

TUESDAY, 23 MARCH 2010

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

The House met at 14:15.

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

The DEPUTY SPEAKER: Order! Before we commence with our proceedings, I am reliably informed that on your desks there are Strategic Plans and Annual Performance Plans from the Legislature. They are quite bulky as a result they will be either e-mailed to your offices or they will be delivered to your offices.

The second one is that on Thursday the MEC for Sport has requested us to wear – in fact it is a deviation from our policy that we have soccer Friday, but because we do not have a sitting on Friday, instead it will be on Thursday - we have given permission that the members of the House can wear their golf shirts on Thursday to honour the soccer Friday. The soccer jerseys, no takkies, no jeans; only the shirts. After the session we shall have a group photo taken of all the members because we want to be counted as a group that has honoured or promoted Bafana-Bafana.

**CONFERRAL OF FINAL MANDATE ON DIVISION
OF REVENUE BILL**

Mr M M DIMAZA: Thank you, hon Deputy Speaker. Hon members, visitors, hon MECs present and the Chief Whip, leaders of the opposition. I will read the final mandate to the NCOP on the Division of Revenue Bill.

The terms of reference:

The division of the Revenue Bill, B4-2010, hereinafter referred to as the Bill, was referred to the Portfolio Committee on Finance for consideration and reporting to the House.

The methods that we have used was that on 9 March 2010 the Portfolio Committee on Finance was briefed on the content and the effect of the Bill by an official from the National Treasury – that is Mr K Brown and a special delegate, hon Matomela.

The Portfolio Committee on Finance decided to conduct public hearings on the Bill at all the district municipalities in the province.

The negotiating mandate of the portfolio committee on the Bill:

After the public hearings, the portfolio committee convened to consider the inputs received from the public hearings and to formulate the negotiating mandate on the Bill. The inputs were considered and discussed. The committee agreed on a negotiating mandate on the Bill. The negotiating mandate agreed to by the portfolio committee is attached hereto for information as annexure.

Maybe it will be good for members when they read that particular annexure, I want to refer them to paragraph 3.1 up to 3.6. I will not read those paragraphs, but it is for members to consider those.

The special delegate to the NCOP, M Dimaza, presented the negotiating mandate to the National Council of Province. In that committee...

The DEPUTY SPEAKER: Chairperson, just a moment. Because of the problem we have with our air-con, we will allow male members to take off their jackets. You may continue.

Mr M M DIMAZA: Thanks, Deputy Speaker. The special delegate presented the negotiating mandate to the National Council of Province Select Committee on appropriation on 17 March 2010 and reported back to the portfolio committee on the deliberations at the select committee.

The findings of the portfolio committee:

The portfolio committee finds that the Division of Revenue Bill B4-2010 is necessary to appropriate money to various spheres of Government, therefore made the following recommendations:

The committee recommends that the Legislature confides the final mandate on the Eastern Cape delegate to vote in support of the Division of Revenue Bill B4-2010 and that the attached final mandate marked Annexure "B" be approved by the House and be signed by the Speaker. Thank you.

The DEPUTY SPEAKER: Thank you, hon chairperson. I will now allow members to ask questions to the committee. This is a Division of Revenue debate and a very important debate. Are there no questions at all in terms of the estimates of the national? Hon Pienaar.

Mr J PIENAAR: Thank you Deputy Speaker. Deputy Speaker, my question is about the new formula, how are we going to determine the equitable share? Can the committee inform the House if there are any timeframes to that? If there is any formula coming, will that formula be implemented so that we can see the new compensation of revenue given to various provinces; the time frames?

The DEPUTY SPEAKER: Thank you, hon member. Are there any other questions? No questions. Can the committee members respond to that question?

Mr M M MHLATHI: In terms of the Revenue Bill it is stated that for the coming financial year they will review the system they were using in calculating the equitable share for each of the provinces and also the criteria which are being used in assessing how much each province will get. It will be reviewed, so by next – when we do the next Revenue Bill it will include those reviewed criteria.

Mr C MARTIN: Thank you, ma'am. I just want to find out what was the response of the concerns of the committee when it comes to 3.2 – they have raised a concern when it comes to considerate statistics of 2001 as to get the money? What was the response, just to inform us, as well as the cross boundary situation – let us say the package of 3.2 to 3.6 because of its concerns; what was the response from the other side? Thanks ma'am.

Mr M MAKUPULA: Thank you very much, hon Deputy Speaker. I think it is on page 16; the negotiating mandate agreed to by the portfolio committee is attached hereto for information as annexure “A”.

On page 16 paragraph two – “the negotiating mandate agreed to by the portfolio committee is attached here for information as Annexure A. Then you go to Annexure A. In Annexure A, if you consider No 3: Vote of the Legislature; “the province votes in favour of the Bill and wishes to raise the following matters for consideration”. That is not my point.

My point is that there is an area which says “the final mandate without further amendments”. I just want to check the status of the conditions that were stipulated in Annexure A versus the last page, page 20, which says “both for the adoption of the Bill without further amendments, when there were points to be taken into account” then at the end “without...” Thank you.

The DEPUTY SPEAKER: Thank you, hon member. Can I get committee members to respond to those questions, please? Hon Mhlathi.

Mr M MHLATHI: Thank you, Deputy Speaker. The issues which are tabulated from page 18 up to 19 are the issues which we as members of the committee detected in the Finance Bill and these are our recommendations to National Government that, when they prepare the next Financial Bill they must look at these issues. We are talking about the statistics because the statistics which are being used are for the year 2001. We are now in 2010. So they are irrelevant those statistics, compared to what is happening today. We are talking of cross-border issues because Eastern Pondoland is being serviced by Eskom from KwaZulu-Natal. KwaZulu-Natal does not put the people of Eastern

Pondoland into the picture as to what is going to be done in the electrification of the Eastern Pondoland areas.

Although we can see funds being provided for electrification of municipalities in Eastern Pondoland, but there is no consultation between Eskom and the people of Eastern Pondoland so that they are in the picture, which administrative areas are going to be electrified for the next financial year. Those are the issues which were picked up. Thank you.

Nksk. B TUNYISWA-GQOBOKA: Ndifuna ukongeza nje Sekela-Somlomo, le nto ithi okunye okuye kwafumaniseka kukuba uEskom xa efika phaya koomasipala bezithili luyaqhawuka lungabikho unxibelelwano phakathi kwakhe noomasipala.

Yile nto igxininiswayo ke into yokuba kufuneka kubekho intsebenziswano phakathi koomasipala noEskom xa besiya kweza lali. Makuthathwe isigqibo esibabandakanyayo bebonke, ukuze bazi, babe ntanganye ukuba kuza kusetyenzwa phi na. Yenye yezinto esicinga ukuba ibalulekile kwezi zinto sizifumanisileyo. Enkosi. (*Translation of isiXhosa paragraphs follows.*)

[Mrs B TUNYISWA-GQOBOKA: I just want to add hon Deputy Speaker that one other thing that was discovered was the lack of communication between the district municipalities and Eskom.

That is why we emphasize that that there must be cooperation between the district municipalities and Eskom when they visit those villages. A decision should be taken by both parties so that they are on par with regard to projects that would be commenced with. That is one of the things we think they are important among other findings. Thank you.]

The DEPUTY SPEAKER: Are there any further additions? Hon Pakati.

Mr X.A PHAKATI: Thank you very much, hon Deputy Speaker. With regards to the question that hon Makupula asked; we are now seeking a mandate from the Legislature on the final mandate. Members would recall that upon the introduction of the Bill we undertook public hearings and these matters that are contained in this mandate, our initial mandate, emerged out of the consultative processes. We went to Cape Town and put these matters forward. Now we are coming here for the House to ratify these issues so that they constitute our final mandate in the negotiating process and thereafter there will be no further engagement on the issues. Thank you. I hope I have explained the matter.

Mr M MAKUPULA: I hope I understood the members properly when they say these critical matters which they raise for consideration by the powers that be; am I right to say you are saying, we are raising them but not for this one, but for the following one? Which tends to bring a

question which says, the last census in South Africa was in 2001 and that when it was announced, their results were announced, Stats South Africa said we are no longer take it on a five-yearly basis, but we will take it now on a ten yearly basis, so the next census is in 2011.

The DEPUTY SPEAKER: What is the question?

Mr M MAKUPULA: The question is ma'am; it has been a known fact for even the last three years that the statistics of 2001 are not valid, even these processes for previous years remain... The point is then...

The DEPUTY SPEAKER: Which confirms the point raised by the committee.

Mr M MAKUPULA: Well, the point is that it seems that we are defeating ourselves. We are saying case is closed; consider these things in the financial year. Is it because there is no more room for engagement in this process to consider these things?

SKP HO TSA MEBILA LE MESEBETSI YA SETJHABA: Ha ke lebohe, Modulasetulo. Ha ke utlwe hantle; ha ke utlwe tu! tu! tu! hore haeba komiti e re ditokomane tse neheleditsweng ke tsa kgale tsa 2001, ha ke utlwe komiti e re thusa hore ha re shebile ripoto ena ya yona ...
(*Translation of Sesotho paragraph follows.*)

The MEC RESPONSIBLE FOR ROADS AND PUBLIC WORKS:
[Thank you, Madam Deputy Speaker. I do not quite understand; in fact, I do not understand at all how the committee is assisting us in understanding this report if it says those are 2001 documents ...]

The DEPUTY SPEAKER: Order! Before you proceed, hon MEC, it looks like we will have a problem with the committee. Can we organise for translation? Can the two of you sit in the front so that this can be translated? Proceed, hon member.

SKP HO TSA MEBILA LE MESEBETSI YA SETJHABA:
Modulasetulo, ha ke utlwe hohang hore haeba ditokomane tsena tse neheletswang ke tsa kgale tsa 2001, komiti ha ke utlwe e re thusa he hore monyetla oo e o nehuweng hore e shebane le Bili ena o re thusa jwang rona re le provense ya Eastern Cape. Ke utlwa, kapa ke bona eka komiti e re seo se behilweng ka pele se tswela pele le ha eba se tla se le jwang na. Nna ha ke fumane hore rona re le Legislature kajeno re ka re Molao ona re a o pasisa re re o tswela pele haeba ha o re thuse ho fetola bodulo ba Eastern Cape. Nna ke kopa hore komiti e bolele hantle hore na ba bone hore re tla fumana eng ka Molao ona ha ba ne ba o sheba.

Ke a leboha. (*Translation of Sesotho paragraphs follows*)

[The MEC RESPONSIBLE FOR ROADS AND PUBLIC WORKS:
Deputy Speaker, I really do not understand how the committee is

assisting us if they say those are 2001 documents. I do not understand how the committee has used the opportunity given to it to look into the Bill to assist us as the Eastern Cape Province. It is as if the committee wants the Bill simply to be passed, notwithstanding its quality or standard. I do not see us, as the Legislature, passing this Bill if it does not help us in improving the quality of life in the Eastern Cape. I therefore request the committee to clearly stipulate whether it identified any benefits we are likely to get, when it was scrutinizing this Bill.

Thank you.]

Mr S H GQOBANA: Hon Deputy Speaker, it is not a question; it is merely advice as to perhaps future engagement; how we should deal with future engagements around matters of this nature. You see, the Legislature is a public institution, which in circumstances where the population of the province is experiencing difficulties in advancing arguments in various ways, would hope that this institution would put together an input on their behalf.

The DEPUTY SPEAKER: Before you proceed, hon member. It looks like we have a problem here. The Committee of Finance has gone through the public hearings for their final mandate, for the DORA, the Division of Revenue Bill. This is the input they have collated from the various stakeholders. They went to Cape Town for the first and this is the final mandate. They want us to endorse the final mandate and upon discussions in Parliament they might come back with a different product altogether, based on the discussions they might pursue in Cape Town.

So, if we discuss we should have that in mind so that we know that they have been discussing and debating this particular Bill, but they want to seek a final mandate before they go to Cape Town. The concern is part of that, hon member.

Mr S H GQOBANA: Well, it is unfortunate because the sequence in which I arranged my views on this matter has now been disturbed by your interference.

The DEPUTY SPEAKER: Thank you, hon member.

Mr S H GQOBANA: I want to say that I think I personally do not have a problem with the report of the committee; it is a usual way of dealing with matters, but the point I am making is that having been exposed to difficulties faced by the province and the municipalities, reinforced by the views of various stakeholders that which we understand as public representatives, we should put it in such manner that it constitute a package to convince people who are in a position to develop policy for the country.

The DEPUTY SPEAKER: Yes, thank you, hon member.

Mr S H GQOBANA: I am saying, going forward we should use some of the reports that we received in the House, underpinned by the views that we are going to solicit from the people in the province; put up a package because we have been talking about...

The DEPUTY SPEAKER: Thank you, hon member.

Mr S H GQOBANA: ...the renewal of this policy all the time.

The DEPUTY SPEAKER: Yes.

Mr S H GQOBANA: The hon Makupula is correct.

The DEPUTY SPEAKER: They understand the view. This is applicable to all the Bills by the way, not only this Bill. With that, if there are no further questions or concerns, let me conclude this section for the committee and allow members to ask questions to the hon MEC. Thank you, members of the committee. Oh, you want to respond?

Mr M M DIMAZA: We want to give a few responses.

The DEPUTY SPEAKER: To which question?

Mr M M DIMAZA: One. I think there is a question that was raised by hon Pemmy Majodina. I think, hon Deputy Speaker, the most important fact which we need to understand as hon members; there is Section 2.1.4 of the Constitution of South Africa, which that Section 2.1.4 in each and every year is saying there must be the Division of Revenue Bill and that is to divide the money for this particular specific year.

The next thing that we need to do; when we discuss that in this particular financial year and we have got concerns, those concerns are the ones that should be taken into consideration for the next one which will come in 2011. That is why then even the question of the statistics that are wrong, which are raised by the committee here in its findings, and even the question of the formula that are raised; we have got the concern in those. Those particular issues, all of them in totality, they are the matters that needs to be taken into consideration by the Fiscal Financial Commission and also be taken into consideration by the Treasury.

We as the committee, we are proposing that we need as this particular Legislature to agree that let the Bill pass because we have noted in the Bill that there are quite a number of other problems but, we have noted in the Bill there are quite a number of other new grants that have been introduced.

Also, those particular grants that have been introduced which are based specifically on what we have noticed as far as the Manifesto of the ruling party and their priorities are concerned, that are there and many

other grounds that have been produced; if we can take a further debate on this matter for quite a lot of other things.

For instance, in 2001 what was introduced in 2001 was the Bill B4-2001, but the question of doing away with the backlog and then coming up...

The DEPUTY SPEAKER: Thank you, hon member. You know, what you are doing – DORA will always be discussed as you are correctly putting, each and every year; even next year it will be discussed, but for us it is to make sure that for the medium-term process we debate those, which concludes your session. The MEC shall take any other concerns.

We are running out of time unfortunately. MEC, only a few questions. This is a national Bill. This is not the MEC's Bill, so we shall allow two or three hands. Hon Martin and hon Makupula.

Mr C MARTIN: Thanks ma'am. I think from my side, ma'am, it is just a concern as you rightfully say on this National Bill. If you look at page 19, 3.5, I just want to find out what is the implications of that 3.5 if we are forth looking, but this challenge is for the now. What are the implications?

The DEPUTY SPEAKER: Thank you, hon member. Hon Makupula.

Mr M MAKUPULA: Thank you very much, hon Deputy Speaker. I really appreciate the work done by the portfolio committee and I do not have qualms about what they are tabling on the matter, but the issue is that this is a mandate; they are still going to another platform to engage and you cannot then therefore take a fall back position before even getting there. The fact that there is electrification of Pondoland is handled in Natal, should have been addressed long, even before there was a Division of Revenue Bill. The fact that the numbers of Statistics South Africa in terms of census were done in 2001, they should have been corrected in 2002 and utilise the correct one.

