

FRIDAY, 27 FEBRUARY 2009

***PROCEEDINGS OF THE
LEGISLATURE OF THE PROVINCE OF THE
EASTERN CAPE***

The House met at 10:00.

The Speaker took the Chair and requested members to observe a moment of silence for prayers or meditation.

**APPROPRIATION BILL, 2009
(EASTERN CAPE)**

(Introduction)

The MEC RESPONSIBLE FOR FINANCE, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL AFFAIRS: Madam Speaker, hon Premier, colleagues, hon MECs and hon members of this House, I must say that I might fall foul of not acknowledging quite a number of important guests that have honoured this occasion. Before I do that, we also have the privilege of being joined by viewers as well as listeners of various community radio stations. Public viewing areas include Ngquswa, Port St Johns, Mount Ayliff, Port Elizabeth at Dwesi, Middleburg, Burgersdorp and Ndlambe Municipality. With regard to all the other listeners of the various community radio stations, we appreciate and welcome their being part of this important occasion today.

Coming back to the other important guests that are here, the list is very long. I must first start by acknowledging Kings - Ah! Zwelonke! I also welcome the various traditional leaders attending this occasion, the various Heads of Departments, the Auditor-General from the province and his staff accompanying him and finally colleagues from national Treasury. Important guests, the leaders of various municipalities gracing this occasion with their presence, business leaders, community leaders, all protocol observed.

I begin this address by quoting from another giant that our continent has produced, Amilcar Cabral. I find this very relevant to the context in which we find ourselves. He says:

Always bear in mind that people are not just fighting for ideas, for the things in anyone's head. They are fighting to win material benefits, to live better and in peace, to see their lives go forward, to guarantee the future of their children.

I find this very instructive in the light of the exercise we are embarking upon. It is indeed not about some ideas; it is about the future of our children.

I am tabling this Budget in the midst of a global economic crisis unprecedented and unparalleled for at least the past 80 years. In this respect this Budget Address should attempt to unpack how the global crisis might impact on the South African and, most importantly, the Eastern Cape economy. It should also outline our strategy, as Government, to steward our economy and people through these difficult times ahead in order that they will win material benefits, live better and see their lives go forward. I am also tabling this Budget less than three months before a general election that will usher in a new term of government.

The Budget I table here today should lay the foundation for the priorities of the next term of government, and outline - in concrete terms - how our Medium-Term Expenditure Budget will give concrete expression to the manifesto of the political party we can all safely assume will be the ruling party for the next five-year term! [Applause.] Of course, Madam Speaker, without wanting to sound arrogant, we have used the exercise at Treasury to look at the various manifestos of various political parties. Indeed we could only see that they are more or less provided for in this Budget that I will be tabling here. [Applause.]

Global Economic Crisis

Madam Speaker, I dare say that no country is immune to the deepening economic crisis that followed last year's credit crunch which arose as a direct result of the ineffectual regulation of the global financial sector. Over the past two decades developmental economic and social goals have increasingly become subordinated to the short-term profit interests of the financial sector, exposing deep and systemic weaknesses in the governance of globalization.

Economic growth forecasts across the globe continue to be downwardly revised, as the extent to which the financial crisis impacts on the real economy becomes more apparent. At the end of 2008 the IMF said the world economy would grow by only 2.2% in 2009, less than half the rate of 2007. Now the IMF has downwardly revised global growth forecasts to just 0.5%, the lowest in 60 years. Likewise, in South Africa our growth forecast for 2009 has been downwardly revised to 1.2% for 2009, and we can expect a similar growth forecast for the province.

Levels of foreign direct investment across the globe have also fallen dramatically. According to the United Nations Conference on Trade and Development, global FDI flows have fallen by 21% in 2008. Jobs and employment levels have also been heavily affected. According to the international labour office, some 30 million jobs worldwide could be lost by the end of 2009.

As a country that is strongly integrated into the global economy, South Africa is also adversely affected by the fall in primary commodities and export products. Both the mining and automotive sectors have been hit hard. This will place pressure on our safety nets in the province, with swelling numbers of retrenched mine-workers and auto-workers, exacerbating levels of vulnerability and insecurity among the poor.

Madam Speaker, our response to this crisis is informed perhaps firstly by what is being done around the world where deflation-fighting measures such as low interest rates, financial bailouts and spending packages to boost demand and grow production capacity are being implemented. Our approach, as the Government of South Africa and in the province, has been to work with our social partners in business and labour to implement measures to save jobs and mitigate the social impact. At the forefront of our approach is the implementation of counter-cyclical fiscal measures to stimulate the economy. Two weeks ago Minister Manuel announced an infrastructure package of more than R700 billion for economic and social infrastructure over the next three years.

Other measures agreed to in the Nedlac-facilitated processes include the establishment of a National Jobs Initiative, co-ordinated by the Presidency and funded in the amount of R10 billion over three years to finance industrial and special employment measures. It will also increase the Expanded Public Works Programme target to two million jobs by 2014. Furthermore, we will endeavour to improve employment intake in the public sector by filling all vacant posts, targeting the health, education and criminal justice sectors. Government will also be implementing special social measures to protect the poorest and most vulnerable, including a Food for All Programme to ensure food security for all poor households and communities.

