finalise a business plan for the assembly production, which will determine the model range and volume (per annum) of tractors that will be assembled in our Province.
328. This initiative will create employment and further contribute to enhancing our artisanal skills base creating opportunities to develop tractor Mechanics, welders etc.
329. Our Province also signed a cooperation agreement with **Mogilev Region in Belarus**, wherein we have agreed to cooperate in trade and industry, agriculture, tourism, education and healthcare. We will be sending students to the **Belarussian State Agricultural Academy** to study in the fields of agro-industry including agronomy, biotechnology and aquaculture.
330. Our partnerships with Russia, China and Italy seek to tap into their technological know-how in order to develop our local skills thereby positioning us for improved **global competitiveness**. We are determined to turn Mpumalanga into a manufacturing hub for South Africa and the rest of the Continent.
331. Going forward, we will formalise **Joint Implementation Committees** to ensure coordination between ourselves so that implementation is tightened, monitored and evaluated by Principals

Building a Capable State

332. Honourable Speaker, as we reflect on our progress and our challenges, our inputs, outputs and results, we must also **question our own performance**.
333. We must **interrogate our systems and structures** and ask our individual public servants, "Have we truly served our citizens to the best of our abilities?" "Have we done enough?"
334. It is my contention, honourable members of this house, that as we have focused on what we **need to do**, we may have lost sight of what it is **we need to be** – a caring, skilled, professional, responsive and responsible public service.

335. Margaret Chase Smith, a United States Senator in the mid-1900s captured the essence when she said, “*public service must be more than doing a job efficiently and honestly. It must be a complete dedication to the people and the nation.*” She also said that, “*constructive criticism* is not only to be expected, but sought.”
336. Honourable Speaker, the issues that I speak to now are intended in the spirit of just such “constructive criticism”.
337. As the provincial government and all our public entities, we have set ourselves **a transformative agenda** for accelerated development. For that to be realised, we need a capable state staffed by people who have the **appropriate orientation and commitment** to public service.
338. We must embrace the opportunity to **transform and develop** not only our society, but ourselves. As public servants of this Province, we need to **do better**, shake-off the cobwebs of **outdated thinking** and **sedentary administration** and get to work.
339. We must improve our knowledge and skills. We must look beyond the borders of this beautiful Province and absorb all we can learn from the Provinces and Nations that surround us geographically, and those that impact on us globally.
340. The Office of the Premier has initiated a number of projects to ensure that we **improve our service delivery footprint** by directing resources away from **dated, self-replicating structures** towards technologies and configurations that are both effective and cost efficient.
341. We have undertaken the development of a **new model to reconfigure our regional services** to improve service delivery and curtail costs.
342. We are investigating **opportunities and partnerships in the ICT sector** that will move us closer to **e-government business processes** thus making Mpumalanga a smart province. This initiative will, through the use of technology, afford us **real time communication** with our people utilising the Vodacom **Smart Citizen** Solutions. We are already benefitting from the use of smart government solutions in some of our **health facilities**.
343. Whilst these **technological initiatives** will greatly enhance our efficiency and effectiveness, they are no substitute for the professionally qualified thought leaders and technical experts we require to take our public service into the future.
344. In 2017/18 we will commence with consultations to determine the feasibility of establishing a **Provincial School of Governance** in Mpumalanga.
345. We would like to see this school anchored at the **University of Mpumalanga** and we believe that through partnership approach with prominent tertiary institutions in the governance arena, we will be able to develop a leading school that generates top cadres of public sector professionals that are worthy of their titles.

Conclusion

- 346 Honourable Speaker, I wish to thank you for the opportunity and time you gave us to present to the House and the people of our beautiful Province this State of Province Address.
- 347 If we look at what we have managed to achieve over the last year, our efforts of pushing back the frontiers of poverty and underdevelopment are on track. Our investment in public infrastructure has been remarkable, and in the process facilitating the ease of doing business.
- 348 However, we all agree that radical shifts and bold action is required to change the course of history and address the prevailing challenge of skewed patterns of economic ownership. We must be bold and move with speed in responding to the reality of our economic situation. We do not have a luxury time.



349 We need to focus, and be united behind the purpose of building a Province that is prosperous and socially cohesive. A Province that cares for its citizens and where no one is left behind. Together let us build a globally competitive Province!

End