We are saying, as our leaders get there to engage on this finalisation of this, let them say we want these things to be attended now and let those who are sitting the powers that they say we cannot because it is already closed. The point is you cannot cut in a bone when you can cut on a fat as it goes. If you are a representative of people you always struggle for the maximum and then it is negotiations that must give you the minimum. This is the point. You don't simply go for a fallback. Thank you very much.

The DEPUTY SPEAKER: Thank you, hon member. Hon MEC. Do you agree or disagree with that?

THE MEC RESPONSIBLE FOR FINANCE, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL AFFAIRS: Thank you very much. I like what is being said here. Thank you.

The DEPUTY SPEAKER: The question from the hon Martin; what are the implications?

THE MEC RESPONSIBLE FOR FINANCE, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL AFFAIRS: Hon Martin, most of the issues – the issue that he raised at 3.5 is a matter that is currently the subject of negotiations between Provincial Government and National Government. I think it is part of work-in-progress really. Thank you, hon Deputy Speaker.

The DEPUTY SPEAKER: Thank you, hon MEC. We are done with the MEC. We shall now debate the Bill. I have in front of me the ANC, the introduction part and then Cope. Can we go to Cope? Congress of the people, hon Dunywa.

Ms T P DUNYWA: Good afternoon. I have one thing to say in support of this Bill. The things that we have taken into consideration as the Cope are the following.

The distribution of the equitable share that is based on demographics. We are saying that this is not fair and just to the Eastern Cape because if we take into consideration the statistics that we are talking about of the people of the Eastern Cape that work in all these areas that go to these and the time when this census is taken, is taken during the time when these people are at work.

So, Statistics South Africa must do this census at the time when everybody is available so that we can have a bigger share as well.

Secondly, the state of readiness of the hosting district municipalities; when we went as this committee to these district municipalities you know others were ready for us, all were there to receive the information on this Division of Revenue Bill, but Amatole yena let us down. That was not fair. We are trying to assist them because this is the best time for the municipalities because this is the time when they are doing their budgets, so when we were doing this thing, taking this thing to them, we were expecting all the municipalities together with the districts to be there so that they can consider this in the budgets when they draft it so it is too much.

Communication challenges as I have said, it leaves too much to be desired, but we are saying to them they must take into cognizance what has been given to them in terms of equitable revenue.

Also the issue of monitoring and evaluation. Very little that is done there. What is it that we are doing to monitor that these funds that we

are talking about they reach the sad end-users of these funds because at the end of the day all the people that we visit complain that they do not get money in time.

Although they are there, they do not get them in time, so there is nothing that they can do. They see these things they get them at the end of financial year for instance from the province, let us take LED programme for instance they say they are not even part of their IDPs; they are draft dumped to them at the end of financial year, so we are saying there should be proper communication and engagement in all spheres of Government, so that when we talk of service delivery we know exactly that indeed the funds that we are talking about have been delivered and also those municipalities that have a responsibility of monitoring, they must do a proper job.

Just like what Eskom does; Eskom just do the work and does not look beyond that but at the end of the day the people who account to communities are the local municipalities not uEskom, but Eskom is letting us down. What we are saying as the Congress of the people is let us stop working in silos, let us be committed and work all of us and achieve the good purpose of the service delivery to our people. Thank you, Chair. [Applause.]

The DEPUTY SPEAKER: Order! I would like to point out that this is for the first time that we are debating and conferring a mandate to any particular Bill. This is historic and it should really work. The concerns that have been expressed are in line with those, so at the end we will pat ourselves on the back.

Mr R S STEVENSON: Hon Deputy Speaker, the Democratic Alliance supports the recommendations of the committee which includes the reservations which we have in relation to the Bill. One of the key recommendations of the report is the need to review the formula for the allocation of the equitable share, particularly the waiting given to the poverty components. This is an issue that we have brought up as this House year in and year out with the Finance and Fiscal Commission, but this is the year when we need movement and action.

After the province of Kwa-Zulu Natal, the Eastern Cape has the second highest incidence of poverty in the country. Unless we can overcome some of the historical backgrounds in this province, we are not going to make move forward on certain issues. We just have to look at our roads for example. It has been estimated that this province has a backlog of up to R18 billion in roads maintenance. There has just over R800 million on our provincial budget for the maintenance of the roads. This is totally inadequate and we are going to continue to move backwards as far as roads are concerned, unless something dramatically changes. Part of the change needs to lie at National Government level with regards to the waiting given to the poverty levels in this province because that impact on historical backlogs. This must change.

The other part of the answer also lies with us working smarter with less. The committee report also highlights that the allocation for drought relief is inadequate. One can only agree with that, but the amount that has been given to this province to assist our commercial and emerging farmers to the extent that it should, miniscap. We have only been given a fraction of what we have asked for. I think entitled the province requested R1.3 billion and we have been given R68 billion. I welcome the MEC's remarks that he says its work-in-progress because there is a lot more work we need to do and a lot more progress that we need to make to bridge that gap.

Another issue that has been identified in the report is the percentage of the national revenue given to Local Government, which appears insufficient to meet the needs of this sphere of government that is closest to the people. If we look to the national budget, the percentage allocated to Local Government is currently 7.9 and it arises over the period to 8.8.

All the issues raised in the committee report have one thing in common – we need more funding – but this is the cry of every province as was reported to the committee by the member from the National Treasury who was there to brief us. If more funding is allocated in one area, less funding is available in other areas. The issue of budgeting cannot just be confined to the issue of funding. We need to look to other areas to ensure that we get more bang for our buck and this raises the issue of:

The need to work more efficiently with what one has. It also raises the issue for debate: what should Government be funding or not funding. Over the last four years R260 billion has been poured into our parastatals. If, for example, some of these parastatals were privatised and off the government's funding book, there would be more money available for education, health care and roads, but these are political decisions.

We need to look as how we can reverage our resources more effectively to improve funding.

Our budgeting approach from the Democratic Alliance put emphases on value for money and efficiency. This is the way of improving opportunities for people in this province with what we have. Through proper and effective budgeting the province can, for example, assist the municipalities to spend their money more efficiently and effectively. This means invoking the provisions of the Public Finance Management Act and the Municipal Finance Management Act where there are deviations.

We also cannot afford to waste one cent on non-core expenditure. Government cost of servicing our national debt is going to rise from R57.6 billion in our last financial year to R104.02 billion in the 2012/13 financial year. That is a massive rise of almost of R48 billion; the entire

cost of this year's provincial budget. So we have to be very careful that when we are borrowing money we are getting a maximum value that we can for it, otherwise we can end up in a major debt crisis. [Time expired.]

Mr M M MHLATHI: Hon Deputy Speaker, hon MECs and hon members. The UDM fully supports the report and the recommendations of the committee, especially when the FFC states in the Bill that the submissions which were made by the provinces as regard the division of equitable share allocations would be considered when they make a reviewal of the formulas and the weighting they have been using previously.

This taking of the Bill to the municipalities has been an eye opener to the councillors because the councillors are busy preparing their own budgets. They have been put in the picture as to what exactly they must expect from the national fiscas; what are their allocations. The issue which still needs to be addressed is the relations between district municipalities and local municipalities, bearing in mind that the majority of funds which are earmarked for local municipalities are being put in the district municipalities because district municipalities are being taken that they have got more capacities than the local municipalities, but the crux of the matter now is that district municipalities utilise those funds without approaching the local municipalities.

This Bill has now spelt out clearly what is there for local municipalities which has been put in the district municipalities so that local municipalities must know how much is there for them in the district municipalities for each service which must be rendered by a district municipality. I hope that this process, when municipalities table their budgets, there will also be some officers which are part and parcel of the Finance Committee to go out and see to it that the funds which were allocated for local municipalities have been clearly identified by district municipalities and the specific usage of those funds for the benefit of the local municipalities should be addressed. Thank you, hon Deputy Speaker. [Applause.]

Mr M P GALO: Thank you, hon Deputy Speaker, MECs and the members of the Provincial Legislature. First and foremost, the African Independent Congress would support the recommendations of the portfolio committee and we must commend the portfolio committee about the work they have done so far.

The AIC is very much concerned about the fact that the allocations of monies from national to provincial and local spheres of government is based on inaccurate statistics of 2001, meaning that therefore the province such as the Eastern Cape which is more rural, is disadvantaged, taking into account the poverty levels in the province. For instance, if you go to Alfred Nzo District Municipality, you will find that the poverty rate is at 76%, meaning that therefore when we are giving the

portfolio committee a negotiating mandate, they should ensure that the issues that have been raised are taken into account.

We support the report of the portfolio committee. Thank you.
[Applause.]

Mr X A PAKATI: Hon Deputy Speaker, hon Speaker, I have noted you, hon MECs, hon members, distinguished guests, ladies and gentleman. Under the banner of working together we can do more, we have particularly as the ANC emphasized in our 2009 election campaign that faster change, faster improvement of the conditions of all our people will be a defining feature of the new administration. We committed ourselves to make the ANC government more caring, more responsive and more interactive and therefore finances are a means to that end.

We are a movement that constantly seeks to connect with the masses of our people. We have improved the practice of listening to the people, understanding their concerns and practically taking up the issues they have raised through participatory and representative democratic practices. We refuse to act merely as a conventional political party whose interest is doing votes during elections. We aim to work together with our people and to ensure that our actions are not only people-centred, but are also people driven.

The African National Congress supports the Division of Revenue Bill, however, the question of the formula for the allocation of the equitable share came up sharply during the processes of consultation, particularly the issue of population. We noted that the population factor does not take into account the matters relating to labour-related migration to other provinces, as well as the credibility of the 2001 census and 2005 population survey as determining factors for more allocation.

We are of the view that poverty and under-development that characterise provinces like ours should be given more weight. Having said that, we also noted the increase of conditional grants to provinces and municipalities, which therefore calls upon all of us to improve our capabilities to monitor our spending. Central to this is our ability to exercise cash management, with particular emphasis on supply chain management and district adherence to the price index that hon Jonas spoke about during his budget speech.

Provinces and municipalities are assigned key service delivery functions such as education, health, social development, housing, roads provision of electricity, water and municipal infrastructure. They have significant autonomy to allocate resources to meet basic needs and respond to provincial and local priorities, while at the same time giving effect to national agreed priorities.

This year's Division of Revenue Bill takes explicit account of cost pressures relating to occupational specific dispensation agreements in

the health and education sectors, policies on HIV/Aids treatment and pressures that affect the provision of housing and certain education services.

The Division of Revenue Bill also reinforces government's commitment to free basic services at the municipal level through a substantial increase to Local Government equitable share. This will help municipalities to deal with increased cost pressures.

We would like to appeal to district municipalities not to unnecessarily withhold allocations to local municipalities because this delay service delivery and therefore hon Deputy Speaker the ANC supports the Bill. Thank you. [Applause.]

The MEC RESPONSIBLE FOR FINANCE, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL AFFAIRS: Thank you very much hon Deputy Speaker, let me just say that on our side we also support the Division of Revenue Bill in full.

There are a couple of issues that have been raised and many of them probably relate to the fact that our cooperative government frame work is maturing. If you look at what we have now and what we had last year and the couple of other years there is probably a steady improvement in the manner in which we are changing the architecture of cooperative government in the country.

The consultative process and the public hearings that the committee went through have also confirm some of the issues that we have raised in a number of inputs to this Legislature, but also a number of inputs that have been made by various government departments. The fundamental one obviously relates to the equitable share formula. I think we have reached a point all of us where there is a general agreement that we need to review the formula.

Now that there is a decision that has been taken I think it is important that we do not just talk about this issue; we begin to do work so that we can input into the review process. The danger might be that by the time the review starts, kicks in, in full swing, the Eastern Cape might be speaking in double tongues or in different directions. I would suggest that I think moving forward our committee, the portfolio committee, should also looked at how do we concretise and intergrate the various inputs that have been made around the equitable share formula and also perhaps do more scientific work on the formula itself so that by the time we have to make input as a province, we make an input that is more coherent and that touches on the fundamentals, I think.

There are a couple of issues obviously around that. You would actually appreciate that the formula was actually pretty driven by pursuit for equity. Obviously I think when you use that as a major fundamentally or cornerstone of the formula, you are likely to have undesired results. I

think our challenge is how do we ensure that in the formula we balance the objectives of equity with some of the realities that we face; the historic backlogs on the one side and the issue about the cost service delivery and a couple of other issues that have been raised here quite sharply by various speakers. We think that those are not catered for sufficiently in the manner in which the formula is handled.

The second area that probably is of fundamental concern for us is the impact of the formula on municipalities. We believe that our municipalities in general – probably have only two municipalities in the Eastern Cape that can have any claim towards liability. So we have a serious challenge that is necessitated both by history and the fact that the economic realities of the Eastern Cape. In fact most of our municipalities are faced by a triple wammy. Their demands of service are very huge; poverty level is very low; their capacity is very poor. How do they respond to some of the challenges? It does require a second look on the formula. I am saying everybody is well aware of those issues.

The further probable point of course is that, apart from just looking at the equitable formula, we should also be looking at other financial and fiscal instruments that can be looked at, so that as the Eastern Cape, we propose something more concrete in these issues. For instance, we know that if you look at other countries, to deal with the challenge and the tension that always arises between equity and other objectives, people have actually come up with spheres like equalisation funds.

If you look at the EU for instance, you will find that whilst the formula is the same, there is also another instrument to deal with all the unintended consequences of underdevelopment. The equalisation fund option becomes another option. Some are just saying that part of the debate should also be creatively looking at other possible fund proposals, or proposals for responding to the unique challenges that we have.

The other point from probably the Provincial Government's side; we actually have dealt with all these issues and as Provincial Government are packaging our own basis for engagement, from the issue of backlogs to the issue of how the various parastatals and State-owned enterprises are investing in the Eastern Cape, to a whole range of other issues. We are packaging an engagement platform that will use in our engagement with the National Government.

It is very clear, probably echoing what hon Pakati was saying; it is very clear, given the current constraints that we have, prioritisation of prioritisation is going to be critical because I think sometimes we are saying we are prioritising. Sometimes I have a very strong feeling the extent to which we prioritise prioritisation is our weak point. Some of the things that we put in the priority list sometimes are not necessarily supposed to be on the list. I think part of the challenge that we have to

confront as both Parliament and departments is actually to look at reprioritising and looking at our priorities with a different eye.

The second point of course is creativity. I think whether we like it or not, we need to be more creative in how we attract public investment to the Eastern Cape. Our challenge is not just attracting private investment, but our challenges also expanding the scope for fiscal transfers to the province and you can only do that if we are very creative in looking at how we attract public investment in the Eastern Cape.

The last point which probably we will make very clear when we present our policy speech is the issue of whether we have R10 or two cents; how do we make use of it because at the end of the day it boils down to the fact that whether you were given half a cent or two cents, whether that half a cent or two cents was used effectively and efficiently, or we actually were thrown to the dogs. That is probably the challenge that we are going to have. I thank you very much, Madam Speaker. [Applause.]

Report adopted.

The DEPUTY SPEAKER: That concludes the debate on the report and the mandate. We now are conferring the mandate to the committee.