Madam Speaker, we must ensure that this global crisis will mark the dawn of a more ethical and just global economic system where full employment, equality and human development take priority over obscene profit-making. In the meantime though - as Government, business and labour - we will continue to muster our collective power to manage the crisis and ensure that the economic shocks we are experiencing do not impact adversely on the poor and vulnerable.

Provincial Socio-economic Outlook

Madam Speaker, any efforts to change the development path of the province must confront the socio-economic realities that have resulted from our colonial and apartheid history. These challenges include deep-rooted poverty, unmet basic needs, economic and social infrastructure backlogs as well as the deliberate economic marginalisation of the majority of the province's citizens.

To achieve this, the province - as the key driver for transformation and development - will make use of the PGDP (2004-2014). I will not delve into that detail because the hon Premier adequately reflected upon that in his tabled State of the Province Address. I may then proceed to say that the Provincial Growth and Development Plan indicates that the Eastern Cape contributes about 7.8% to national GDP, making it the fourth largest provincial economy. This economy has grown steadily over the past five years: from 1.7% in 2002 to just under 5% in 2007, falling just under the national average.

The unemployment rate during that term dropped from 27% to 23%. Poverty levels have dropped and per capita income has grown steadily over the past five years, making the Eastern Cape the second best performing province after Limpopo. However, the seismic impact of the global economic crisis has rapidly reached the province in the form of about 2 500 job losses in the manufacturing sector since late 2007. There is a real danger of these gains being reversed.

The kind of growth that the province has seen and the response of the Provincial Government and other role-players in driving pro-poor growth and structural transformation should change. Going forward, Government will play a more interventionist role to facilitate pro-poor growth and structural transformation. This lies at the heart of the model of the developmental state we are busy assembling.

Madam Speaker, against the background of retrenchments and of slower growth and a less than robust private sector, Government needs a dual strategy of, on the one hand, casting its safety net wider and, on the other, improving its efforts to stimulate employment growth. Government, together with its social partners, will continue to drive the reconstruction and development of our economy towards a more sustainable, equitable and labour-absorptive growth path.

Expanding the Social Safety Net

We have increased the budget of the Department of Social Development by 3% to R1.4 billion in the 2009/10 financial year. The budget grows to R4.9 billion over the Medium-Term Expenditure Framework period. Of this, R1.6 billion will be directed towards the implementation of anti-poverty measures such as women's co-operatives, co-operatives in general, sustainable livelihood programmes and expanding care and support to vulnerable families.

Harnessing education and skills

In as much as the Department of Education is tasked with enhancing the skills base for agrarian transformation, manufacturing diversification and tourism, more has to be done in order to harness the human resource needs of the provincial economy. In view of the importance of growing the provincial skills base, this budget commits R217 million across all

departments for skills development over the Medium-Term Expenditure Framework period.

The Department of Education will align the programmes of the FET colleges - an amount of R1.5 billion is provided for that over the MTEF period - to the needs of the provincial economy, provide institutional support and guidance to the FET colleges and make more extensive use of learnerhips as a vehicle in bridging the gap between education and employment. It is important to mention that the Department cannot do this by itself. It is supported by the provincial Joint Initiative on Priority Skills Acquisition, JIPSA, where all relevant stakeholders work together to achieve these objectives. However, an appropriate provincial skills development strategy and a skills retention strategy are critical to ensure that the appropriate skills built in the province are retained.

Health

A major factor influencing the skills base is HIV and the Aids scourge. By the end of 2007, estimates revealed that more than 60 000 people were living with HIV and Aids in the province. Prevalence is very rife among the 15 to 24 year age group – largely our economically active population.

Out of the larger budget for improving social services, R1.7 billion is dedicated to the challenge of HIV and Aids over the MTEF period to improve access to HIV/Aids treatment, upscale facilities and to expand the roll-out of anti-retrovirals. This will support the Department, refine effective interventions and programmes and strengthen partnerships that will impact on this epidemic.

To enhance service delivery and increase accessibility to health care services, the department will spend an additional R120 million on recruiting health care professionals. An amount of R15.5 million will be spent on XDR and MDR TB, and R62 million on reducing child and infant mortality. Over and above this, the Department of Health will focus on improving the functionality of health institutions, allocating doctors to out-patients and casualty departments and improving the system for drug supply and stock management.

Agrarian Transformation and Rural Development

This is one of the high-priority areas for the next five-year term of Government. This has grown from the understanding that poverty, unemployment and service backlogs have not abated with scale of impact. A large number of rural communities or rural dwellers cannot participate effectively and productively in the economy due to lack of access to financial, physical and other assets.

At the centre of Government's approach to rural development will be measures to build productive capacity in the rural economy. At present

Government services and trade provide the backbone of the rural economy, which is not a basis for sustained growth and job creation. This underlies the need for State interventions to unlock growth in new sectors, particularly agriculture and agro-processing.

Other priority areas for rural development include promoting food security through expanded smallholder production, expanding the asset base of the poor through accelerated land reform, and increasing the use of land for commercial agriculture - especially in the former Bantustan areas.

