

**DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM &  
ENVIRONMENTAL AFFAIRS - VOTE FOUR**

**BUDGET POLICY SPEECH FOR 2018/2019 DELIVERED TO THE  
KWAZULU-NATAL PROVINCIAL LEGISLATURE BY MEC FOR  
ECONOMIC DEVELOPMENT, TOURISM & ENVIRONMENTAL  
AFFAIRS, MR SIHLE ZIKALALA, ON THE 15<sup>th</sup> OF MAY 2018**

*Theme: Sikhulisa Umnotho, Siwubuyisela Ebantwini!*

**1. RECOGNITION OF DIGNITARIES**

**Madam Speaker, Honourable Ms L Johnson;  
Deputy Speaker, Honourable Dr M Hadebe;  
The Premier of the Province of KwaZulu-Natal, Honourable Mr TW  
Mchunu;  
The Honourable Members of the KwaZulu-Natal Executive Council;  
Honourable Members of this House;  
Representatives of all of our Social Partner Formations;  
Members of the Diplomatic Corps;  
Your Worships, the Mayors;  
The Leadership of our Province;  
Distinguished Guests;  
Members of the Media Present;  
Ladies and Gentlemen**

**2. SETTING THE SCENE**

Honourable Speaker, it is an honour to stand before this august House to present the 2018/2019 Budget Vote for the Department of Economic Development, Tourism and Environmental Affairs. We meet at a momentous period in the life of our country as we celebrate the lives and times of two of our foremost struggle icons, President Nelson Rolihlahla Mandela and Mama Albertina Sisulu.

The legacy left by these and other heroes and heroines of our struggle is a constant reminder that our task remains that of eradicating the status quo and take our liberation struggle to its logical conclusion.

Madame Speaker, in his address to economists in 1991 on the importance of ensuring economic redress for the benefit of all South Africans, President Mandela correctly captured the centrality of economic freedom to the struggle for national liberation when he said, and I quote:

***“The economy of this country always has and will continue to remain central to our struggle for national liberation. On the one hand the black majority is desperately fighting to redress historical injustices and present inequalities and on the other hand the white minority government is using every means at***

*its disposal to maintain economic power in the hands of the whites and big business in particular...The aim of course is to make it as difficult as possible for a new government to implement policies of redistribution and socio-economic justice.”*

We need to be unflinching in how we advance radical economic transformation because, as Madiba counselled, the triumph of our struggle for national liberation will be hollow without the attainment of economic freedom.

Moving from this premise, we have themed our 2018/2019 Budget Speech as “*Sikhulisa Umnotho, Siwubuyisela Ebantwini.*” With this theme we are re-committing ourselves to driving inclusive and sustainable economic growth while vigorously championing equitable economic distribution.

### 3. GLOBAL AND DOMESTIC ECONOMIC DEVELOPMENTS

Madam Speaker, global economic growth prospects have been improving, increasing by 3.6% in 2017, compared with 3.2% in 2016 making 2017 the first year since 2010 in which actual growth outperformed projected growth. The modest upturn in global growth is expected to continue into 2018 with a projected growth of 3.8%, driven by expansions in developing and developed countries alike.

In South Africa a positive economic outlook driven by improving business and consumer confidence saw expected growth rate being revised up to 1.8% in 2018. KwaZulu-Natal is expected to grow in the region of 4.5% in 2018, having grown by 4.2% in 2017. There is need to ensure that the positive growth outlook equally translate to redistribution and more jobs.

### 4. REVIEW OF PREVIOUS BUDGET SPEECH COMMITMENTS

Madame Speaker, allow us to update the House on how we have performed on some of the commitments made in the previous budget speech.

#### **RADICAL ECONOMIC TRANSFORMATION:**

Responding to the imperatives of Radical Economic Transformation, we launched *Operation Vula and Radical Agrarian Socio-Economic Transformation (RASET)* in the Harry Gwala District which was led by the former State President, His Excellency JG Zuma.

A sum of R57-million has been set aside to fund RASET projects to be implemented in 2018/2019. The fund will support, among others, projects in vegetable production, grain milling, poultry and dairy products. Beyond commitments to the programme by provincial departments and District Municipalities, we have received firm commitment from private sector stakeholders including the Spar Group to Operation Vula and RASET.

The Department will also invest and establish the Small Enterprise Economic Infrastructure and Mentorship support in district municipal areas, which includes the full package business support to co-operatives. An amount of R60, 5 million has been allocated to this project – sikhulisa umnotho, siwubuyisela ebantwini.