Phambi kokuba sidlulele kumba olandelayo, ingxoxo ngeentetho zokusetyenziswa kwesabelo-mali, siye sikhuthaze abaphathiswa ukuba basixelele iindwendwe zabo abazimemileyo. Asinalo ke uludwe lweendwendwe zabo apha phambi kwethu. Mandithathe ke eli thuba ndamnkele uSekela-sihlalo weNdlu yeeNkosi, uPrince Ncamashe. Ndamnkele bonke abantu abakhoyo apha naxa ndingabazi ukuba basuka phi kodwa ndiyakrokra ukuba sinawo amagosa amasebe. Sinabo nabaxhasi bethu abangaxelwanga. Ndiyabamnkela ke bonke abantu abakhoyo apha namhlanje. (*Translation of isiXhosa paragraph follows.*)

[Before we could proceed to the next item, policy speeches, we normally encourage the Members of the Executive to inform us about their invited guests. I do not have a list of their invitees in front of me. Let me then take this opportunity and welcome the Deputy Chairperson of the House of Traditional Leaders, Prince Ncamashe. I also welcome everybody present here although I do not know where they come from but I suspect that among them are officials from the departments. We also have our stakeholders. I welcome everybody.]

APPROPRIATION BILL (EASTERN CAPE)

Presentation of Vote 2 - Provincial Legislature

Mr F D XASA: Hon Deputy Speaker, hon MECs, hon Members of the Provincial Legislature, distinguished guests, ladies and gentlemen, in

particular I am informed Tshawe that you are the chairperson of Uvimba, so I also welcome you in that context.

Allow me, hon members, to take you down memory lane. It was supposed to be a peaceful demonstration, organised against pass laws almost 50 years ago. The demonstration was confronted by the full might of the apartheid security forces, which led to the death of defenceless people on 21 March 1960. As if that was not enough, the agents of the barbaric regime came to Uitenhage and attacked peaceful demonstrators with the same barrel of a gun.

I can mention Boipatong, I can as well mention the Bhishe Massacre. This all reminds us of our past which was characterised by the blatant violation of human rights. Allow me to ask the House to rise in memory of those heroes and heroines who laid their lives for what we have today. Thank you.

The DEPUTY SPEAKER: Hon Speaker, I am chairing. You must talk through me. Thank you.

Mr F D XASA: No, I am used to chairing as well. [Laughter.]

Madam Deputy Speaker, we recently commemorated the release of Nelson Mandela, the unbanning of the liberation movements and the unprecedented march towards freedom. It is now 16 years since the first democratic elections and indeed many of our people's lives did improve for the better. But at the same time, many of our people still receive schooling in mud structures and in the open and many still cannot access basic health services; many still do not have homes and decent jobs. The challenge that confronts us as elected representatives is how to better the lives of the people of the province.

The transition of democracy and subsequent transformation of the nation under President Mandela and former president Thabo Mbeki are a platform to build on in our efforts to ensure a better life for all. We need to fulfil our role to the best of our abilities by improving our law-making capacity and our oversight role, involving the public more in legislative processes and improving the processing of petitions.

President Jacob Zuma remarked in the State of the Nation Address that services delivered to our people must be better and faster. This week, Members of the Executive Council will have delivered their respective departments' policy and budget speeches, telling us how public funds will be used to improve the lives of the people in the Eastern Cape. This year, the year of action, should see unprecedented activities by government to improve the lives of our people. The Legislature should be the true voice of the people of this province, especially the poor.

This year, as a Legislature, we will be more vigilant in overseeing that services are indeed delivered to the people of the Eastern Cape and in

line with the departmental plans approved by this House. As a Legislature we trust that our strategic focus will assist the Executive in delivering services better and faster.

The Eastern Cape Provincial Legislature is part of South Africa, and therefore supported the establishment of a legislature sector. The establishment of the sector is contained in a Memorandum of Understanding, and the sector will be governed by a legislature sector policy. The sector policy aims to set up common norms and standards for all legislatures in the country, but at the same time we will continue to respect the constitutional status of each legislature.

A five-year strategic plan has been developed by the sector policy. This strategic plan will be considered and adopted by the Speakers Forum. As soon as the sector strategic plan is adopted, the activities of this plan will have to be integrated into the plans of the Legislature.

The norms and standards of this policy are of great importance to the Eastern Cape Provincial Legislature. Not only will it change the way in which we perform certain functions, but it may also introduce new activities that will play an important role in deepening democracy in South Africa. The sector policy identifies the following policy priorities:

- Nation-building
- Developing and deepening parliamentary democracy
- Developing representative democracy
- Building a strong Legislature
- Specific constitutional mandates
- Oversight and accountability
- Law-making
- Public participation
- Building a strong parliamentary support service.

The State President's call for vigorous oversight is being heeded by the Legislature. The Eastern Cape Legislature will conduct robust oversight over the Executive Council and public entities. The institution will pay particular attention to the service delivery priority areas outlined in the medium-term strategic framework of government and the consideration of responses of the Executive on House resolutions.

In strengthening our robust oversight over the Executive and public entities, we will embark on an exercise to share information and best practices with other parliaments and assemblies, and co-operate with other Chapter 9 institutions that will add value and assist the Legislature in its work.

Concrete strategies will be developed, together with action plans to strengthen the oversight role of the Legislature as a critical institution of government, with a particular focus on improving service delivery to the

people, effective scrutiny of the annual budgets and government spending and holding the executive and public entities accountable for the use of public funds. The Eastern Cape Provincial Legislature will develop its own oversight model to maximize its oversight function.

In our commitment to improve public participation, the Legislature will develop awareness campaigns and educational programmes aimed at learners, educators and civil society to broaden general knowledge about the role of the institution.

Time will be set aside for sittings at which responses to petitions will be presented by the relevant departments and discussed in the House. Interaction with the rural population, traditional and local authorities, as well as access to the Legislature by members of the public will have to be improved in the current term.

The website of the Legislature will be improved to ensure that the information provided is relevant, accurate and up-to-date. We will embark on planning towards the establishment of a fully-fledged information centre and the relocation of the library to a more user-friendly area, fully stocked with relevant and useful information.

The Legislature will establish a portfolio committee to deal with matters relating to public participation, including the processing of petitions. We will also develop a standardised set of guidelines and procedures for planning and executing the following public participation activities:

- outreach events
- public hearings
- petitions
- public education
- committee proceedings and House sittings
- use of constituency offices.

The Legislature is constitutionally mandated to perform its law-making function through the passing of provincial legislation and participating in the national legislative process by mandating the provincial delegation of the NCOP to negotiate and vote on legislation affecting provinces. It is therefore necessary to deal with the provincial and national law-making process separately.

Although the Legislature passed all the Bills introduced in the past financial year, the Province of the Eastern Cape has not been performing well with regard to law-making in general. This year priority should be given to the review and enactment of provincial legislation, as well as supporting the transformation agenda of the State.

Recent statistics of Bills passed by the Legislature reveal that few Bills have been passed by the Legislature. For example:

- In 2007, the Legislature passed only two Bills;

- In 2008, the Legislature passed only four Bills;
- In 2009, the Legislature passed only four Bills.

This situation therefore calls for an improvement by the Executive Council to ensure that some progress is made in rationalizing and transforming the large amount of former Transkei, Ciskei, Cape Provincial Administration and pre-1994 South African legislation that was assigned to the province and that is still in existence.

Legislation is generally policy translated into law. Section 125(2) of the Constitution provides for the execution of the executive authority by, amongst others, developing and implementing provincial policy and preparing and initiating provincial legislation.

The Legislature will set up a Law Review Committee with specific terms of reference to review existing legislation. This Committee will advise the Executive on areas in the laws that are outdated and undesirable, recommend appropriate action and assist in the law-making process.

It is encouraging to note that the Legislature continues to be a full participant in the national law-making process by providing all mandates to the NCOP as required from time to time.

There is a need to strengthen the relationship between our NCOP Permanent Delegates and our Legislature. Permanent delegates are appointed by the Legislature and deployed to the NCOP to represent the Eastern Cape. Therefore they should always be aware of the Eastern Cape's position and mandate on matters of policy and law-making.

The Mandating Procedures of Provinces Act requires final and/or voting mandates to be conferred by this House. The Legislature has developed Standing Rules to ensure proper reporting to the House by Permanent delegates, thereby allowing all Members to participate in the law-making process.

The Women's Caucus, in collaboration with the provincial government, commemorated International Women's Day in Mount Frere during this month of March. A number of activities took place as a build-up to the celebratory event held at Emandileni village on 8 March 2010. These activities included a "big walk", prayer services and door-to-door campaigns which highlighted the abuse of women and children.

This year will see the Women's Caucus embarking on follow-up visits to:

- Mzamba;
- Mount Frere;
- Cwele;
- Mqanduli; and

- Mquma.

The Women's Caucus will organize various events together with the Gender Machinery during Women's Month, which takes place in August, as well as 16 Days of Activism against Violence against Women and Children during November and December.

I would also like to add that there is going to be a stand alone portfolio committee for the Women's Caucus this year.

Section 116 of the Constitution of the Republic of South Africa requires that the Legislature must determine its own policies. The Legislature has therefore made a vigorous start with the development of policies that affect Members and staff to ensure that there are no policy gaps.

We have noticed that some of the existing policies are outdated and need to be reviewed or strengthened. All the existing policies relating to Members have been scrutinized with a view to closing all the gaps. We will ensure that these policies are finalized during this financial year. Senior officials of the Legislature have been assigned to oversee this process.

The Speaker's forum has entered into a contract with the European Union, in conjunction with the Public Administration Leadership and Management Academy (PALAMA), in terms of which all Legislatures will be empowered. PALAMA will co-ordinate a capacity-building programme for all Legislatures, including Parliament, which will be conducted in three phases, culminating in a master's degree for MPLs.

The main aim is to make sure that Members are better equipped. The Speaker's Forum has also formed sub-committees that will look at the question of a Collective Central Bargaining Council for Legislatures. The institution will review its Human Resources policies and develop an HR plan that will be aligned to the Legislature's overall strategic direction for the next five years.

We will continue to award bursaries to staff members in order to improve their academic qualifications. It remains our priority to sharpen the skills of our employees with a view to enhancing performances.

The newly appointed Secretary to the Legislature will lead a process of building relations between management and organised labour within the institution. In pursuit of this relationship-building exercise, the Legislature will enter into a clearly defined recognition agreement with organised labour. We are in the process of reviewing the organizational structure of the institution alignment with our strategic plan.

In the current year the Legislature will embark on a process of developing a communication strategy to enhance the corporate image of the institution. Our newsletter, LegiBrief, will be circulated extensively

to research stakeholders such as district and local municipalities, as well as all constituency offices.

A more consistent and co-ordinated interaction with the media is planned for this financial year. Media coverage of Legislature programmes such as “Taking the Legislature to the People” and others will also be focused on.

The Legislature was declared a National Key Point (NKP) in 2009. This means our status has been elevated to the level of national public entities such as the South African Broadcasting Corporation, the South African Revenue Bank, Eskom, etc. To this end an improved security policy and plan will be adopted during this financial year with a view to conducting an advanced threat and risk assessment that will focus on improving access control measures for staff, Members and visitors. Security measures at key events hosted by the Legislature such as “Taking the Legislature to the People” will be brought into line with the National Key Point Act.

A need has been identified to engage relevant agencies to conduct vetting of key employees in order to ensure security-complaint staff. Furthermore, security screening of service providers engaged by the Legislature will continue. Technologically advanced physical security measures to protect and maintain the integrity of our IT frameworks will be revisited during this financial year with a view to improving security in respect of our information. In this regard the relevant authorities will be engaged in upgrading our surveillance cameras.

Awareness programmes will be conducted on NIA’s Minimum Information Security Standards (MISS) to further enhance the safety of the Legislature community. As an institution we will ensure that security arrangements at the Legislature are appropriate to the essential level of threat and that a disaster management plan is developed to reduce the impact of any unplanned incidents. We will also ensure that our operations are in compliance with the Occupations Health and Safety Act. The recycling of policy will come into effect this year, and hopefully the betterment of the Legislature precincts.

In the previous financial year substantial investments were made in the revamped Chamber. Through our IT Division and core business, the Legislature will continue reviewing and upgrading this investment in the Chamber to serve the House and Members efficiently. A Master Strategic Plan (MSP) which includes disaster recovery plans and off-site storage facilities, will be completed during this financial year.

We will upgrade the existing IT infrastructure and the quality of recording systems in committee rooms and review service level agreements with service providers such as SITA, Dimension Data Solution Worx. The renewal of the Microsoft licence and signing of an enterprise agreement will also be done this year.

Capacitating of Members for vigorous oversight through international and SADC exchange programmes will be communicated with the Department of International Relations and Corporation in order to ensure that our participation at an international level adds value to our work. Three portfolio committees will participate in these exchange programmes during the year and four portfolio committees will participate in the SADEC exchange programmes. These study tours must aim at enhancing the work of the Legislature through best practices learnt and shared with the international community Reports will be presented in the House for adoption after every trip.

The sharing of experiences with international bodies will continue being promoted, but these visits will also be subject to scrutiny by the Department of International Relations and Co-operation. These bodies include the following:

- National Conference of State Legislatures (NCSL);
- Commonwealth Parliamentary Association (CPA);
- Commonwealth Women Parliamentarians (CWP);
- African Public Accounts Committee (APAC); and
- Australia Habitant Studies (AUSHS).

Working relations will be strengthened with key stakeholders, namely Buffalo City Municipality and the Department of Public Works, which are responsible for the provision of decent accommodation and municipal services for Members. We will address the challenges relating to the allocation and maintenance of houses and offices for new Members encountered during the transition from one term to the other.

In providing effective support to Members, a healthy, safe and secure physical environment must be created in which the business of the House can be effectively conducted. This includes accommodation, offices, office equipment, catering and security. Space planning will be initiated to ensure that available space is efficiently utilized to achieve a good alignment with our primary objectives.

The Legislature will conduct an analysis of individual Member's support which will ensure that support given to Members is efficient and effective. More emphasis will be placed on strengthening constituency work through the development of a framework to guide the functioning of constituency offices.

In the Financial Management of the Eastern Cape Provincial Legislature Act (Act 3 of 2009) this was passed by the Legislature, assented to by the Premier and published on 27 January 2010. This Act is therefore now in operation. It replaces the applicability of the Public Finance Management Act. This Act was preceded by the Financial Management of Parliament Act of 2009.

In terms of the Act, the Speaker is now clearly defined as an Executing Authority of the Legislature and is responsible for the treasury control and monitoring functions over the Legislature. The Office of the Speaker will have to be be staffed during this financial year with appropriately qualified finance personnel to assist the Speaker in discharging his duties in terms of this FIMPLA. All existing financial and related policies will be translated into FIMPLA regulations.

The Act will be implemented on an incremental basis. Some of its sections will be staggered during its implementation in the 2010/11 financial year to ensure a smooth transition.

The Legislature intends introducing a political party funding Bill. The Bill, known as the Eastern Cape Political Party Fund Bill, will have as its main purpose the establishment of the Eastern Cape Political party Fund into which funds appropriated to the Fund by the Legislature will be deposited.

Political parties represented in the Legislature are entitled to allocations from the Fund according to a prescribed formula, and such money must be used for purposes compatible with functioning as a political party in a modern democracy. Our aim is to pass this Bill before the end of April 2010.

The current policy on Financial and Administration Assistance to Political Parties will be amended to delete the provision for public education allowances to political parties. Monies budgeted for such allowance will be transferred to the Eastern Cape Political Party Fund.

A need has been identified to review our existing major contracts with a view to contributing to the country's drive to create employment. The cleaning contract will be reviewed to facilitate the creation of sustainable employment. The Legislature's Supply Chain Management policies and processes will be aligned with the provisions of the Financial Management of the Eastern Cape Legislature Act.

Madam Deputy Speaker, I am pleased to state that the Legislature has purchased its own fleet of vehicles. On delivery of these vehicles they will be branded with our logo to minimize abuse.