Madam Speaker, during the MTEF period the Department of Agriculture receives a significant increase and is being allocated R4.2 billion to improve rural livelihoods and food security and to stimulate agro-processing initiatives. [Applause.] In addition, ASGISA-EC is funded at R250 million to support its catalytic role in building a sustainable, modern, rural economy, especially in the poor parts of the province.

Infrastructure

Madam Speaker, there has been an improvement in the delivery of infrastructure in the province due to improved access to health and education facilities, transportation and basic services. At the same time, we will not achieve our goals of rural development and job creation unless we scale up our infrastructure programmes. Drinking water, sanitation, sewage disposal, electricity, rural roads and urban transport directly influence human development outcomes. We therefore cannot allow infrastructure services and facilities to fail the poor.

Madam Speaker, Government has identified investment in infrastructure as a major determinant of economical growth and creating jobs. The amount allocated to infrastructure totals R16.8 billion over the MTEF period. This will be spent largely on building and improving roads and logistics infrastructure, health facilities, education and social infrastructure. This will create significant business opportunities and jobs in the construction sector. It is also important to note that a healthy component of this budget will be implemented through the Expanded Public Works Programme. We will be setting aside five percent of the infrastructure budget for co-operatives, growing over the Medium-Term Expenditure period.

Increasing the infrastructure budgetary allocation will be supported by a continued improvement in infrastructure management processes for the utilisation of infrastructure funds. This is being facilitated through the continued provincial effort of strengthening infrastructure planning and monitoring, eliminating historical blockages and inefficiencies, and improving project management skills in the province. We are working tirelessly to rapidly improve capacities in our key infrastructure departments such as Public Works, as well as building absorptive and delivery capacity among our local contractors.

Over and above the R16.8 billion we will spend on infrastructure over the next three years, an amount of R5.2 billion is allocated to housing development in the province over the same period. Increasing the availability of housing for the most vulnerable in the Eastern Cape communities is a key element of Government's focus on protecting the poor. This includes the development of a broad range of integrated housing and support strategies and continuing to direct existing and new resources to those who are most vulnerable. This allocation will assist the Department to sustain the recovery in the delivery of houses in order to deliver 20 000 units in the next financial year, to rectify 9 000 identified defective houses, to unblock all blocked housing projects and to implement emergency housing programmes. [Applause.]

Manufacturing Diversification

At the core of the PGDP's strategic intent is the combating of the uneven development between eastern and western regions of the province. Growth over the past four years has continued to be concentrated in urban areas, particularly the Buffalo City and Nelson Mandela Metro regions, with lower levels of growth recorded in the district economies of O R Tambo, Alfred Nzo, Chris Hani and Ukhahlamba. We highly appreciate the contribution the automotive and transport sub-sector has made to the provincial economy. As Government we will continue to support the sector and deepen its linkages and impact in the province through the automotive production and development programme. As announced by Minister Manuel, this programme will receive country-wide funding of R870 million over the next three years.

At the same time, the provincial manufacturing sector is over-reliant on the automotive sector, with the auto sector contributing 30% of manufacturing employment and 32% of manufacturing gross value-added. In the light of the current global economic crisis which has adversely affected global demand for vehicles and automotive components, we as Government will be more assertive in driving an active industrial strategy aimed at diversifying our provincial economy.

Our approach is to target sectors in which we have competitive advantage, that are labour absorptive, have lower barriers to entry for SMMEs and co-operatives, and have more even geographical spread and impact. Sectors we will target include agro-processing and food production, the timber industries, tourism, construction, chemicals, energy and mariculture.

We are currently gearing up our economic service departments and entities, including the IDZs, to assist with the implementation of this industrial strategy. In line with this intent, we have significantly increased funding to the Department of Economic Development and Environmental Affairs to the tune of R1.1 billion this coming year. Included in that is an amount of R267 million allocated to the IDZs,

R333 million to the ECDC, as well as R50 million for co-operatives' development.

We will also be consulting and engaging more robustly with our social partners in business, labour and the higher education sector in order to see how we can better co-ordinate our efforts to grow the economy and create decent work.

Fiscal Review

Over the years Provincial Treasury has intensified the budget implementation and expenditure control mechanisms to ensure that departments not only remain within their budget allocations, but also fully comply with the relevant legislation and regulations. Madam Speaker, we need to guard against swings between over- and underexpenditure. The province must be able to plan, to realistically cost its programmes and manage its budget so that there is a close correlation between spending outcomes and the budget, and between planning and real expenditure.

The provincial Government has initiated various programmes over the past year, including the Provincial Service Delivery Acceleration Plan to improve the service delivery landscape in the province and Provincial Treasury's baseline study to improve financial management. We are striving to mature into a provincial administration that has predictability and certainty in our fiscal planning with the ultimate aim being the improvement of the services we deliver.

Madam Speaker, over and above fiscal planning, we must also seriously invest in improving planning capability within the provincial administration, improving co-ordination within Government and improving the ability of Government to monitor its programmes. The strategic and regulatory departments within the Provincial Government – the Office of the Premier, Provincial Treasury, the Department of Local Government, the Department of Economic Development and Environment, supported by Ecsecc - should be at the centre of this drive.