Furthermore, the Department has budgeted R15 million for youth and women economic empowerment initiatives. One such initiative is the strategic partnership concluded with the Downstream Aluminium Centre for Technology aimed at providing mentorship and incubation support to 15 women entrepreneurs focusing on steel fabrication and beneficiation under the King Cetshwayo District.

We have started a specific Youth SMME and Cooperative training programme focussing on manufacturing, agriculture and agro-processing, fashion and the entire creative arts industry such as film and television. A total of 1 000 youth and women in different districts are targeted for training & mentorship to access market opportunities in the clothing and textile, steel beneficiation, agriculture and creative industry.

#### ***The Black Industrialists Programme***

Together with the Department of Trade and Industry, we launched the Black Industrialist Programmes and a Steering Committee was established to co-ordinate the implementation of the programme. We further instructed the KwaZulu-Natal Growth Fund to work directly with the Black Industrialists initiative. The combined co-funding for the seven approved projects from KwaZulu-Natal is in excess of R320-million. These projects are in the chemicals, industrial infrastructure, mining, mineral beneficiation and oil and gas sectors.

#### ***Provincial One Stop Shop***

The provincial One Stop Shop was launched last year by the Former State President, JG Zuma and is housed at the Trade and Investment KZN offices.

The province has a further two satellite One Stop Shops at the Dube Trade Port and the Richards Bay IDZ Special Economic Zones.

#### ***Government Auto-Service Park (Government Garage)***

An amount of R4 million has been set aside for the planning process of three township based auto-service parks that will be piloted in areas such as Msunduzi, Amajuba and uMhlathuze. We have tentatively identified sites where these township garages will be located and we are currently assessing their suitability to host these parks. In partnership with Department of Labour and Transport Education and Training Authority, 200 young people from townships have been put to the training programme of mechanics and will be placed in these auto-service parks upon completion.

#### ***KwaZulu-Natal Economic Transformation Monitoring Council***

The Executive Council has approved the establishment of the KwaZulu-Natal Economic Transformation Monitoring Council. The Council will monitor the implementation of economic transformation initiatives; adherence to economic transformation prescripts and liaise with various bodies in order to strengthen the implementation of such initiatives.

#### ***Operation Sakhinzuzo***

We signed a funding agreement with Tongaat-Hullet for implementation of Operation Sakhinzuzo which supports the planting of 3000 hectares of sugarcane for small scale growers within the Darnall, Amatikulu, Felixton and Maid-stone mill areas for the next three years. We can report that a total of 74 individual growers and two co-operatives have been selected. A total of 573 hectares have been planted, creating 169 permanent equivalent jobs. An amount of R17 million has been allocated for the continuation of this project. An additional 61 small scale growers, divided into two co-operatives, have also been selected for the planting of an additional 250 hectares of cane within the

Madwaleni area in Mtubatuba with 548 permanent jobs anticipated to be created.

### ***KwaZulu-Natal Investment Conference***

The KwaZulu-Natal Investment Conference is billed to take place in September this year and will take queue from the Investment Conference as announced by the President in his State of the Nation Address.

### ***Payment of Service Providers within 30 Days***

We are pleased to report that during the 2017/2018 financial year, the Department processed 93% of invoices within thirty (30) days of their receipt. This would certainly have a positive impact on the development and sustainability particularly of SMMEs and co-operatives that often struggle to survive in the highly competitive business environment if they aren't paid on time.

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## **6. DEPARTMENTAL SERVICE DELIVERY PROGRAMMES**

### **TOURISM DEVELOPMENT:**

#### **Skills enhancement programme**

Madame Speaker, we have placed 232 graduates and students across all district municipalities including the eThekweni Metro to accommodation establishments, of which over 50 graduates have received either permanent or temporary employment. The Department will, during the current financial year, invest R6.2 million for skills development. For 2018/2019, a total of 100 youth and women will be up-skilled and trained in Tourist Guiding.

#### **Niche-product development and rural tourism**

We have invested an amount of R20 million towards the enhancement of rural tourism. These projects include the refurbishments and construction of new chalets at Ndumo Lodge; refurbishment of the Interpretation Centre Precinct, Accommodation Precinct and the Community Conservation Area at Ingodini Border Caves in uMkhanyakude and the refurbishment of Thokazi Royal Lodge around the District of Zululand. We have invested a further R1 million towards diversification of provincial tourism products and supply of rural-based tourism experiences. These projects form part of the Land Restitution Programme and they include: the upgrading of Koppie Guest House (Mahlalela Community Trust) and Mkhuze Falls Game Reserve and Lodges (Nkunzana Community Property Trust) at uPhongolo Local Municipality. In partnership with Ilembe District Municipality, we have identified KwaShushu Hot Springs, situated on an island in the middle of the Thukela River below Ntunjambili as an anchor project. An amount of R 1.2 million will be used to ascertain viability of the development.