The Financial management of the Eastern Cape Legislature Act (FIMPLA) states that the Accounting Officer must ensure that the Legislature maintains effective, efficient and transparent systems of financial management, risk management, internal control and internal audit. This implies that risk management and internal control have to become more strategic so as to contribute towards good corporate governance and the improvement of the internal audit system. This will contribute immensely in our endeavour to improve organizational performance and minimize the risk of fraud and corruption.

In line with the provisions of FIMPLA, an Audit and Advisory Committee will be appointed in the current financial year.

Hon Members, the budget for 2010/11 has been increased from R271,6m in 2009/10 to R310,6m. This represents an increase of 14,4%. If I can outline the budget it is as follows for 2010/11:

Programme 1

We have been given R104 129m, broken down as follows:

Office of the Speaker	R10.6 million
Office of the Secretary	R11.9 million
Financial Management	R32.5 million
Corporate services	R38.3 million
Catering services	R1.9 million
Internal Audit	R1.5 million
Safety	R7.1 million

Programme 2

Facilities for members and political parties	R76.1 million
Facilities and benefits	R 9 4 million
Political Support Services	R66.6 million

Programme 3

Parliamentary Services	R81.8 million
Library Research and Information Services	R 3.5 million
House Proceedings	R 7.3 million
Committee Services	R 39.1 million
Legal Services	R 10.5 million
NCOP	R 3.1 m million
Public Participation Awareness	R 14.6 million
Hansard and Language Services	R 3.5 million

Programme 4

Direct Charge	R 48.5 million
Total Budget	R310,629.00

The Legislature, in conclusion, will strengthen its capacity to make laws, improve its oversight capacity it will relate well with civil society and the public at large. It has also identified as one of its critical priorities the need to develop management systems that are in line with best practice in the legislature sector, so that this institution is able to demonstrate that resources are managed in an efficient and cost-effective manner. The clarion call for this year is “let’s work harder and faster in delivering services to our people”.

I thank you. [Applause.]

APPROPRIATION BILL (EASTERN CAPE)

Presentation of Vote 8: Agriculture

The MEC RESPONSIBLE FOR AGRICULTURE AND RURAL DEVELOPMENT: Hon Deputy Speaker, there are bags of apples that you will be given. Hon Martin, we know that you are struggling because you are far away from fruit-producing areas and we decided to bring you these bags of apples! [Laughter.]

Let me greet the hon members of the House, the Farmers' Associations and the people from rural areas of this province. I feel honoured hon Deputy Speaker to stand here and present the policy that will be followed by the Department of Agriculture and Rural Development over the next five years as well as to table the budget of the department.

I also wish to add to the hon Premier's voice and that of all other leaders who spoke to mark the celebrations of the 20 years since the icon our struggle for national liberation and social emancipation, uTat' uNelson Mandela was released from 27 years of incarceration.

I am confident that I speak on behalf of the rural and farming communities of this Province that had it not been the sacrifices made by Nelson Mandela, many other heroes and heroines of our struggle as well as the masses of our people as a whole, the shining light at the end of the tunnel would not have lit. The contrast between the slow and yet steady progress of farm reform and the overwhelming response by our people to our back to land campaign to achieve food security for all serves to inspire us to succeed on what perhaps Madiba would have referred to as the long walk to prosperous and sustainable livelihoods.

In the State of the Province Address, the hon Premier ably demonstrated the government's commitment to the national and provincial strategic priorities as articulated in June 2009.

Our strategic response to the challenges set out in these priorities has been the adoption of the Eastern Cape Rural Development Strategy (popularly known as *ILIMA LABANTU*) copies of which have been circulated here today. The Strategy development process was extensively consultative and the outcome has received overwhelming support across the wide spectrum of the Province's Stakeholders. *ILIMA LABANTU* represents the Provincial Government's vision as informed by the African National Congress manifesto and it seeks to progressively narrow the rural/urban divide as well as to facilitate the emergence of sustainable and rural communities with universal access to services, infrastructure and development opportunities.

Hon members, the rural development policy process is unfolding and I am pleased to report that two weeks ago our department released a Green Paper on Rural Development in the Eastern Cape. With this discussion document, we seek to stimulate engagement on and open yet another chapter in the provincial rural development policy discourse.

It is our intention to develop and declare policy to guide facilitate and regulate rural development in the Eastern Cape. We do this convinced that the key issue for us in championing leading and coordinating rural development is not so much about the amount of money we get but it is more about the manner of doing things and the attitude of government department and officials towards the rural communities. In this regard Hon Deputy Speaker, we will table to this House by May / June this year government policy in the form of the White Paper on Rural Development in the Eastern Cape. The Green Paper proposes the following measures :

- i) As informed by the Rural Development Strategy, the integrated development planning must be the point of departure for rural development plans of all government department and entities;
- ii) Current and future Strategic Plans of the Provinces including municipal IDP's must be designed such that they reflect the essence and substance of the Rural Development Strategy;
- iii) The coordinating department must be empowered and authorised to develop tools for assessing the credibility of the strategic and annual performance plans, to test and confirm alignment to the goals of rural development;
- iv) A Provincial Development Fund must be established and based on Legislature, must receive annual fiscal allocations;
- v) A Provincial Rural Development Agency must be established on the basis of appropriate legislation mandating but not limited to.
 - The implementation agent status of provincial government in respect of all rural development programme assigned by department.
 - Leveraging private sector and donor funding for development
 - Mobilizing rural communities behind a common rural development agenda.

In this regard, as informed by the Rural Development Strategy, I am pleased to report that substantial progress has been made in the amalgamation of the Eastern Cape Rural Finance Corporation (ECRFC) Eastern Cape Appropriate Technology Unit (ECATU) and the Eastern Cape chapter of the Accelerated Shared Growth Initiative of South

Africa (Asgisa-EC) into a single rural development agency in the Eastern Cape. A Bill for the requisite enabling legislation will be tabled in this House by May/June this year.

In the meantime, hon Deputy Speaker, through the relevant provisions of the ECRFC Act and the Companies Act, and after following proper procedures as prescribed in Section 54(2) of the Public Finance Management Act, Uvimba has acquired Asgisa EC (Pty) Ltd as a subsidiary company with effect from 1 April 2010. Most importantly, this development has resolved the issues of the legal status and public accountability of Asgisa-EC as a matter that has been a major concern to this House.

Hon Deputy Speaker, since July 2009, the department has been engaged in an extensively consultative process of strategic planning. The Strategic Plan is a product of discussion by internal and external stakeholders and as informed by the Rural Development Strategy, it represents a major shift in policy from ours being a line function department to become both line function as well as co-ordinating department

I list some of the pertinent features of the Department of Agriculture and Rural Development as defined in the Five Year Strategic Plan. This department will now be moving forward, have a tree programme structure that seeks to strike a fair balance between implementing Agriculture development as well as coordinating rural development as a transversal function. We are trying to maintain a learner Head Office whilst beefing up the District Office. A rural development agency will be established to carry out the mandate of provincial government. A stronger alignment of policy objectives and targets between the department and our public entity. We are trying to clearly spell out in the strategic plan the deliverables over the five-year period but in terms of outputs and outcomes.

Certainly the successful implementation of this Strategic Plan in our quest for prosperous and sustainable livelihoods does not only depends on our ability to coordinate government work, but equally important is the extent which the department can mobilise society as a whole to support and participate in these programmes indeed, it is about partnerships, yes, it is about rural communities seizing the opportunity and assuming responsibility of being their own liberators.

Economic data released recently by Statistics South Africa shows that growth in the Agriculture, Forestry and Fishing industry, nationally continues to decline. In the Eastern Cape real output in the primary sector- of which Agriculture Forestry and Fishing constitute about 95% - shrunk by 4.5% in the second quarter of 2009, following 2.6% and 5.5% contraction in the first quarter of 2009 and forth quarter of 2008 respectively. Invariably, this translates to the decline in exports and the number of jobs in the sector, and this is what programmes of the department should be responding to.

Hon members would appreciate that the department's performance information for the 2009/10 financial year will be documented in the Annual Report to be tabled in this House later this year.

However, in the following page we attempt to just indicate a few highlights and drawbacks that the department has encountered during that period

I will not, hon Deputy Speaker, go through those, but I just want to note that draught has been one of the constraints and limiting factors during this period.

The Strategic Plan of the department presents the key deliverables over the five-year period and the Annual Performance Plan gives a detailed account of the outputs expected out of the expenditure of the 2010 MTEF budget.

I would wish to deal hon Deputy Speaker, with the speeding of growth and transforming the economy to create decent work and sustainable livelihoods.

The Rural Development Strategy is the most appropriate and coherent response this province has ever offered to address the challenges of our rural economy which is dominated by the agricultural sector. It proposes specific measures to improve economic productivity through agrarian reform, infrastructure development and skills development, all of which are discussed in details later in this report.

The Strategy also articulates the imperatives of diversifying away from the agricultural sector in favour of non-farm rural economic development. The main focus is the creation of jobs and entrepreneurial opportunities through agro-industry, tourism and forestry development. The department will strive for economic inclusion through programmes aimed at establishing new and development existing Small Medium and Black Economic and Co-operatives, as well as creating Broad-Based Black Economic Empowerment opportunities in the rural economy. This will also include critical issues such as access to finance and markets by these small enterprises. An amount of R 7.2 million is budgeted to facilitate this work over the next five years.

Over the same period, four more Agri-Parks four more Milling Plants and 25 community Storage & Milling Plants will be established; and 10 000 ha of forestry plantations will be revitalized and established during this term.

At this point, hon Deputy Speaker, I wish to acknowledge the R37 million contribution by the National Department of Rural Development and Land Reform towards a partnership that involves a number of

stakeholders, including the University of Fort Hare, on the Agri-Parks programme known as Ilima Community Economies initiative.

The department has over time invested resources in a number of agriculture enterprises such as Magwa and Majola Tea Estates, North Pondoland Sugar, Kangela, Ncera Macademia Project, Ostrich Project, Pineapple industry, Sugar Beet RSA etc. The department will produce a value for money report and turn-around and/or rehabilitation plan by June 2010. Hon members, we cannot continue to pay money, and not be part of decision making and we should know what to expect as return on investment in the 2010/11 financial year, the department's total investment to these business entities amounts to R47.7 million.

On issues of social and economic infrastructure the Rural Development Strategy places on our shoulders the responsibility to coordinate and facilitate infrastructure development and more specifically to provide and maintain agriculture infrastructure in the rural economy.

With respect to rural infrastructure generally, we will work with the Department of Roads and Public Works and Municipalities to build the requisite institutional capacity, to quantify, cost and develop a realistic plan to eliminate backlogs in the former homelands of Transkei and Ciskei, and to plan and budget for the maintenance of infrastructure, particularly road and economic infrastructure.

Our water resource development plan (earlier referred to as Mzimvubu Dam) has moved further with the Executive Council approval of a detailed feasibility study and business planning to be conducted based on the Ntabelanga Multi-Purpose Dam hypothesis, all of which will be possible if we succeed to lobby national government to commit to the project.

In the area of agricultural infrastructure the department will use the Expanded Public Works Programme models, and it is anticipated that more than 9,000 short term work opportunities will be created over the next five years. Specifically, the department will provide more than 5,000 kilometres of fencing for arable lands, household gardens and grazing camps, spending R80.3 million in 2010/11, cumulating to R197 million by 2010/13.

Whilst we will construct new dipping tanks, of the 65 the department will put up over the next five years, at a cost of R215 million, our efforts will be directed at renovating the dilapidated dipping infrastructure.

The department in partnership with Asgisa-EC and some municipalities has successfully mobilised many rural communities to go back to work on the land. These communities are producing crops more than they can handle, and thus require storage and processing facilities. Over the next five years, the department will respond to this by providing 11 crop storage facilities or silos at selected sites based on levels of production

across the Province. Three of these big (about 5000 tons) Regional Silos we intend to put up in Matatiele Mhlontlo and Mnquma.

I expect the irrigation schemes revitalisation programme to gather momentum due to our focused approach as well as the interest that national government seems to be demonstrating on this programme. This financial year, R25 million rand will be spent on developing Ncora Irrigation Scheme to an operation level. It is our intention to take the development of irrigation schemes programme to new heights.

The DEPUTY SPEAKTER: Hon Members, we are allowed to converse, but we must not converse loudly. Please proceed, hon member.

The MEC RESPONSIBLE FOR AGRICULTURE AND RURAL DEVELOPMENT: In this regard, the department will investigate the feasibility of establishing four new 300ha irrigation schemes over the next five years in the other District Municipalities, namely Cacadu, Ukhahlamba, Alfred Nzo and OR Tambo.

The department will procure additional 200 mechanisation units over the next five years. The mechanisation units, hon Mthitshana are what you refer to as tractors.

However, I must add that whilst some communities have appreciated the value of having these tractors, we are concerned about the tensions that have arisen in others. I could not continue hon members to turn a blind eye to this reality, for ours is about building cohesive communities. To this end, the department will investigate the possibility of a 'pool system' similar to a government garage set-up whereby these tractors will be decentralised to the municipal level but remain property of and managed by the department for the benefit of the farming communities.

On rural development land and agreement food security:

Hon members, building on the rural development pilot site at the Mhlontlo Local Municipality, the department will work to consolidate this initiative whilst at the same time rolling out the programme to new areas. In this regard, I am pleased to announce that with effect from 1st April this year, the first phase of the roll out will footprint in all the six District Municipalities and will focus on identified areas in the municipalities of Ikhwezi in Cacadu, Ngcobo in Chris Hani, Mbhashe in Amathole, Elundinin in Ukhahlamba, Umzimvubu in Alfred Nzo, and Ntabankulu in OR Tambo.

Again, I wish to emphasise that whilst the Rural Development Strategy implores us to implement work as envisaged in the pillars of the Strategy, our entry point in these areas will be agriculture development as well as job creation.

The department had identified inadequate measures to support land reform as an area of weakness. This particularly relates to measures that need to be put in place to ensure that women, youth and the disabled have access to land, the outstanding land claims are settled and land reform beneficiaries are supported.

We will continue to work towards strengthening coordination with the Provincial Offices of the Department of Rural Development and Land Reform. Already we are working together on the land audit project that, when completed, will provide us with strategic information on the ownership and use of the more than 16 million ha of land in the Eastern Cape. The Amathole district is to be prioritised this coming year, and the department is set to spend about R17 million to annually expand this project to other districts over the next five years.

Through collaboration between the department and Uvimba, our plan is to support 3,000 land reform beneficiaries over the next five years, and R17.5 million is budgeted for this work in 2010/11 and this accumulates to R55 million over the next three years. Our support will mainly be in the areas of debt restructuring, farming inputs, farmer development and market access. These include farms that are threatened by repossession by financial institutions.

In the area of food security, hon members, we have ambitiously set ourselves a target to plant 170,000 hectares of crops, aiming at producing 490,000 tons of grain over the next five years. Sixty percent of this will be maize, our Province's staple food. A total of R189.4 million has been budgeted for this work in the 2010/11 financial year and this will accumulate to R381.4 million over the MTEF period.

Over the five year period, the department will also implement 49,000 household gardens expanding the Siyazondla Programme, thereby securing food for over 300,000 beneficiaries. R42 million is allocated to this programme in 2010/11 and this accumulates to R60 million in 2012/13.

Whilst cattle dipping and sheep scab control will be intensified to improve animal health, an additional twenty five mobile clinic units will be rolled out over the next five years and R33.4 million is budgeted for these mobile clinics over the MTEF period.

Hon Deputy Speaker, in partnership with commercial farmers, our livestock genetic improvement drive, hon Fihlani, will ensure the distribution of over 23,000 sheep and over 92,000 cattle by 2015 to farmers to improve the productivity to communal flock and herd respectively. R36.9 million is budgeted for this purpose over the next three years.