Improving the Efficiency of Government Spending

The difficult environment facing us today requires a much tighter focus on improving efficiency and value for money combined with a ruthless commitment to reducing wastage and ineffective spending. Budget allocation is about choices. The needs always exceed the resources at our disposal. Every attempt must be made to protect spending on frontline services, especially as they relate to Government's key priorities. These difficult economic circumstances dictate that the Public Service has to put greater emphasis on improving the efficacy of public spending – we need allocative efficiency, ie “doing the right things” and “doing things right”.

This calls upon all of us to ensure that we optimise the performance of all the departments. It is our collective responsibility to continue to support programmes providing equality services to the poor. To support this, Treasury will continue to drive the baseline study which I announced in my speech in the Adjustments Budget.

Madam Speaker, it goes without saying that we also need to continuously strive for accountability, stability and good governance within Government. Our mission is to improve the performance of the Government and to ensure its accountability to the people of the Eastern Cape. We owe it to the people of this province to ensure that, through this Budget, we demonstrate our commitment to liberating our people from poverty, improving their welfare and ensuring a better life for all. [Applause.]

Revenue

The total revenue for the 2009/2010 financial year is R42 billion, representing an increase of R475.6 million from the indicative budget. Own revenue decreases by R300 million, while conditional grants increase by 14.9%. The main reason for the downward revision of own revenue is due to a low interest revenue forecast as surplus cash has been utilised to fund the budget deficit in the 2008/2009 financial year.

The growth in national revenue arises from adjustments for salary increases that were higher than anticipated, provision for increased funding in sector policy priorities and inflation-related adjustments as outlined in the 2008 Medium-Term Budget Policy Statement as well as personnel-related adjustments, with inclusion of adjustments for cost pressures on the implementation of the Occupation Specific Dispensation for health professionals. However, the provincial equitable share for 2009/10 has been reduced by R272.4 million as a result of data changes in the equitable share formula and again reduced by a further R311.4 million due to the less favourable than expected economic outlook for the country as a result of the global economic meltdown.

Allocations

In these allocations, Madam Speaker, five new grants are introduced: the Ilima/Letsema Projects Grant, the Agriculture Disaster Management Grant, the Overload Control Grant, the Expanded Public Works Incentive Grant and the Public Transport Operations Grant.

The appropriation of a budget of R42 billion for the 2009/2010 financial year (R138 billion over the MTEF period) is distributed amongst the 14 departments of the provincial administration as follows:

Vote 1: Office of the Premier

The Office of the Premier is allocated an additional amount of R3.3 million, bringing the Departments' budget for the 2009/2010 financial

year to R400 million. The additional amount is provided to speed up the provision of integrated transversal training and to fill the vacant posts. This is in line with the commitment to strengthen the centre of Provincial Government in aid of improved planning and monitoring of implementation. [Applause.]

Vote 2: Provincial Legislature

Madam Speaker, the allocation to the Legislature for the 2009/2010 financial year increases by R47.6 million or 15.3%, bringing the total allocation to R250.122 million. Included in the additional allocation of R47.6 million is R13 million for initiatives to enhance oversight capacity. [Applause.] I would like to say that the result of this increase is also as a result of making provision for that which has been determined by the Commission on the Remuneration of Public Office Bearers. This relates to what should be obtained at the end of the term by Members of the Legislature who might not be returning to this Legislature. Provision is made as part of that increase.

Vote 3: Health

The allocation to the Department of Health increases by R1.3 billion, bringing the total allocation to R11.3 billion for 2009/10. Over the MTEF period the total investment in Health in the province amounts to R36.5 billion. Of this, R4.9 billion is allocated for improvements in district health services – for establishing more community health clinics in Alfred Nzo, Ukhahlamba, Amathole and Nelson Mandela Metro districts, extra mobile clinics, increasing the number of clinics as centres of excellence and rolling out two new immunisation vaccines. Clearly no-one can accuse this Government of not caring for the health needs of this province. [Applause.]

Vote 4: Social Development

The budget of the Department of Social Development will increase by R21.1 million in the next financial year, bringing the Department's allocation for the 2009/2010 financial year to R1.4 billion. The total allocation to the Department over the MTEF period amounts to the figure as indicated, in order to contribute to the War against Poverty campaign and to assist the Department in improving and expanding the social welfare services it provides to the most vulnerable amongst us.

Vote 5: Public Works

We propose an increase of R58.9 million in the budget of the Department of Public Works. This brings the allocation to the Department for the 2009/2010 financial year to R1 billion in order to fund important initiatives such as the Expanded Public Works Programme, to roll out the Infrastructure Development Improvement Programme and to consolidate Government's immovable asset register.

Vote 6: Education

The budget for the Department of Education has been increased to R19.4 billion for the 2009/10 financial year. This total allocation towards education in the province over the MTEF period amounts to R65.1 billion.

The increase in the budget of the Department will be used to intensify the drive towards improving the quality of schooling, expanding the number of no-fee schools in the province, Grade R, scholar transport, providing learner and teacher support materials, improving the school nutrition programme and concentrating efforts to improve the Grade 12 pass rate. These efforts are absolutely essential if we are to grow a provincial skills base.