#### **Promotion of business and leisure tourism**

The Department invested R7 million to support events that have the ability to attract visitors to the province. In partnership with the National Department of Tourism we have also set aside a sum of R12.5 million for the refurbishment of the Nelson Mandela Capture Site. Madame Speaker, in the current financial year, the province will be hosting the east3ROUTE investment seminar and expedition – whose concept has been revised to accord with the mandate and financial state of the department.

#### **National Department funded initiatives**

Late last year, the Department joined forces with the National Department of

Tourism to launch the Tourism Safety Monitors. A total of 250 young people will be drafted into this programme which will run for a year, with a prospect of an extension by a further two years. The project is funded by the National Department to the tune of R20 million. Further, an amount of R6-million will be invested in Hospitality Skills Programme around Umhlabuyalingana Local Municipality.

The following are some of the projects that we have budgeted for:

PROJECT NAME	BUDGET ALLOCATION	IMPLEMENTING AGENT
Lilani Hot Springs	R17 Million	TIKZN
Nelson Mandela Capture Site	R12.5 Million	TKZN
Bhanga Nek Community Lodge	R20 million	TIKZN
uMhlabuyalingana Hospitality Skills & Tourism Development Programme	R6 million	TIKZN
Tourism Youth Safety Monitors	R20 Million	EDTEA through NDT Appointed Project Manager
Roofing Programme of Ezemvelo Facilities	R36 million	Ezemvelo KZN Wildlife
Midmar Parking Resurfacing Project	R33.1 million	Ezemvelo KZN Wildlife
Giants Castle – Upgrading & Expansion	R10.9 million	Ezemvelo KZN Wildlife
<b>TOTAL</b>		<b>R155.5 million</b>

### **INTEGRATED ECONOMIC DEVELOPMENT:**

Our achievements on integrated economic development include the following:

- A total of R8 704 151 was spent on the training of 333 co-operatives
- A sum of R2-million was invested in the training of 82 SMMEs in the manufacture of cleaning detergents and other household use chemical products.
- A total of 105 unemployed graduates were placed for employment through the National Skills Fund (NSF).
- A total of 145 youth were given exposure as technical crew members and actors in various film projects.
- The Department offered a R1.6 million bursaries to 22 youths to study towards a Bachelor of Commerce degree at the University of Zululand.
- A 4-year funding agreement was signed with University of KwaZulu-Natal’s Graduate School of Business and Leadership. A total of 32 LED practitioners will enrol in the course for 2018/2019.

### **SECTOR DEVELOPMENT:**

#### ***Maritime & Oceans Economy***

We are elated to announce that in September this year KwaZulu-Natal will be hosting a world class Maritime Summit. The event will enable us to gauge the progress that has been made since the launch of Operation Phakisa four years ago.

#### **Maritime Industry Skills Development**

The Department is supporting enterprises in this field such as the black cooperative namely ANT Co-operative, which was funded to establish its aquaculture operations in Umtubatuba. This initiative is about production of cucumber and Mozambican tilapia. EDTEA has set aside R4,2 million to support this project with infrastructure, equipment, training and production inputs.

### ***Agribusiness/Agro-Processing***

We successfully completed a business plan to establish a manufacturing plant for Rose Geranium and Tea Tree essential oils in Ntambanana, Empangeni that will supply flavour and fragrance to the retail and hospitality industries. The project will have an overall employment contribution of 58 jobs to the community during a 50 hectares establishment and will increase to 86 jobs when it has expanded to full 80 hectares. The total value of the project is R20 million.

### ***Aerotropolis & Regional Airports***

The Department invested R33 million to the Mkhuze runway rehabilitation project, which is now complete, and created about 100 jobs. As part of the Aerotropolis Strategy, the Aerotropolis Institute will launch two short courses and we will offer six post graduate bursaries;

### ***ICT Initiatives***

We have initiated a province-wide detailed scoping of Wi-Fi deployment sites involving 1 217 sites. We are determining the exact costs for rolling out WI-FI in these sites and start the process of leveraging funding for WI-FI roll-out.

### ***Creative Industries***

A total of 30 young entrepreneurs have graduated through our KUMISA publishing and artist management training programme. One of companies, 80nine 90one Music Publishing that emerged from this training made it to the widely celebrated movie, *The Black Panther*.