Hon members, our research station at the Dohne Institute continues to be a shining example with a number of strategic partnerships not only

nationally but globally. With effect from this year, the department has taken a decision to undertake, through Dohne, a fully fledged study on the impact of climate change on agriculture productivity in the Eastern Cape.

The Department has taken a bold step, for the first time, to budget for disaster relief in the province. In a province like ours, prolonged conditions of drought have necessitated that we take this route, and the focus will be on saving livestock through timely provision of feed in terms of need. In this regard, R8 million has been budgeted for this in the current financial year.

On strengthening education and building skills and human resource state:

The Rural development Strategy enjoins us to develop comprehensive skills development programme on the rural economy by December 2010. A component of this will be the area of financial assistance towards tertiary education for learners in rural schools.

Through the Extension Recovery Programme, the department will continue with the programmes aimed at training and re-skilling our extension officers, and for this purpose R15.4 million in 2010/11, accumulating to R48.6 million in 2012/13 has been provided for.

On farmer training, the department will recruit deploy 285 mentors to 405 Land Reform for Agriculture Development (LRAD) farming units and other flagship projects over the next five years. Over the same period, R 39 million is set aside for the establishment and revamping of eight Farmer Development Centres, where we hope to have at least one fully fledged centre in each District Municipality.

In partnership with the Department of Education and ECSECC, the department has initiated a systemic audit covering all our Agriculture Training Institutions, and we hope to complete this exercise by the end of March this year. The outcomes of this study, modeled on a similar audit conducted for Further Education and Training Colleges, will better inform our planning towards institutionally re-engineering these important centres of learning

Let me mention hon Deputy Speaker that the Executive Council Lekgotla that was held recently mandated the MEC for Education, hon Qwase and myself to work on establishment of an Agricultural High School in the former Transkei because we observed that there is not even a single school of agriculture. With regard to health profile of the province I want to state that the main purpose for these programmes is to prioritise food safety. The food safety will come through the many programmes that I have mentioned.

Kwakhona, nale nto yokubiyela amadlelo okutyisa impahla yethu yenza into yokuba iindlela zethu zikhuseleke kubaqhubi beemoto. Imbi into

yokuqhuba kwindlela ekuyabula kuyo imfuyo. *[Again, the issue of fencing grazing land contributes to the safety of the motorists on our roads. It is bad to drive on a road with stray animals on it.]*

With regard to crime, rural safety is one of the key programme of the Rural Development Strategy, and it is about the safety of our mothers and children in rural communities, it is about the safety of teachers and learners in rural schools, it is about the safety of health practitioners and patients in rural health institutions, indeed, it is about the safety of farmers and their livestock. The campaign for the branding of livestock has been a success and is gathering momentum due to the introduction of programmes such as the farmer education, mobile clinics, etc.

However, we are still concerned about the intensity of stock theft across the international borders with Lesotho in this regard, I am aware of the initiatives by Hon Premier to engage an open dialogue with the Ministers of Police as well as that of Defence and Military Veterans for the possible deployment of troops along the Lesotho South African border.

With regard to the area of building and developmental state and improving the public services and strengthening democratic institution - the White Paper on Rural Development and the Rural Development Agency Bill will be finalised by May 2010, and the legislation process is expected to be conducted by November this year. The new Eastern Cape Rural development Agency, resulting from the amalgamation of the ECRFC, Asgisa-EC and ECATU will be established and come into operation on 1 April 2011.

From this financial year's budget, R52.6 million will be transferred to Uvimba in support of the legislated mandate of that institution, R100 million is also budgeted to be transferred to AsgiSA-EC to enable that institution to continue with their innovative and exciting programmes, particularly the flagship integrated cropping programme with footprints in almost all the District Municipalities of the Province.

Hon members will recall that in the Budget Speech, the Hon MEC for Finance alluded to the work being done to fulfil the intentions of Provincial Government to establish a Rural Development Fund. When this work is finalised, our report will provide details on the future funding arrangements for the new Rural Development Agency.

Hon Deputy Speaker, I am pleased to report that the protracted legal dispute over the administration of Fort Cox is finally over, and the Supreme Court of Appeals has confirmed the validity of the Executive Council decision to transfer the administration of this institution from the Department of Education to the now Department of Agriculture and Rural Development.

Hence, the department is finalising the Fort Cox Governance Policy as was resolved by this House, and legislation to repeal the Ciskei Decree of 1991 will be re-introduced by May / June this year. Fort Cox will be allocated R21 million this coming financial year, and this budget increases to R23.1 million by 2012/13.

I wish to once more thank the hon members of this House and the rural development stakeholders generally for their active and enthusiastic participation in the process of developing the Eastern Cape Rural Development Strategy. The social compact signed as declaration of the commitment to support the implementation of the Strategy will be translated into a specific delivery agreement to be entered into with stakeholders by June this year.

As stated earlier, our implementation level, the district establishment of the department, will be reconfigured and beefed up to match the expectations of farmers and the rural poor in this regard, we propose to significantly expand the pool of our extension officers to over 3000 over the next five years, and R55.6 million is budgeted for this purpose over the MTEF period.

On building cohesive caring and sustainable communities:

Hon members, we will work with departments the needs cluster as well as the department of local government and traditional affairs to make sure that we harness the indigenous knowledge systems, facilitating cultural development as well as coordinating access by at least sixty percent of rural communities to quality education, health, social security, human settlement, free basic services, social and cultural amenities.

In conclusion, I wish to express my gratitude for the support that my department and I have received and enjoyed from the Speakership of this institution. Thank you hon Moerane and hon Xasa. In many, if not all of our programmes, you have led from the front.

The hon members of this House have been mostly visible in these programmes. The chairperson and members of the Portfolio Committee on Agriculture & Rural development, my elder brother, but you know you are younger than me, but my elder brother for purposes of this presentation, thank you very much to you and the Members of your portfolio committee.

To hon Premier and hon Members of the Executive council and my colleagues at local government level, Director-General and Heads of Provincial and National Departments and Public Entities who showed interest in and demonstrated commitment to rural development.

Last but in no way the least, hon Deputy Speaker, I remain indebted to the Agriculture and Rural Development family. To the Head of

Department, Advocate Nyondo, his management and the staff of the department; Tshawe from Uvimba; Mr Somdyala from AsgiSA and Mr Mafu from Fort Cox, thank you very much for the support. I have enjoyed working with you guys. I hope you also enjoyed working with me so far. I know that it is not one of easiest things to do.

I also want to thank the support that I received from the farmers. These farmers Hon Deputy Speaker, are doing more than the DEDEA public entity that I worked with them before. I have found a new home bye bye my friends. I found a new home and I enjoyed working tiwth these farmers.

I now take this opportunity, hon Speaker, to table this Policy Speech, the Strategic and Annual Perfomance Plans and the Service Delivery Improvement Plan of the Department of Agriculture and Rural Development, Eastern Cape Rural Finance Corporation, ASGISA-EC as well as Fort Cox. Thank you very much hon Deputy Speaker. [Applause.]

The DEPUTY SPEAKER: MEC, before you step off, do you want to disclose to us as to where you got these apples from? Hon MEC, we would like to know who is the service provider here?

THE MEC RESPONSIBLE FOR AGRICULTURE AND RURAL DEVELOPMENT: Hon Deputy Speaker, I will investigate and report back to this House.

The DEPUTY SPEAKER: Thank you, MEC.

APPROPRIATION BILL (EASTERN CAPE)

Presentation of Vote No 9: Economic Development and Environmental Affairs.

The MEC RESPONSIBLE FOR FINANCE, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL AFFAIRS: Hon Deputy Speaker, hon Premier in absentia. Members of the Exectutive Council, mon members of the Provincial Legislature, Deputy Chair of the House Traditional Leaders, Heads of Departments, we also have the chairperson of our cooperative forums from Ukhahlamba Chris Hani and OR Tambo and representatives of our public entities, distinguished guests and ladies and gentlemen.

Mohandas Gandhi noted that:

There is sufficiency in the world for man's need but not for man's greed.

These wise words highlight the critical challenges of ensuring that all citizens of the Eastern Cape have access to economic resources, while simultaneously protecting those very same resources from exploitation and excess.

Hon Deputy Speaker, it is incumbent on this Provincial Government to both grow the Provincial Economy and protect its natural resources. The key mechanism at the disposal of the Provincial Administration to address these dual challenges is the Department of Economic Development & Environmental Affairs (DEDEA) and here unique array of purpose built public entities. As a result of a dual economic and environmental mandate, DEDEA has a substantial competitive and comparative advantage. In order to leverage the synergy between these two components, highly innovative and strategic economic environmental thinking, policy making, implementation, management and regulation are necessary.

Hon Deputy Speaker, we intend, in this policy statement, to reflect our achievements during the last six months, and, in accordance with this dual mandate to plot a course towards the achievement of economic growth and environmental sustainability, as directed by the Electoral Mandate of the African National Congress, the Statement of 8 January, the Statement of the Nation Address and the Statement of the Province Address by the Hon Premier.

Reflection on our challenges, during 2009 South Africa entered its first recession in 17 years. The Eastern Cape was particularly hard hit, losing an estimated 95 000 jobs, most significantly in the automotive and textile manufacturing sector. This situation was compounded by the additional stress of having to absorb jobless migrants and retrenched workers returning from other provinces. The resulting increase in service delivery demand, combined with the destination route by HIV/Aids on the economically active segment of the population, has placed already stretched resources and service delivery mechanism of the Provincial Government under excessive strain. Together with capacity and Governance constraints, this has further inhibited optimal resource management, ultimately leading to a substantial deficit.

Against this backdrop, the demand for primary commodities in our economic declined. The knock-on effect is in an exponential increase in unemployment in all sectors, with a concomitant increase in relative levels of poverty. The reality is that poverty is systemically engrained in the spatial economy of the Province, and is sustained by a complex interplay between historical, spatial and socio-economic factors.

Poverty in the Eastern Cape is primarily located in the rural areas. Here people have limited access to economic opportunities and resources. By extension, economic development is retarded. Limited access to decent work also means that large components of the economically active

population remain migrants, stripping large portions of the province of the required human capital to ensure optimal economic development.

As a result, economic activity in the rural areas is largely limited to subsistence based agriculture. The retail sector is relatively strong, as it is closely related to the most significant tertiary economic activity- the provision of social grants. The said and uncomfortable fact is that no substantial industrial or manufacturing based exist in these areas to drive and sustain economic development. The only manufacturing bases of note are those located in the urban areas which have little or no direct linkages or direct advantage to millions of our people trapped in the rural poverty zones.

The disparities between urban and rural economic realities are exacerbated by an artificial theoretical separation between urban and rural development in the minds of policy thinkers and academics. As a result, policy responses are by enlarge limited to the development of “rural solutions” that are devoid of leverage and linkages to exist economic systems and mechanisms which create wealth and prosperity in the urban areas.

Having said all this, it must be acknowledged that all is not well in the urban areas. Production and manufacturing processes are characterized by relatively low levels of local content. Manufacturing is concentrated in the automotive sector. This limits our ability to both diversify the provincial economic base and to generate the necessary levels of value addition and expansions. Moreover, the geographic location of the Eastern Cape increases the transactional cost of manufacturing and doing business, which is worsened by under-developed logistic value chains. This further hinders economic development.

Compounding our economic woes is the declining state of our natural environment. The State of the Environment Report (in preparation currently) identifies waste management, land degradation and climate change as priority environmental issues. It is apparent that these priorities stem from the effect of human settlement and industrial activity, both of which are necessary and inevitable. Our challenge is to ensure that, moving forward, the negative consequences of development are not, in fact, inevitable.

There are indications that parts of the Eastern Cape are already adversely affected by climate change, as is evidenced by the higher than usual incidence of draught, storm events and damaged to coastal zone systems, including increasing sea levels, higher rates of beach erosion and submergence of coastal wetlands.

We should also remember, that as the President has noted, that South Africa is a signatory to the Copenhagen Accord. This accord recognizes “that climate change is one of the greatest challenges of our time and emphasises [the need for] a strong political will to urgently combat

climate change". The boldness of our stand on climate change, and the success of our efforts to combat it, will have ramifications for generations to come. This is not a responsibility to be taken lightly.

We believe, hon Deputy Speaker, that the attainment of the ideal of sustainable human livelihoods can only be achieved if we simultaneously tackle both the economic and environmental challenges. This is especially difficult when our provincial economy is dominated by the tertiary sector, also known as the service industry, which accounts for more than 75% of the total economy.

Whilst more than 60% of the province is rural, the primary sector, consisting of extraction such as mining, agriculture, forestry and fishing, currently contributes less than 3% to the provincial economy. This suggests that, as a province, we are not leveraging our rural resources optimally. This could be due to in part to our classification and understanding of what is termed rural development.

Hon Deputy Speaker, as the department we are of the opinion that the antiquated distinction between rural and urban development is inappropriate. We intend to focus on economic development across the complete value chains of our province. In essence we do not consider rural or urban development but rather sustained economic development throughout the Province. In other words emphasizing the correlation between what Agriculture and rural development department is doing and they will be focusing on.

There are some positive indications that the provincial economy has begun to recover from the declines of 2008 and 2009. It is anticipated that the provincial economy will grow by 1.6% in 2010 as global recovery and consumption levels improve. However, this growth rate is far from adequate when we consider the backlogs that need to be overcome. It is also insufficient to cushion the province from the effects of any possible second deep.

In other words, if we are to get into another recession, we must develop mechanisms to mitigate the future shocks, and find innovative ways to advance the optimal utilisation of scarce resources to meet our development objectives. This will require that we develop or strengthen linkages between the various sectors of our provincial economy. The transformation of the primary sector must be linked to and driven by local manufacturing throughout the spatial economy of the Eastern Cape.

Hon Deputy Speaker, as you are aware, the fiscal context within which we are to meet these challenges is in itself a challenge. In the past weeks we have endorsed the proposal from Provincial Treasury to offset the over expanded provincial budget by cutting the departmental budget for the next three years. It should be immediately obvious that our ability to implement the catalytic initiatives necessary requires that to

restructure the provincial economy and protect the environmental will be restricted by the current fiscal framework.

The potential to expand the economy and thus reduce dependency on grants, remains a challenge, which must be tackled to ensure that we address the structural drivers of poverty as opposed to merely dealing with its symptoms, which is always a possible danger. We will start off by just reviewing some of the progress that we have made.

In our policy speech of June 2009, we outlined a number of priority focal areas. Through the combined efforts of departmental officials and Public Entities, we have made significant strides in each of these areas. I would take this opportunity to express my gratitude to the dedicated men and women in DEDEA and the public entities for the good work they have performed. The first area we identified was streamlining departmental operations. We identified six policy dimensions in support of the priority to streamline departmental operations.

In respect to attending to the relationships and roles and responsibilities of the Department and its seven Entities we have firstly embarked on an internally driven turnaround strategy to address the identified shortfalls and to strengthen the strategic role of our human resources management, supply chain management, planning, governance and project management components. Progress has been slow, and efforts will continue into the New Year.

We have begun the process of aligning our organizational and posts establishment structure with our newly defined strategic objectives. We also established a Project Management Office which has developed a project tracking system to enable DEDEA to locate and quantify the assistance provided to municipalities in respect of local economic development and tourism projects. The baseline will provide the point of comparison when evaluating the outcomes in the coming period.

We stabilized the Board of Public Entities under which will be shortly undergo training in the principles of corporate governance as captured in the King 111 report.

The amalgamation of the Eastern Cape Tourism Board (ECTB) with Eastern Cape Parks Board (ECPB) to form a single integrated entity is nearing its finalisation.

The Eastern Cape Development Corporation (ECDC) has completed an Investment and Trade Promotion Strategy to pave the way towards the establishment of an integrated Trade and Investment Promotion Forum.