Vote 7: Local Government and Traditional Affairs

For the 2009/2010 financial year the Department of Local Government and Traditional Affairs will receive a total allocation of R659 million. This will be used to strengthen the capacity of municipalities to deliver services through, for example, initiatives targeted at infrastructure development, local economic development and spatial planning. An amount of R234 million is allocated to transform the traditional leadership institutions. The hon Premier raised in the State of the Province Address issues regarding the improvement of conditions of service as well as remuneration of traditional leaders. This will be taken care of. Issues of support to the institution - particularly the Kings - the vehicles etc will be addressed. These matters will have been provided for when the Department comes here for their policy speech. [Applause.]

We are also making provision for an amount of R30 million towards improving provincial disaster management, particularly for drought-stricken areas and the strengthening of disaster management plants. We have had incidents of disasters in this province; in particular the drought conditions in the Nkonkobe and Ukhahlamba areas where some communities are without potable water. This is intended to strengthen the interventions to ensure that water is provided for these communities.

Even in the case of Bedford – hon Trollip complains so much about Bedford – provision has been made to address the water crisis in these areas, because our Government cares. [Applause.]

Vote 8: Agriculture

I mentioned earlier that the province needs to intensify its efforts to stimulate the agricultural sector. The Department of Agriculture has been allocated an additional R171.577 million for the 2009/10 financial year, representing an increase of 13.3% to the Department. This increase

brings the total allocation to the Department for the 2009/2010 financial year to R1.4 billion. More than R179 million will be allocated towards agricultural infrastructure, and there is an additional allocation of R30 million for support interventions in both Magwa and Majola Tea Estates. [Applause.]

Vote 9: Economic Affairs, Environment and Tourism

The budget of the Department of Economic Affairs, Environment and Tourism increases by 27% to R1.1 billion in response to the need to renew efforts to stimulate growth and jobs in the province in the midst of the global crisis. Included in the additional allocation is an amount of R50 million to support the implementation of the industrial strategy initiatives and co-operatives development; R140 million for Coega Uitenhage Automotive Supplier Park; and R127 million goes to the East London IDZ.

Vote 10: Roads and Transport

The Department of Roads and Transport will receive an additional allocation of R241 million in the 2009/2010 financial year. This means that in the next financial year the Department will receive a total allocation of R3 billion. Madam Speaker, this money will be used to intensify road construction and maintenance and improve general transportation in the province.

Vote 11: Housing

Since the 2008 financial year, Housing became a fully-fledged Department. The Department of Housing is allocated R1.4 billion for the 2009/2010 financial year in order to accelerate housing delivery, upscale rural housing programmes and to implement programmes for vulnerable groups, over and above the priorities and targets mentioned earlier.

Vote 12: Provincial Treasury

The revised allocation to Provincial Treasury amounts to R259.9 million for the 2009/2010 financial year. This represents a decrease of 10% compared to last year's allocation. The total amount allocated over the MTEF period is R827.5 million, which will be used towards ensuring improved quality of spend in the province and general improved financial management. This will be achieved through closer monitoring, increased collaboration with the departments, an intensification of the CFO Support Programme and a more active co-ordinating role with the Office of the Premier to ensure that the budget follows priorities and performance.

The matter relating to the electronic suppliers' database is yet to be finalized, and is also included herein.

Vote 14: Sport, Recreation, Arts and Culture

The allocation to the Department of Sport, Recreation, Arts and Culture is increased to R781 million for the 2009/2010 financial year. This increase includes allocations for creating an enabling environment for the successful hosting of the 2010 FIFA World Cup. We are also allocating an amount of R120 million to the Department in order to contribute towards the construction of the King Sabata Dalindyebo Stadium in Mthatha as a measure to finally put behind us the issue around sporting facilities in that part of the province. [Applause.]

Vote 15: Safety and Liaison

Madam Speaker, the Department of Safety and Liaison receives an increased allocation this year, bringing its budget to R47.5 million for the 2009/2010 financial year. The increase in the Department's allocation is aimed mainly at funding the improvement of conditions of service adjustments, filling critical vacant posts in the Department, improving community safety and improving tourism safety in preparation for the 2010 FIFA World Cup.

I conclude, Madam Speaker, by saying that our task in the province is to use all instruments at our disposal - the Budget being one of many - in a co-ordinated and concerted effort to save jobs, create jobs and offer protection to the poorest amongst us. For basic services in education and health, and for infrastructure to work for the poor, the Government has to intensify its involvement, co-ordinate its efforts and improve its efficiencies. We have, through this Budget, attempted to assist this intensification drive.

As I mentioned earlier, we need to focus on the quality of spend, increasing accountability and improving bang for the buck. At the heart of this lies the need for strong leadership and accountability to our citizens and ensuring that we attract the best among us to the Public Service. These are the prerequisites for an equitable, sustainable and inclusive growth path. Indeed, these are the prerequisites, Madam Speaker and members of the House, for our people, as Amilcar Cabral says, to:

...win material benefits, to live better and in peace, to see their lives go forward, to guarantee the future of their children.