The fourth policy area addressed was the implementation of a newly liquor licensing system to eliminate backlogs. We are pleased that:

- A new licensing system has been in place at the Eastern Cape Liquor Board (ECLB) since September 2009.
- All backlogs have been eliminated in respect of complete and correct applications submitted to the Board.
- A draft Provincial 2010 Liquor Control Policy is in place and public participation has been initiated to allow interested parties to make submissions before the policy is finalized.
- Micro-manufacturing licenses have been granted to two local liquor producers.
- The fifth policy area relates to the oversight of public entities.
- A position of General Manager for Public Entity Oversight has been created, advertised, and will be filled in the new financial year.
- The sixth policy dimension refers to the conclusion of the EIA turnaround intervention.
- Backlogs emanating from the Environmental Conservation Act (ECA) legislation have been eliminated.
- The processing time for EIAs has been reduced from the required ninety days to an average of 45 days, contingent on the provision of all the necessary and correct documentation.
- With regards to the rapid advancement of rural development much of the progress towards the attainment of this focus area is attributable to Asgisa-EC, which was supported through a transfer of R150 million in the 2009 of course this year it has gone back to its rightful owner.
- With diversification of its investment mix one of the key priorities of the East London Industrial Development Zone (ELIDZ) for 2009/10, the ELIDZ set about developing and agro-processing cluster for the zone.
- The zone's first agro-processing facility, a dairy plant, is under construction and due for finalization at the end of 2009 financial year. Diversifying and protecting and expanding manufacturing sector.

Hon Deputy Speaker, you will recall that in June, the finalization of the Provincial Industrial Development Strategy (PIDS) was prioritised. I am pleased to report that the PIDS has been reworked. Consultations with labour, business and district municipalities have been completed.

The multi-stakeholder Rapid response Coordination Committee (RRCC) was established in 2009. The RRCC continues to be critical mechanism for facilitating shared responsibility in mitigating the effects of the recent economic crisis.

Particular attention has been paid to the diversification of automotive manufacturing in the Eastern Cape and to securing the Province's position as the automotive centre of South Africa. To this end:

- The ELIDZ launched an innovative multi-OEM model.

- The model in turns to accommodate those (OEMs) which cannot stand on their own because of the volumes and other issues. The project is the first of its kind in South Africa. 39% of the investors currently in the ELIDZ's investment pipeline OEMs who would like to locate their operations in this facility.
- The ELIDZ has also made exciting strides towards taking advantage of opportunities emanating from the emergency of renewable energy as a strategic sector. The zone has identified as the leading contender for the locaton of the manufacturing of South Africa's first electric vehicle. Negotiations are at an advanced stage at the moment.
- The establishment of reseach and development capability was identified as key to growing the provincial economy.
- Earlier this year, DEDEA and Provincial Treasury produced an economic outlook Publication for the Province. This is intended to become an annual publication through which the Department and other stakeholders will gain understanding of economic trends and patterns for effective planning and decision making.
- ELIDZ and Walter Sisulu University are in the process of establishing a techno-sience park in East London. The science park will be closely linked to the ELIDZ for practical application of science and technology innovations. The Department invested initially R3 million in this endeavour during the current financial year.
- We also stated that we intended to support key intenvetions to enhance the performance of the Coega Industrial Development Zone;
- To this end the Nelson Mandela Logistics Park (established with R140 million assistance from DEDEA) is now operational with five major investors already in the park.
- In June we undertook to explore alternatives for expanding the gaming and gambling industry in the Eastern Cape, and to indentify efforts to mitigate the negative social impact of liquor consumption, gambling and gaming on community.
- The Eastern Cape Gambling and Betting Board (ECGBB) are investigating the inclusion of traditional horse racing for regulation and licensing.

- Both the ECLB and ECGBB have testified their efforts to ensure that licence holders meet their corporate social and environmental responsibility commitments.
- We also indicated that emphasis will be placed on ensuring alignment between provincial governments' procurement protocols and Local Economic Development (LED) as the key intervention linked to expanding the service sector.
- To this end Provincial Treasury, Tina Sinako and DEDEA have concluded analysis of Provincial Governments procurement patterns, and identified areas for potential synergy with LED initiatives.
- Renewed efforts to register businesses as suppliers of goods and service to DEDEA and other governments were undertaken, promoting SMMEs, women and youth.
- Strict adherence to payment turnaround standard of 30 days is now observed by the Department.
- A key service sub-sector in the Province is tourism. We are confident that the establishment of Eastern Cape Tourism and Parks Agency will go a long way towards realizing the full potential of this sector. During 2009 period, the Department invested R40 million in the ECTB, which undertook a number of activities towards reinforcing the Tourism Sector:
- ECTB commissioned primary research aimed at quantifying Government's return on investment in destination marketing.
- In an effort to mitigate the anticipated decline in tourism activity precipitated by the global economic crisis, ECTB registered as a member of the Indian Ocean Cruise Association, with two hoping to capture a share of this market and contributing to growth in tourism arrivals and spending.
- In partnership with DEDEA 2010 Unit, ECTB developed and launched a tourism destination – "Adventure Province" – in preparation for the 2010 FIFA World Cup.
- The Province improved from 4th to 2nd most popular destination among domestic tourists which indicates growth of the tourism of domestic tourism in the Eastern Cape.
- In 2009 the ECTB co-hosted and supported a number of high profile sporting and cultural events and festivals. These created more than 1.900 temporary jobs and 250 permanent jobs, generating an income of R215 million for accommodation and other tourism related expenditure. This is up from

R157.3 million income generated at the previous year's events.

- Through innovated partnerships, ECTD leveraged funding and support for various programmes and projects which focus on creating tourism jobs in the rural parts of the Province.
- Our Commitment in June was to enhance land-use planning and coordination, as well as marine and aquaculture development.
- Based on a commissioned research study, the ELIDZ is in the process of packaging aquaculture projects with four investors in the pipeline.
- Four environmental implimentaton plans are being developed.
- The use of labout intensive methods is prioritised by DEDEA's Environmental Affairs Programme, which has seen just over 520 EPWP jobs created in thicket rehabilitation projects in Matatiela, Emalahleni, Intsika Yethu, Lukhanji, Elundini, KSD...

The DEPUTY SPEAKER: Just one minute, hon MEC. We would like to advise the photographer from the department that members are complaining. He is permitted to take photos but he must not use the flash. Thank you very much.

THE MEC RESPONSIBLE AGRICULTURE AND RURAL DEVELOPMENT:

... Mnquma, and Ndlambe etc.

- With regard to regulatory functions, a Special Investigation Unit to concentrate on organised crime, particularly focus on on rhino portion has been established and it has actually been very effective and successful and the number of operation it conducted.
- With regard to EIA we have also moved very fast to reduce backlogs in the process in the processing of EIA applications.
- We begun drafting the second generation Environmental Implementation Plan.
- Initiated the process of developing an Eastern Cape Climate Change Strategy to outline both adaptation and mitigation counters to counter the risk of climate change.

- Begun the process of transforming the hunting industry by expanding the base of participants and improving regulation. In fact, the Province has generated an amount of almost R100 million by issuing permits for domestic and interantional hunting on private farms, creating more than 700 jobs in the process.
- Hon Deputy Speaker, in June last year, the department committed to consoloidating its SMME development support initiatives into a single comprehensive programme. Progress in this regard includes:
 - An SMME strategy that addeesses this imperative has been conclude, and is scheduled for approval.
 - During the first half of the financial year, 50 SMMEs were trained and 81 were supported.
 - A transfer of R182.899.000 enabled ECDC to support economic development through the funding of businesses, provision of finance and promoting of trade and investment. To this end the ECDC reports that:
 - The total value of loans assessed from ECDC was R250 million.
 - 1.627 jobs were created.
 - 22 new exporters have been established and assisted.
 - 248 million of exports were generated.
 - 755 jobs were saved through investment promotion efforts.
 - 24 projects with potential to stimultate economic growth and development, especially in rural areas, were identified and screened.
 - Over R2 million was disbursed for pre-feasibility studies, feasibility studies, business plans and crop trials.
 - The Department undertook to considerate its work in line with the identified sector formations in the Province.
 - Successful Business Process Outsourcing events, a summit was held with the industry to workshop the plans for the industry.

- The completed R173 million, business process outsource Park in Coega IDZ with a capacity of 1 500- seats About 600 construction phase jobs were created.
- A successful automotive week was held inconjunction with the Department of Transport.
- A mohair summit was held.
- The ELIDZ has undertaken a study on alternative forms of energy. The Eastern Cape is poised to take an advantage because of its rural nature of the renewable energy industry, which will catalyse the growth of green jobs and built a green economy.
- We further committed to the development and support of co-operatives within the framework of co-operative development.
- We reported a fund was launched R50 million fund to support Cooperatives within the province.
- The provincial Local and Regional Economic Development Strategy (LRED) is being concluded.
- A couple of Local Economic conferences were held.
- Coming to the strategic responses to many of the challenges we outlined a multi-faceted assessment of the departemnt's progress over the past financial year our current fiscal economic and natural environment.
- The content of the January 8th Statement, the President's State of the Nation Address, lead us to conclude that there are two sets of priorities for the Media Term Expenditure Framework (MTEF) period. The first set relates to provision of leadership, direction and support. The second set defines the scope of delivery. All of them reinforce our electoral mandate, and the current programme of the Government.
- With regards to leadership direction and support as indicated previously, the fiscal base from whcih the Department is expected to both catalyse and grow the economy and protect natural environment is wholly inadequate. A decline in DEDEAs budget does not however, constitute a reduction in the provision for economic development and environmental management by the province as a whole.
- As DEDEA, we have, to rethink the funding mechanism for our interventions, including the structuring of partnership

between state agencies and the private sector through which to leverage resources in support of our mandate.

- Hon Deputy Speaker, a new Accounting Officer takes office on 1 April. This will be the first time in 15 months that the department has a permanent appointee in this position. The new HOD will be confronted by a department in transition.

Since the middle of last year, we have worked tirelessly to reach a clear understanding of the nature and extent of constraints at DEDEA. The HOD will inherit this analysis, together with progress already achieved in key areas and a team of officials committed to driving the identified changes.

- In response to the President's commitment to building a performance - oriented state, by providing planning as well as performance monitoring and evaluation, DEDEA will augment and enhance its human and technological capacity in the areas of planning, implementation management, monitoring, evaluation and reporting.

This additional capacity must ensure that the Department can credibly plan, manage and track its own performance as well as that of its Public Entities, particularly in respect of the achievement of the outcomes.

- The structure of the establishment will be scrutinised, and resources deployed in a manner conducive to maximising productivity and minimising waste throughout the DEDEA family. The implementation of the Performance Management and Development System will continue to be prioritized. Establishing and enforcing a strong regulatory and policy backbone remains central purpose of the Department. Priorities in this regard will include:

- Rolling-out the Provincial Industrial Development Strategy,
- The establishment of the Office of the Consumer Protector,
- Lobbying for VAT exemption for entities on transfers,
- Executing the Environmental Implementation Plan,
- Continued regulation and enforcement of Environmental Impact ,
- Developing a Climate Change Mitigation strategy, and augmenting incentive packages in support of investment,

- Developing a framework for the promotion of Green jobs within existing industry sectors,
- Promoting the establishment of credible research and development capacity,
- Continued regulation and enforcement of Liquor and Gaming and Betting Industries, including a comprehensive assessment of the socio-economic impact of these industries.
- It is incumbent on the Department to mitigate, as far as possible, the impact of the global recession on the workers and industries of the province. A number of interventions have been identified. In 2010/11. DEDEA intends to:
 - Submit the White Paper and Bill for the Anticipated Eastern Cape Environmental Management Act.
 - Ensure that the funds meant to assist companies in distress flow to deserving companies.
 - Conclude the current negotiations with textile investors to establish a textile plan in Fort Jackson by September 2010. It is projected that this investment will yield 1,200 permanent jobs in the first year of operation, with a projected 1,000 additional jobs every year for the next five years.
 - Discussions with Transnet pertaining to the upgrading of the East London Port are progressing and we hope to intensify those discussions in the coming year.
 - It is important to note that due to regulatory constraints, the Department cannot bail-out companies. However, we have been leveraging of our regulatory and legislative mandates to create an enabling environment conducive to attracting investors to the Province. This has been done to offset job losses in a number of companies which have been liquidated or closed.
 - We will also establish a common understanding and operational definition of decent work, and prioritise the promotion of job creation in sectors which are most likely to support the concept, such as Tourism and Manufacturing. This will include marketing of ECDC's financial services production products to targeted sectors.
 - Develop and implement a plan to manage excess capacities in a Manufacturing sector, including scaling apprenticeship programme at the ELIDZ as well as Coega.

- Collaborate with sister departments in an effort to establish an agriculture training.
- Research and propose mechanism that can be implemented at a provincial level to improve our attractiveness as an investment destination and facilitate a positive trade profile. In this regard the focus will be in to lobbying in national and continue with our discussion with National Treasury and DTI for the establishment off-budget mechanism to off-set cost disadvantages of industries in the Eastern Cape.
- Explore alternative industrial models in support of a Green Economy and Decent Work. To this end, DEDEA will investigate possibilities of incentivising green economic activity such as the use of alternate building materials, environmentally responsible behavior like reducing emissions, and the establishment of green industries such as alternative energy generation. We will also launch a Buy Eastern Cape Campaign.

This campaign will have five components: (1) Promoting primary production of inputs for manufacturing, (2) promoting increase local content in production, (3) popularising the campaign through the use of champions, concerted marketing and influencing Government procurement strategies, (4) measuring, validating, accrediting and rewarding participation in the campaign, and (5) preference to product emanating from the Green Economy.

- The fact that 60% of the province is rural, is potentially an enormous comparative advantage. To realize this advantage, it is necessary for us to realign our resources towards exploiting possibilities for primary production in agriculture, fishing and forestry on the one hand, and for establishing linkages between the sectors of the Provincial Economy on the other. Through implementing SMME and Cooperative Strategies, and proactively engaging all spheres of government, DEDEA will:
 - Contribute to the drafting of evidence-based development plans for the former homelands, geared towards delivering measurable impacts in an efficient manner.
 - Promote agro-industry.
 - Utilise the cooperatives and SMME strategies in support of Small Town Regeneration, particularly in the east of the province.

- Refocus budgeting towards sustainable economic development in the rural parts of the province. This actually implies that the bulk of the R50 million Invaba Eastern Cape Provincial Cooperative Development Fund and the R34.9 million allocated to Local Economic Development (LED) will be directed towards establishment of sustainable industries and settlements in the under-developed rural parts of the province.
- Support municipalities with LED planning and environmental management.
- Utilise project-oriented approach to support the implementation of mega projects, identified IDP Plans of municipalities.
- The tertiary sector is the main driver of economic growth, both in the Eastern Cape and South Africa in general. While the tertiary sector is dominant in the Province, its composition is skewed towards finance, insurance, real estate and business services. These are services predominantly accessed by the wealthy. It is very clear that moving forward will have to look at what how do we change that scenario. In order to do that we will facilitate increased investment through:
 - The commercialisation of state-owned tourism products such as reserves and resorts, and packages of nature-based leisure activities of these sites.
 - The implementation of the Tourism Master Plan in 2010/11.
 - Support for the creation of green jobs.
 - Paying particular attention to the nations of decent work and sustainable livelihoods.
- The Provincial biodiversity map is currently dotted with pockets of protected areas. Many unprotected areas are increasingly under threat from a combination of human settlement encroachment and climate change with potentially devastating consequences such as floods and fires. The Department has a clear mandate to manage and protect the environment, and will do so by:
 - Lobbying vigorously for the proper and adequate resourcing of environmental protection mandate including collaboration with national departments.

- Enhancing the department's capability to monitor and enforce compliance with environmental legislation.
- Defining a research agenda for the Green Economy and link this to localised production, manufacturing and trade, including mechanisms like the EPWP.
- Addressing climate change in the context of developmental priorities of food security, poverty eradication, energy security and promoting development through implementing of provincial Climate Change Strategy.
- Developing guidelines for the protection and promotion of bio-cultural diversity for the ongoing responsible use of medicinal and traditional herbs and plants.
- Linking with the EPWP to use labour-intensive methods to combat environmental degradation and rehabilitation of endemic vegetation.
- Supporting with the ECDC and ELIDZ initiatives to identify and commercialise alternate energy production through the establishment of sustainable Research and Development capabilities in the province.
- Drafting guidelines for the development and management of the Eastern Cape coastline in support of, and linked to existing spatial and development planning framework.
- We provide within the speech the breakdown of the budget.

In conclusion this policy speech, hon Deputy Speaker, demonstrates our commitment to the Departmental values captured in the acronym "LIFT":

- We intend to provide LEADERSHIP, by breaking new ground in respect of defining and pursuing a Green Economic Agenda;
- We will conduct ourselves with INTEGRITY, as shown by our commitment to clean governance, integrated planning, accurate and truthful reporting;
- We will exercise FLEXIBILITY; and
- We expect to maximise our effort through TEAMWORK.

Hon Deputy Speaker, I truly hope that adopting this policy statement, the House will deliberately join hands with DEDEA in our efforts to create a better future, one that does not involve excess, yet provides

adequately for all the citizens of the province, as Ghandi suggested is possible.

Also find tabled with this Policy Statement, Hon Sogoni as I have stated strategic Plan for 2010/15, the Annual Performance Plan and the Service Delivery Improvement Plan.

I thank you very much. [Applause]

DRAFT RESOLUTION

(Hon D B Haddon)

Mr D B HADDON: Hon Deputy Speaker, Madam Premier in absentia, hon MECs, MPL colleagues, officials, media and our guests.

In an article in *Business Day* of 3 December 2009, entitled “Gauteng still in arrears on Utilities Bills” by reporter Sibagangekonki Shoba; he refers to the municipalities in the Province of the Eastern Cape and Limpopo being owed more than R1 billion in outstanding debt.

Hon Deputy Chair of Chairs, Shoba in the same article states that the country’s big nine municipalities, including metros, were owed R26.8 billion collectively by the National and Provincial Governments. I highlight this scenario, Speaker, so that this province can be the example, the beacon in collection of all outstanding monies owed to it by government departments.

While there has been some marginal progress in paying all these monies since the end last year, this effort is not nearly sufficient to cash up on the ever increasing backlog of monies due to these municipalities.

Hon Deputy Chair of Chairs, as part of the Democratic Alliance’s agenda for accountability and an open opportunity society, it is time for action. An open society believes in honesty, transparency, accountability and responsibility. An open society where freedom of people are protected and people are free to live their own life and enjoy individual rights without impeding on the rights of others.

In an opportunity society, hon Deputy Chair of Chairs, people must be able to make use of the opportunities that will assist them to be and develop the best they can become. Without sufficient funding for the State to facilitate opportunities for citizens, the potential of these citizens as wasted and dies. By not collecting monies due from provincial State departments we are denying citizens very opportunities to which we have aspire.

The DA will continue to drive this issue by provincially and nationally until municipalities are paid what is due to them on a sustained basis. Hon Deputy Chair of Chairs, this Legislature must stop being a talk

shop. Instead hon Deputy Chair of Chairs, this Legislature must become an action shop.

As at 31 January 2010, the Nelson Mandela Metro was owed R57.23 million by the province and R25,21 million owed by national departments, giving a total debt to the Metro R82.6 million, including interest as of that date. The interest owed as at the end of January for province is R4.35 million and the national department's debt is much smaller, added to this, a figure rounded to R4.38 million. The provincial department with the biggest outstanding debt to municipalities is the Education Department, with an amount of R30.92 million arrears and current, owing. We have been informed that most of this money is for school rates.

Hon Deputy Chair of Chairs, Public Works owes R19.2 million in arrears and currently to date, as of 31 January 2010. By the end of 2010 overdue amounts owed by the province was R76.10 million made up of services of R55.81 million and rates of R20.29million.

The MEC RESPONSIBLE FOR PUBLIC WORKS, ROADS AND TRANSPORT: Deputy Chair of Chairs, which Public Works is he talking about? Because he is misinforming this House. Public Works provincially is not owing municipalities. It is the national Department of Public Works. He must go and research his facts.

Mr D B HADDON: I have the figures with me, but I don't want my time chewed up. I will speak to the MEC afterwards.

However, hon Speaker, when examining national departments, the Department of Economic Development and Environmental Affairs gets first prize for owing R18.9 million out of the national obligation of R24.4 million. All these amounts are inclusive of interest.

Clearly, hon Deputy Chair of Chairs, the offending MECs are doing their jobs by fast tracking payment of these monies and need to to be taken into task for this.

Hon Deputy Chair of Chairs, I would like to highlight some of the reasons for this payment delays so we can sensitise ourselves to these challenges.

As stated in writing by the CFO of the Metro in a letter to the Municipal Manager dated 3 February, and I quote verbatim with regard to their Health Department:

This department made a payment of R426,000.00 in January 2010, which is insufficient to clear the outstanding arrears. According to the district offices the payment system has been closed and there are no funds available. The Health Department in a press statement of 4 February 2010 confirmed that the

department overspent by R1.5 billion for the present financial year ending 31st March 2010 and have put a freeze on all payment to service providers.

If we look at Education, hon Deputy Chairs of Chairs, their tale reads as follows:

This department made a commitment in December 2009 to pay R15 million towards arrears before the end of January 2010 at a meeting with the Acting CFO. Unfortunately the R15 million payment is made in January 2010. Budget and Treasury contacted the district office about their money, but their authority to make payments had been withdrawn. Budget and Treasury tried on a daily basis to contact the Education Department CFO who had given an undertaking that the money available was paid. It should be noted that this particular person did not reply to any messages left on her cellphone in this regard.

Finally, Deputy Chair of Chairs, if we look at the explanation by the Metro CFO regarding Public Works, the department made payments of R9.90 million during January 2010. This department has appointed the audit company Ernest & Young to reconcile and verify all the accounts.

Why? The Budget and Treasury offices made space available to this company to assist with the reconciliation. Hon Deputy Chair of Chairs, what do we do to turn the situation around? I refer to the State of the Province Address by the Premier on 19 February. In the address the hon Madam Premier referred to, and I quote:

Our success of government depends on the effectiveness of Local Government as key site of service delivery.

Further hon Speaker, the Premier had said, and I quote:

This will go a long way in restoring people's confidence in this sphere that matters most, Local Government..."

She was referring to the clean audit campaign as follows:

The problem is that unless we as a Legislature actively start paying monies over to our municipalities from our provincial and national departments immediately, efficiently and on a sustainable basis, then people's confidence will not be restored in Local Government in this province for a very long time.

In the Lukanji Municipality, hon Deputy Chair of Chairs, the bulk money owed by the Provincial Education is for rates for schools which were not registered by Public Works. Government owes R9.26 million in this municipality. In Buffalo City, which is owed as of 11 March,

R4.23 million in respect of rates and service charges, Education owes R1.363 million, Health is owed R1.26 million.

Speaker, in Makana Municipality the amount owed by province is R11,152 million and national departments owe R3.7 million. Hon Deputy Chair of Chairs, the House should be appalled to hear that over R8 million of this money, in other words 73% of the debt, is owed by Bhisho Provincial Public Works Department. Of this amount hon Speaker, R6.9 million is owed for more than 120 days.

On a recent oversight to visit with the Portfolio Committee on Local Government and Traditional Affairs, the Mayor of the Nquma Municipality asked the province to assist them with money owed to them. The committee was informed that R19 million is owed by government. As a result of the nonpayment of this money this municipality had to close down its only library in order to cut costs due to the non-receipt of the funding.

Hon Deputy Chair of Chairs, the few examples mentioned about the outstanding monies owed to municipalities is a small sample of the gigantic backlog of payments due to them. The inability of residents and consumers to pay the municipality services can then be cancelled out to some extent by speeding payment.

Hon Speaker, in conclusion let us remind ourselves across all parties in this House that we are here to effect a better life for all our communities in this province. While there are understandable capacity in financial challenges facing this province, let us do all we can together to minimise financial challenges by paying provincial dues on time to our municipalities in order for them to deliver more services to their communities.

I thus move, hon Deputy Chair of Chairs, the motion before us on the Order Paper and ask the House to consider and resolve to approve this motion. I so move.

Thank you. [Applause.]

The DEPUTY CHAIRPERSON OF COMMITTEES: Thank you, hon member. Members are allowed to hackle, but members must just mind the language, please. The next speaker is from the Congress of the people; hon Ndabeni.

Ms N NDABENI: Hon Speaker, hon Deputy Speaker, hon Premier in absentia, Members of the Executive Council, hon members of the House, official present here; I greet you all.

Cope supports the motion by the hon Haddon. The failure of the government departments, both provincially and nationally to pay local municipalities, is indirect contravention of intergovernmental relations.

In terms of Section 154 of the Constitution these spheres of government have a responsibility to provide support to municipalities. Section 34 of Municipal Finance Management Act compels department to assist in building capacity of the municipalities for efficient, effective and transparent financial management.

The Provincial Government in particular has a responsibility to support local municipalities for effective service delivery. The non-payment thereof contributes directly to the poor service delivery which we are experiencing at a local level.

Hon Speaker, we all know that 98% of our municipalities depend on grant funding, be it equitable share or any other form of funding, to enable them to render services to the communities without generating any revenue base or income. This House has an obligation to protect our communities.

The failure to pay municipalities by the department has a negative impact on the plight of our communities in respect of service delivery. This has a direct impact on the performance of municipalities and leads to poor performance. The clean audit campaign will remain a pipe dream if the very departments cannot honour their obligation to pay what they owe to municipalities so that monies meant for specific tasks within municipalities are utilised for such, unlike now when municipalities have to take monies meant for roads to fund libraries and to fund the disaster management in some cases, of which it is not in their competence because the departments cannot pay what is due by them. This then results in municipalities having disclaimers or qualified audit reports.

Hon Deputy Chair of Chairs, Cope supports any attempt to promote legislative compliance and eradication of corruption and we said spending on non-core functions may have unintended consequences of maladministration and corruption. For the sake of our poor communities, we urge the departments and the State-owned enterprises to please pay local municipalities what is due to them. Thank you. [Applause.]

Mr R S STEVENSON: Hon Deputy Chair of Chairs and hon members, thank you for that warm welcome.

This is an extremely important motion as hits at the heart of accountable government, as well as some financial management and in terms of our gender of accountability we have identified compliance with legislation such as the Public Finance Management Act as a critical area in relation to this motion.

Over the years the issue of payments by province and national has frequently been raised in this House and in spite of this the problem continues to raise its head from time to time.

Non-payments by the province and national departments have an extremely adverse effect on a smooth-running of municipalities and results in poor financial management.

When the province withholds monies that are due to municipalities it has an extremely adverse effect on their financial viability. This sometimes results in cash threat municipalities having to divert other resources to cover the short falls caused by province or National Government. This is extremely frustrating to officials who have to spend hours of their time at Local Government level fighting the beurocratic monster that Bhisho become in this regard. It is detrimental to morale and motivation of employees of municipalities who already have their backs to the wall when it comes to try and improve service delivery.

For small municipalities amounts of whatever size are extremely important because without they cannot function effectively. In the end it is the people on the ground that need service delivery who are badly effected.

Many of our municipalities in this province are cash-strapped. They cannot afford to experience delays in payments of money. In some incidents which I was involved in earlier on this year with the Baviaans Municipality, Education Department took nine months to pay an amount of R240,000.00 and the Health Department seven months to pay R112,000.00. These amounts were only paid after I personally raised the matter with MECs concerned. When the MECs concerned became involved there was action, but prior to that the municipality had made a number of efforts and my office also with the department; to no avail. One does not burden the MECs every five minutes with issues such as these.

On 28 December the Baviaans Municipality received their last payment of R169 000 from Health out of an allocation of R497 000 for the 2008/09 municipal year, so it was paid very late. In January and March this year they received a further payment of R240 000 out of budget of R532 000 for the current financial year. In other words for the first six months of the financial year, municipal financial year, the Baviaans Municipality did not receive its agency funding for health. This is also happening in a number of other municipalities as well.

Why does it have to take a question in the House and personal interaction with MECs to ensure that the basics of government work? It should not happen like this.

This brings me to the issue of accountability. In terms of section 38(1)(f) of the Municipal Finance Management Act, the Accounting

Officer of the department has to settle all contractual obligations and pay all money owing, including intergovernmental claims within a prescribed period. Why does it not happen? Also in terms of the PFMA the Accounting Officer must take effective and appropriate disciplinary steps against officials in the service of the department who contravene and fail to apply the provision of this Act.

When municipalities and another institutions of government are not paid timeously in terms of the contractual obligations which government has in terms of the Public Finance Management Act, it is being contravened. It would be interesting to hear from the MEC who is going to respond as to whether or not he is aware of any officials that have been disciplined for late payments through municipalities. Late payments, hon members, non-payments are also a costly exercise.

In the eleven months of this year, Provincial Governments in total across the country were sued for failure to pay their their bills. They spent a total of R237 million on legal fees for State Attorneys to defend these matters. Guess who was the highest? Of the R237 million, R181 million of Eastern Cape funding was paid to State Attorneys who had to defend 31 cases for non-payment. This is surely a wastage of a huge some of money that could better be applied for service delivery. Unless we are prepared to take concrete action in terms of the Public Finance Management Act and that there are real consequences for non-performance, then the situation will not improve.

The Public Finance Management Act also instructs us to monitor how these funds have being spent as well. It is therefore critical that we apply this Act in its totality to ensurue that service delivery is improved at Local Government level.

This motion also cause for a report highlighting all outstanding monies owed by province and National Government to be tabled at the next sitting of the Finance and Local Government Portfolio Committees. I think this that is very solid and sound suggestion. It would then enable members of the Portfolio Committee on Local Government and Fiannce to exactly what is and what is not outstanding. Some of the MECs in this House might be shocked.

Finally, hon Deputy Chair of Chairs, this House has a duty to ensure that financial management at Local Government level is improved. Managing tight cash flows in municipalities is a real art these days, given the high levels of non-payment that the hon Haddon was referring to. We all have an obligation in this House, and the Speaker earlier on when he delivered his policy speech, committed us all to vigorous oversight. If we are all serious about vigorous oversight in this House about applying the Public Finance Management Act, then we need to support this motion.

The province needs to remain, must become an ally of Local Government municipalities in assisting them improve their service delivery rather than being an obstacle.

Hon Deputy Chair of Chairs, the Democratic Alliance supports the motion.

Thank you. [Applause.]

Mr J BICI: Deputy Chair of Chairs, hon MECs, hon members. UDM doubts if there can be any party or political party which cannot support this motion. [Interjections.] In terms of the laws of this country accounts owed by departments must be paid within 30 days of receipt of invoices. Tabing to relevant committees of a report of owing monies by provincial and national departments is a necessity under these circumstances. It is important that thes monies be paid forthwith to avoid rollovers by affected departments.

The old municipalities cannot operate optimally if they are owed millions by the irresponsible departments. [Interjections.] And yours too. [Laughter.] If the affected municipalities are not operating optimally, service delivery is negatively affected and consequently people suffer. Communities outside there blame the municipalities every day for non-delivery of services. How do we expect these municipalities to deliver services if they are not paid? If they are owed so much monies, how do we really expect them to operate?