Madam Speaker, I hereby table the Budget Statement 1, Budget Statement 2, the Appropriation Bill and my speech.

I trust that my colleagues in the House will support this Budget. I know they will, because working together, of course, we can do more! [Applause.]

I wish to thank my Cabinet colleagues, led by the Premier, hon members of the Legislature, as well as provincial departments for the support and co-operation that we have always enjoyed. I also want to thank the staff at Provincial Treasury for putting in long hours to ensure that we are where we are today. I would also like to extend a special word of gratitude to Ecsecc for the support they have provided in putting together this Budget. Once again, thank you to one and all.

Mandithi amasi abekwe elangeni. Kwakushiya oomama ukondla. Ndiyabulela Somlomo. [Kuqhwywe.] *[Let me say that the court is open. It will be a case of survival of the fittest. Thank you, Madam Speaker. [Applause.]]*

The SPEAKER: Thank you, hon MEC.

Mandithathe eli thuba ndibulele ukuzinyaswa ngabantu abaninzi kangaka. Phakathi kwabo siqala ngoKumkani wethu, uKumkani uSigcawu. Kukho utata endingakwazi ukumphosa uSihlalo weNdlu yeeNkokheli zeMveli uNkosi Ngangomhlaba Matanzima. Besinaye izolo nanamhlanje ukhona.

Ndibulele utata uNgqwala ngokusoloko esifudumeza ngobukho bakhe kule Ndlu. Nibaninzi ke kodwa ndiqinisekisiwe apha phambi kwam ukuba akukho candelo lingamenywanga. Bakho abezemidlalo, abecandelo lezoshishino baphume ngobuninzi namhlanje. Abezenkolo bakhona, oomasipala bamelwe, imibutho engekho kuRhulumente imelwe, amaziko emfundo ephakamileyo amelwe, amasebe kazwelonke kunye nalawo aphantsi kukaRhulumente amelwe. Abeendaba sibabulela nangalo msebenzi bawenzayo, lo wokuzama ukusiqhagamshelanisa noluntu lwethu ngokubanzi.

Ndivumeleni ke malungu abekekileyo nditsho ukuba nje ngokuba namhlanje ilusuku lokugqibea ukufudumeza izitulo kukho isithethe ke apha sokubulisana. Sivene ke neenkokheli zemibutho yonke ukuba nangona singazukuba ngqongqo exesheni imizuzwana nje emithathu abantu baza kuthi tshe kuba siza kungena ngokutsha xa singena kula mnyango. Abanye mhlawumbi baya kuba bengekho. *(Translation of isiXhosa paragraphs follows.)*

[Let me take this opportunity to thank you for gracing this occasion in large numbers. Those among us include King Sigcawu. Another person whom I am not going to omit is Chief Ngangomhlaba Matanzima, the Chairperson of the House of Traditional Leaders. He was with us yesterday and he is with us again today.

I would like to thank Mr Ngqwala for gracing us with his presence today. The list is endless, but I think every sector has been invited. The sporting bodies are here, and the business community is present in big numbers today. The religious community is here. Municipalities and NGOs are represented. National departments, parastatals and tertiary

institutions are represented. Let me also thank the media for their outstanding work in linking us up with the community at large.

Hon members, since it is our last day of warming these seats, let us allow an opportunity for us to bid each other farewell, as it is our tradition to do so. We have agreed with leaders of political parties to afford members about three minutes to briefly present those speeches. We will be coming back afresh when we enter that door next time, and perhaps some of us will not return.]

STATEMENTS BY POLITICAL PARTIES ON END OF SESSION

Mnu S M GCANGA: Somlomo, umhlonipheki uBobby Stevenson undisebenzile ngale ntsasa endixelela ngalo mzuzu ukuba kufanele ukuba ndime kweli qonga. Ukuba ayisisombululo esi zinzame ezimandla zokufikelela kuso. [Kuqhwyatywe.]

Ukuba ngaba akunakubakho mali iphindela kuTrevor Manuel singathetha ukuthi mkhulu umsebenzi esiwenzele isizwe. Apha eMpuma Koloni xa kuthethwa ngathi kuthethwa ngolimo kuthethwe ngemfundo. Ndinqwenela ukuba kwithuba elizayo xa kuthethwa ngemali kuthethwe kakhulu ngazo. Ukuba uya kwezemidlalo sicela ukuba khe ziye nakwiindawo ezisemaphandleni.

Ngaloo magama ambalwa nje ndifuna ukuthi ndifikizolo apha, ndithi mazilime zibheke etyeni. [Kuqhwyatywe.] (*Translation of isiXhosa paragraph follows.*)

[Mr S M GCANGA: Madam Speaker, this morning hon Bobby Stevenson threatened me about the slot I would be given to speak at this podium. If this is not a solution, it is a serious attempt at a solution. [Applause.]

If no more money will be surrendered to Trevor Manuel, that will mean we have done a lot for the country. In the Eastern Cape we talk about Agriculture and Education. In future I would be pleased if we can talk about them when we talk about allocating money. When it comes to sport, we request that sport must reach the rural areas.

I have just joined the Legislature. Let us leave no stone unturned.]