This morning we had a workshop about financial management. This afternoon we are talking contrary to that, or some people are going to come up to here and talk contrary to that. [Interjections.] Anybody who is going to say we must not support this will be contradicting what we were saying in the morning. [Interjections.] Those officials, MECs and Ministers responsible for the payment delays should be brought to book – Mqwathi, irrespective of comradeship attachments. UDM supports the motion.

Thank you. [Applause.]

Mr M P GALO: Thank you, Deputy Chair of Chairs. I am mandated by the AIC to lobby the ruling party to support the motion.

If good policy speeches were to be translated into actions with effective monitoring tools, the Province of the Eastern Cape would have been in a better situation by now. Perhaps we must stop shifting the blame of non-service delivery to the so called global economic crisis because the leaders like Julius and the Minister of Communications are not affected by this global economic crisis. [Interjections.] Only the poor masses of this province who are directly affected.

The AIC congratulates the royal house son for being appointed as the chairperson of Uvimba Finance. Let us hope it is not another strategy by the ruling elite group to co-opt traditional leaders into a silent world.

Hon Deputy Chair of Chairs, without repeating what has been already said by the speakers before me, it was shocking indeed to establish that Buffalo City Municipality was owed monies by the colonial regime then and it is owed monies by the people's government. It is shocking, very much shocking. Otherwise, the AIC supports the motion, having lobbied the African National Congress as well. [Applause.]

Mr M NYUSILE: Thank you, Deputy Chair of Chairs. Good evening to MECs and members present, good evening to yourselves opposition parties. It is good. Some of the things that we are saying I know it is because the Local Government elections are around the corner. You are attempting to start campaigning. It is good for you to start earlier, but we know when we are closed to the day of the Local Government election we know what to do.

Let me start by saying that I am aware that other members of this House, including you hon Haddon, that when speaking of Local Government issues some matter you define as concrete. I am therefore given a responsibility to take you to the cloud with some reflection on issues of five year Local Government strategic agenda because you cannot isolate the issue of payment with the broad agenda of actually dealing with yours challenging issues in the Local Government sphere.

Perhaps it is important to emphasise from the onset that when we talk about governance, we are first and foremost talking about people. The tendency amongst ourselves to reflect on the powers and responsibility that we have in various spheres of Government, as such we tend to forget that we do not have a local people, we do not have provincial people and national people; we just have people.

Therefore the issue of partnership amongst the various spheres of Government in the implementation of programmes becomes very critical. No one can say the fact that Local Government is one of the most critical spheres in ensuring that programmes of development are carried out. A strategic agenda for strengthening Local Government known as the five-year Local Government strategic agenda 2006/2011, is the aftermath of Project Consolidate which was started in 2006.

Some of the key pillars which the ANC-led government commits itself to are: to mainstream hands-on support to Local Government to improve the municipal governance, performance and accountability; addressing the structure and governance arrangement of the State in order to better strengthen support and monitor local government; refining and strengthening the policy regulatory and fiscal environment of Local Government. That is what the ANC-led government is attempting to do, or is doing.

Throughout the stakeholders that work close with Local Government, a framework was developed for coordinating the efforts of different departments and agencies. We are coordinating all the efforts of these different agencies because if you talk of non-payment, not only departments owe municipalities, also municipalities are owing some departments. So you must look at the facts correctly.

Madam Deputy Chair of Chairs, there are 45 municipalities within the province and hon members must admit that there are those pockets of excellent in local spheres of governance. Others are in desert for some time. The situation has continued for the past 15 years, with service delivery protest becoming expression of public discontent. We are aware of those challenges.

In 2009 the department, together with the Provincial Treasury, decided to conduct an assessment of all municipalities in the province in terms of service delivery and infrastructure, also in terms of monies owed. That is what the office of MEC Gqobana is actually doing. Financial management - that is what we are doing, to assist those municipalities. The relationship between municipal management and organised labour – that is what we are working on. That is what we are doing. Spatial conditions, local economic development. We are talking about broad parameters of assisting those municipalities.

This assessment has since resulted in the Local Government turnaround strategy. [Interjections.] These efforts have resulted to this turnarounds strategy of Local Government. So coming here and complain and posture is not going to help you, hon members; is not going to help you, hon Haddon.

Hon members will remember that interventions such as Project Consolidate and five-year local Government agenda lacked political championing and failed to focus on the root cause of the Local Government distress. That is our analysis of the situation. That is what we are actually saying.

The purpose of the turnaround of Local Government strategy is to see to it that some of the challenges at that level are addressed. There are four phases. The first phase deals with the provincial support teams who undertook to visit those municipalities. The reports are coming and I think some of the reports that you got that the departments are owed these monies came out of such visits, came out of such undertaking by the same department, so you cannot come here as if the ANC is not aware of these challenges. You will receive the report because of the recent visit by the department. [Interjections.]

The second phase of the turnaround strategy will be dealing with the full rollout of municipalities, turnaround strategy for priority, target the municipality as well as conclusion of the municipality turnaround strategies for all these 45 municipalities. There is work that we are

doing. There is work that the ANC government is doing to address all these challenges.

The phase three of it, focus on the coordinating IDP analysis session to examine draft IDPs and municipal turnaround strategies within them. That is what we are doing.

Areas of focus by the ANC to see that the turnaround strategy works is what hon member from Cope you was saying – the clean audit 2014 – that is the initiative of the ANC. The fact that we are saying we must maintain we must have system for sustainable quality, financial statement and management information and some of these municipalities were actually addressed.

We were in Mnquma, hon Haddon, with yourself. We were told in Mnquma that this financial year 2009/10 they have managed to do the work of financial statements without using service providers because the services providers that were there were able to see to it that there are skills transferred. [Applause.] This is the turnaround strategy that we are saying we are doing in all these municipalities, so we actually assisting them. [Interjections.] In terms of debt collection and public mobilisation – that is despite of the strategy of the ANC – also assist them.

Infrastructure and economic development; that is what we are assisting those municipalities to see to it that in term of the LED what the hon MEC was saying – the ANC-led government is assisting them. You must know hon members that Local Government is everyone's business and you must be part of it. [Interjections.] I think the ANC appreciates the response of South Africans to the Minister's call to the party and being part of making Local Government efficient, effective, accountable and responsive; and civil society responded to this clarion call. Institutions like the Fort Hare Institute of Governance, the South African Engineering Association...

The DEPUTY CHAIRPERSON OF COMMITTEES: One minute left.

Mr M NYUSILE: The Institution of Municipal Financial Officers are actually taking part to the initiative. That is the initiative of the ANC Minister.

From the above, Deputy Chair of Chairs, the ANC does acknowledge that there are challenges in terms of the monies owed by different sector department. We understand that. That has been noticed through the interaction with the office of the AG, the Provincial Treasury the Local Government, and we are attending to that. We are actually attending to that.

It is in the same spirit that we are saying as the ANC we are not going to support this resolution, this motion. [Applause.] This motion talks

about National Government. We cannot commit the National Government at the provincial level. So there is no way that we will support. We understand that there are challenges. We will attempt to address those challenges. I think the MEC is capable enough to address those challenges. We are supporting this motion. Thank you. [Interjections.] [Applause.]

The MEC RESPONSIBLE FOR LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS: Thank you very much, hon Deputy Chair of Chairs, hon Acting Premier, hon Sogoni and colleagues, the hon Leader of the ANC, hon Humphrey Maxegwana, the leaders of the opposition.

Allow me to use this opportunity to explain one important point before I deal with the specifics. The first one is that there are two critical platforms that the Executive Council have created in response to this matter. One is that there is a MUNIMEC platform where all Mayors and MMs and at times we extend to CFOs, whenever there are matters that affect them are discussed. So, on a monthly basis this particular matter stands as a standing item in that platform. [Interjections.] No, just wait and listen. It will help you not to come to this podium and speak in double tongues.

The second issue is that MUNIMEC sits before the PCF, which is another forum where this matter serves as a standing item, to which all MECs accounts to the Premier as soon as Provincial Treasury presents a progress report as to how far we have gone. It is very important that this particular House has the correct facts about how we are dealing with this matter because to us this particular platform is very critical in advancing the interest of the poor people of this province and not just a platform to compete about this or that.

It is very, very important that when we come here, we come and present facts - because we are not only talking about these 63 members; we are talking to the 6.5 million of the people of province when we meet and come here. It is therefore very critical that you do your research and amongst your activities of your researching must be to consult the relevant department that deals with this matter to compare notes.

The third point is that it is correct on the part of the hon MEC for Public Works that indeed municipalities – and this is the matter that we discussed in the Executive Council – when they bill Public Works you could fall into the same trap of the hon member who was championing the motion of thinking that because they do not normally have a distinction when they build the department – which assets belong to national; which assets belong to the province – they just bill any Public Works Department in a province.

We have then agreed that they must be assisted, and Public Works has put in place some mechanisms to assist them in terms of doing the

proper billing and that is why, as you are going to hear, there is a dramatic reduction of what is owed to municipalities compared to at a particular time in December 2009. I am going to come back to that.

The third point which we must – the third point which I would call members to tighten their seatbelts is that you are focusing on departments and I am going to surprise you when I am going down my inputs as to who else owes the municipalities.

I therefore, hon Deputy Chair of Chairs, stand here today to table a response to the House which focuses mainly on monies owed to municipalities by provincial departments and plans that have been put in place to speed up payments. Although this debt of R343 million owed by government departments represents 8.3% of the debt burden to municipalities, it has been isolated as quick win as Government in the province who hold significant control to ensure that this debt is eliminated. The debt emanates from two sources; property taxes and service charges such as water electricity and refuse.

The government debt includes both provincial and national departments throughout the country. Provincial departments owe municipalities R161.7 million whilst national department owe the municipalities R181 million as at the 31st of December 2009. The municipalities' revenue raising abilities are affected, thus putting serious strains on their ability to deliver services to the people.

Smaller municipalities with no significant revenue base are worsely affected by this debt crisis. As an example, Nquma Local Municipality in Butterworth is owed R15 million, Makana R12.1 million and Elundini R6.1 million and the majority of this particular debt to these municipalities is in the national Department of Public Works. Those are the records. It should be noted whilst progress has been made in payments of R42.7 million by provincial departments, much is still outstanding. As at 31 January 2010, municipalities were owed a total of R119 million by provincial departments, compared to R161.7 million as at 31 December 2009.

Amongst the challenges faced by Local Government as outlined in the 2009 State of Local Government Report is clearly the unacceptable number of municipalities in the province are not financially viable due to a low revenue base and poor revenue collection systems. This challenge ultimately leads to a situation where more than half of the municipalities in the province are performing extremely poorly over the past years. Accordingly we realise that a huge burden of the estimated R4.1 billion that is unaudited figure owed to municipality is R2.6 billion owed by households, representing 64.9%. Of the debt burden, businesses in the province owed R576 million, which is R13.9 million of the total debt.

Members of the House can note that as part of ongoing verification there is R529 million which accounts for R12.8 million of the debt, which can only be referred to as others. We have identified that included in this category is debt owed by municipal officials and transactional revenue such as that incurred during the sale of land and property.

Surely hon Stevenson, as a person who appears to be experienced in Local Government, you should know it better that there is no department irrespective of how efficient that department would be that could go to any municipality and take over, you know, recouping funds from its officials. Surely there is a responsibility to be played by each municipality in ensuring that they collect revenue.

That is a problem: everybody is saying Provincial Government must do this and that and pins the functioning of municipalities as envisaged in Section 152 of the Constitution. Such municipalities must stand on their own and function to carry out their responsibilities. Amongst those is to collect revenue so that they are able to fund their activities in providing service to the poor people in their respective areas of jurisdiction.

What is now expected of you with the knowledge that is amassed from this House; is to find a better way of ensuring that you in your leisure time assist them in understanding the provisions of the Constitution and the provisions of the enabling legislation. It is very, very important because if you do not do that your own members are going to be affected by dysfunctionality of a particular municipality, one way or the other. Your own relatives are going to be affected by that. So what is the use of having a public representative full of all existing information, but cannot share that information and impart it to his/her fellow countrymen? [Laughter.]

The department and the Provincial Treasury is doing everything to clarify and categorise this debt. What we have agreed in the Executive Council is that Department of Local Government, Bhele, and the Provincial Treasury under the leadership of the Premier, must provide leadership on this particular matter. That is why you see a shift from what was owed in December, the big money in December, and what is currently owed jointly without teasing up individual departments. [Interjections.] I have read it just now. You want me to repeat that? [Interjections.]

A number of factors have clearly contributed to this overall debt crisis. Part of the household and business debt is due to the de-industrialisation in the province which started about 10 years ago and has been worsened about recent economic recession. The 95 000 jobs lost in the province during the recession represent unquantifiable number of households, which directly increases the number of indigent households and increases the already unacceptable levels of unemployment in the province.

The impact of loss of revenue to municipalities could be attributed to company shut down predominantly in East London, Queenstown and Port Elizabeth. Nelson Mandela Bay Municipality as of the 31st January 2010 is owed R67 million or 47.8% of the total amount owed to municipalities in the province.

As proactive response, the department is, in partnership with all economic and social stakeholders, to create and support local economic development initiatives and rural development project, to create decent work and sustainable livelihoods. We must ensure that those who have lost jobs and those that still continue to seek work, find opportunities to create income and thus becoming paying citizens in our municipalities.

Whilst we are yet to confirm the other contributing sectors to this debt crisis it is important to note that as MEC Jonas has highlighted in the budget speech for 2010 that the financial distress municipalities are exacerbated by low and shrinking municipal revenues, combined with growing demand for municipal services. In agreement we acknowledge that this situation can only be addressed with the help of National and Provincial Government and State owned entities and by growing local economies to improve the municipal revenue base.

The ANC has pronounced on a Ten Point Programme for Local Government and this has found expression in the Local Government Turnaround Strategy, which is being implemented through the development of municipal turnaround strategies.

In all 45 municipalities in the province, and I am going to go into details tomorrow. [Interjections.] We will be following a similar comprehensive process with other categories of debt owed municipalities. In our priorities for this year the department has singled out stabilising Local Government in the province and attending to immediate political administrative institutional and financial problems in distressed municipalities. That is the explanation and correct response to the incorrect figures that were cited here and I would support the speaker of the African National Congress that it was not necessary for this motion because there is work that is being done by the Executive Council.

Thank you. [Applause.]

Motion put.

Division demanded.

The House divided:

In favour – 16: Bici, J; Cupido, J C; Dunywa, T P; Galo, M P; Haddon, D B; Jamjam, N F; Korkie, J P; Mhlathi, M M; Ndabeni, N; Ngcanga, N B; Ntenjwa, M W; Pienaar, J; Stevenson, R S; Thabaneng, Z; van Vuuren, P E; Woodkall, A S.

Against - 27: Barry, G C; Dimaza, M M; Fihlani, K C; Gqiba, N; Gqobana, S H; Jonas, M H; Komose, D N; Majodina, P C P; Makupula, M; Martin, C; Maxegwana, C H; Mpushe, P T; Mrara, M; Mtitshana, E N; Mtonganaa, V; Mtsi, S A; Nkayi, P V; Nkomonye, F; Nyusile, M; Pakaati, X A; Peter, M M; Pikinini, I A; Ponco, A N; Sogoni, M; Tunyiswa-Gqoboka, B; Wana, T; Xhanti, N T

Motion rejected.

Mr J PIENAAR: Hon Deputy Chair of Chairs, the DA just wants to put on record our dissatisfaction with the outcome of this motion. [Interjections.]

The DEPUTY SPEAKER: Order! I thought that we were all of the view that we had voted and that that was the end of the story. I will not allow anybody else to speak, because that brings us to the end of the discussion and the close of business for the day.

The House adjourned at 18:25.