SOMLOMO: Enkosi mhlonipheki uGcanga. Masikulungise wethu, asifuni kumka apha nijamelene. Umhlonipheki uStevenson uyafana nawe. Kaloku kukho imiba endiyithethe apha le yokuzigqibela kukaSomlomo. [Kuhlekwe.] (*Translation of IsiXhosa paragraph follows.*)

[The SPEAKER: Thank you, hon Gcanga. Let me correct you. I do not want you to leave this House bitter with one another. Hon Stevenson is

in exactly the same situation as you are. In fact, there are matters where the Speaker can use her discretion, as I have indicated. [Laughter.]]

Mr M M MHLATI: Hon Speaker, hon Premier and hon members, the UDM supports the budget as presented by the MEC. [Applause.]

We are going to await the finer details from the departments. These are rough figures. The issue which is affecting the Eastern Cape is not the issue of shortage of funding, but it is the capacity to efficiently use the available resources. Furthermore, in the light of the shortage of personnel we are unable to say that we can deliver the services in the manner we require. If you still have departments experiencing a staff shortage of 40 %, or even 25%, it still compromises service delivery.

To those members who will not be fortunate enough to come back let me say that it has been a pleasure to work with you during the past ten years that I have been in this Legislature. [Laughter.] May God bless you in the other fields of activities where you are going to be deployed.

Thank you. [Applause.]

Mr R A P TROLLIP: Madam Speaker, honoured guests, ladies and gentlemen, hon members, yesterday I thought it was my last opportunity to speak in this Chamber, and I get given yet another opportunity today. Thank you, Madam Speaker. When you have spent ten years somewhere you will inevitably forget to thank some people, so I will have a second try at it.

I just want to start with the end of your speech, hon MEC for Finance, where it becomes clear - when you hear a budget presentation on the eve of an election – that budgets mean different things to different people. It also becomes clear that a budget is always a very useful instrument for a governing party on the eve of an election, especially when he concludes with “working together we can do more.” [Laughter.]

Ndifuna ukuthi Mphathiswa thina asingomphokoqo, asinaxhala. [Kuhlekwe.] *[MEC, I want to say that we are not soft targets. We are not anxious. [Laughter.]]*

Yesterday in the House I read a quotation, and I think it is probably more fitting today at a budget presentation. It is a quotation from the late Adrian Rogers. Hon MEC, he says the following:

You cannot legislate the poor into freedom by legislating the wealthy out of freedom. What one person receives without working for, another person must work for without receiving. The government cannot give to anybody anything that the government does not first take from somebody else. When half of the people get the idea that they do not have to work because the other half is

going to take care of them, and when the other half gets the idea that it does no good to work because somebody else is going to get what they work for, that my dear friend, is about the end of any nation. You cannot multiply wealth by dividing it.

Which brings me to one sentence in your budget presentation where you said, and I quote:

The difficult environment facing us today requires a much tighter focus on improving efficiency and value for money, combined with a ruthless commitment to reducing wastage and ineffective spending.

I venture, ladies and gentlemen, that that credo is true at all times, and not only in difficult economic times. Unfortunately, that credo has been sadly lacking in this province during the past ten years. [Applause.] So perhaps the new House and the new statement will change those things.

I would like to commend the people who came here before us. Hon Mhlati and I have been here for ten years, and it has been a pleasure working with you and all the others. However, to those that came before us in 1994: you certainly have built a legacy that you can be proud of - especially the member who is wearing a special hat today. The oldest member who is leaving always wears the hat. I think Eddie Trent used to wear that hat.

Congratulations to you hon Makhalima, Eddie Trent, Gloria Barry, Neela Hoosain, Dennis Neer, Max Mamase, Gugile Nkwinti, Tommy Matomela, MEC Mhlahlo, Tyrone Liberty and anyone else that I have missed.

An HON MEMBER: What about Grant?

Mr R A P TROLLIP: No, Grant has not been here for 15 years.

Ngumntwana ufika ngoku. [Kuhlekwe.] [*He is young and a newcomer here. [Laughter.]*]

Congratulations to all of you. Yesterday, in the absence of many MECs, I said that it has been a privilege working with you. Often we clashed, you and I, but we were cordial at all times and some of you have become friends. I would like to thank the Director-General of the province for the way we have been able to interact, and the same goes for the HODs and all the departmental staff.

Also to the original staff of this Legislature - Herlu Smith, André Erasmus, Nomsisi Bata - those are the people that I come into contact with a lot. You have been stalwarts and you have built this place up to what it is today.

In conclusion, I would like to say farewell to my colleagues, especially Donald Smiles who will be leaving this Legislature and going to the National Assembly. Good luck in the National Assembly, Mr Smiles. I know that you will serve your party well there. [Interjections.] No, there is no doubt he is in. [Laughter.]

In conclusion, Madam Speaker, to you: thanks again for everything you have done and thank you for creating this wonderful Chamber. I hope all of you will put it to good use over the next five years.

Thank you very much. [Applause.]

Mnu M MAKHALIMA: Niyabona ukuba ndimhle xa ndinxibe umnqwazi? Loo nto ibonisa ukuba ndiyindoda enkulu. [Kuhlekwe.] Kudala ndikweli cala bantu. Ndingene kwiipolitiki ngonyaka wama-1957. Abanye uninzi lwenu lwalungekazalwa. Khange ndihlale kamnandi kuba kuleli xesha imbiza ifuna ukuvuthwa. Kuleli xesha abantu beli lizwe besithi badiniwe. Ndizelwe ngelo xesha mna. Iminyaka yam ingama-71. Andikholwa ukuba ukhona umntu kule ndlu onale minyaka, nowayekhe wanolu nyamezelo. Kule ndlu ndihleli iminyaka eli-15. Ejele ndihleli iminyaka engama- 22. Loo nto xa uyidibanisa ufumanisa ukuba ixesha elide lobomi bam ndilichithele esithubeni. Kodwa ndisahleli ndim lo hayi ekudlaleni koko ekukhululeni abantu beli lizwe. Nangoku ndisatsho ndithi kufuneka sisebenzile. (*Translation of isiXhosa paragraph follows.*)

[Mr M MAKHALIMA: Have you noticed that I am handsome when I wear a hat? That indicates that I am an elderly man. [Laughter.] I have been in this territory, people. I joined politics in 1957. Most of you were not yet born. I did not enjoy life because it was at that time when events were approaching a climax. It was during that time when people of this country were saying enough is enough. I was born during that period. I am 71years old. I do not think there is a person among you was born during that time and endured hardship. I have been in this House for 15 years. I have spent 22 years in prison. When you combine that you will find that it is a good slice of my life that I have spent wandering. But I am still here, not playing but liberating people of this country. Even now I am reiterating that we have to do more.]

You are the present leadership. Your actions must show that you are young people. You must work up until we reach our destination. South Africa will be free and we thank God that she is free. We must not be involved in xenophobic activities by attacking people from other countries. We must understand that they have rights. Everybody here is a South African. The ANC is the political home of all the South African people. [Applause.] Everybody here is an ANC person. A person can defect or say whatever he wants to say, but he belongs to the ANC. [Laughter.] [Applause.]

Akukho nto ingalunganga xa uhleli kwelinye igumbi endlwini yakowenu. [Kuhlekwe.] Loo nto ithetha ukuthi naba beCope becebukile nje baza kubuya beze apha kodwa hayi namhlanje. Umzekelo, ngonyaka wama-1959 kwakukho umbutho ekwakuthiwa yi-African Mandate Block abantu abazele iPAC. Yona yayisithi ifuna kuphela abantu abamnyama kuba eli lizwe lelabantu abamnyama. Ithi iANC loo nto ayilunganga kuba akusekho njalo. Eli lizwe lelabantu bonke. *(Translation of isiXhosa paragraph follows.)*

[There is nothing wrong with occupying another room in your home. [Laughter.] That means the members of Cope who have defected will come back home, but not today. For an example, in 1959 there was an organization called the African Mandate Block which gave rise to the PAC. The PAC wanted only the Black people, because they believed that the country belonged to the Black people. The ANC says that is wrong because it is not the case; this country belongs to all of us.]

The Freedom Charter states that we as the people of South Africa declare to all in our country and in the world to know that South Africa belongs to all who live in it, and no government can justly claim authority unless it is based on the will of the people. [Applause.]

This means that everybody has full rights. You are not here because you were pushed from somewhere else. You are here because you wanted to be here. We are here because we wanted to be here. For that reason, as Africans in this country we must treat each other well, even if we come into conflict with one another, as different people. People have different thinking, different ideologies etc, but one thing we must know is that we belong to one house and that house is the ANC.

Thank you. [Applause.]

SOMLOMO: Enkosi kakhulu mhlonipheki uMakhalima. Unendlela yakhe eyodwa yokuthetha izinto. Andikamboni nomntu ozamayo ukumlinganisa. Nozamayo ngekhe afike phaya kuye. Enkosi kakhulu Ndlovu. *(Translation of isiXhosa paragraph follows.)*

[The SPEAKER: Thank you very much, hon Makhalima. He has a unique way of expressing himself. I do not think there is anyone who can match him. Even if people try to do so, they cannot match his style. Thank you, Ndlovu.]

Mandixolise kwabo ndingakhange ndibabone. Inkathazo yeyokokuba xa uhleli apha awuboni wonke umntu kakuhle. Ingakumbi kuKumkani uMatanzima khange ndiqaphele ukuba ukhona. *[Let me apologise to those I have not acknowledged. The problem is that when you sit here you do not clearly see everybody present. My apologies go especially to Chief Matanzima, whom I did not notice was with us.]*

Before we adjourn I want to remind members that as we go back to our constituencies we must remember that we have to remain honourable members of the Eastern Cape Legislature until 21 April at 12:00 midnight, and therefore our actions and our behavior should be as such. I know that during this time temptation can come our way and we may forget that we are honourable members. We must always keep that in mind. You can forget about that after 22 April. Do not forget that before 22 April.

I understand that this is a period when the levels of desperation rise at times. You want to return to these seats. [Laughter.] I am appealing to you not to exceed the limits when at those levels of desperation. We must be honourable at all times in what we say and what we do.

The House adjourned at 11:10.