### ***Industrial Conflicts***

The Department has been actively involved in resolving industrial conflicts in areas such as Richardsbay Minerals, Isithebe, and in Cato Ridge. Our interventions also include our continuous engagements with social formations that are involved in disruption of business in province. We welcome the decision taken by Cabinet to convene a multi-cluster team led by the Department of Community Safety and Liaison to deal with these incidents. As EDTEA, we will play our part in this team but we will also continue with our own initiatives to engage with all social partners under the banner of the KwaZulu-Natal Economic Council to not only intervene when there are challenges, but to pre-empt these incidents.

### ***Businesses in distress***

The recent incidents of businesses in distress in the province involved notable brands such as RCL Foods (Rainbow Chicken), Glodina, Dairy Day and Evorwood. In all these companies, the provincial government intervened with varying successes. We assisted companies to develop turn around strategies and link them up with Development Financial Institutions.

The province will convene a KZN Radical Economic Transformation Summit. The aim of the Summit is to provide a platform for stakeholders to discuss and make recommendations on how to address various challenges relating to access to economic opportunities. The outcome of this Summit will be the crafting and adoption of a provincial framework on the implementation of radical economic transformation.

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### **Industrial Economic Hubs**

The feasibility studies of the 11 Industrial Economic Hubs across the province has produced different outcomes – with some being viable whilst others not. We have resolved to prioritize three amongst them which are Clothing and Textile in Amajuba; Automotive in eThekweni Metro and Leather Processing in Umgungundlovu. With regards Automotive, the MOU with Toyota South Africa Motors and Toyota Tsusho Africa has been finalized.

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## **BUSINESS REGULATIONS AND GOVERNANCE**

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### **KwaZulu-Natal Business Bill Drafted**

An in-principle approval by the KwaZulu-Natal Cabinet was granted in May 2017 and consultations throughout the province were undertaken. All inputs and comments received during consultations had been considered and incorporated into the Bill by the drafting team.

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### **ECONOMIC PLANNING:**

In partnership with the CSIR, we spent R2.5million towards the development of a provincial bioenergy action plan. A partnership with the Durban University of Technology and Mangosuthu University of Technology saw the successful installation of rooftop solar systems at KZN COGTA building and Vryheld Hospital at a cost of R2.8 million. We entered into a R3.645 million technology transfer partnership with the four provincial universities and the Department of Science and Technology to develop innovative technologies that improve the quality of life in KZN.

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### **Policy and Planning**

The unit continues to analyse the provincial, national and global economic developments in an endeavour to provide valuable insights and input towards policy formulation in the province. In pursuit of regional economic integration we have partnered with the uMhlabuyalingana Municipality to develop an Integrated Border Economic Development Plan at Kosi Bay Border and the town Manguzi. We have transferred R1.3 million towards progress on the boarder development plan.

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### **ENVIRONMENTAL MANAGEMENT:**

#### **Invasive Alien Species Control & Job Creation**

A total of 140 855 hectares of invasive plant species at a cost of R52. 8 million were cleared, creating 12 153 work opportunities and 1 693 full-time. We intend clearing 120 000 hectares of land which is infested with Alien Invasive Plants to the value of R58.5 million. We are happy to announce that this year EDTEA spent the whole of its grant from the national department towards this programme.

#### **Approval of Environmental Impact Assessments**

We finalised 98 % of the Environmental Impact Assessments (EIAs) within the legislated timeframes and unlocked a R9.5billion investment potential.

We also conducted 913 compliance inspections and supported 9 small scale recyclers with R606 000.

### **KZN Provincial Environmental Outlook Report**

The Provincial Environmental Outlook Report was finalised and launched on the 6<sup>th</sup> of May 2018. The report focuses on climate change, air quality management, biodiversity and ecosystem health, land modification, waste and freshwater resources. While we are already implementing the recommendations stemming from the findings of this Report, we are also going to commission sector plans in coastal management and air quality as well as review the provincial integrated waste management plan.

### **Air Quality Management**

As part of responding to the findings of the Report, mobile monitoring stations will be deployed in Ballito and Mandeni during the first quarter of 2018/2019 to monitor air quality. The Province has budgeted R4.6 Million for the Air Quality Management Plan (AQMP) for this financial year and the terms of reference have already been prepared.

### **• PUBLIC ENTITIES**

#### **RATIONALISATION OF PUBLIC ENTITIES:-**

The Provincial Executive Council resolved to rationalize the following public entities falling under the Department of Economic Development, Tourism and Environmental Affairs:

- Merger of the KwaZulu-Natal Film Commission with Tourism KwaZulu-Natal;
- Incorporation of the bathers protection services of the KwaZulu-Natal Sharks Board into Ezemvelo KZN Wildlife and Maritime Institute to Moses Kotane Institute.
- The merger of the KZN Liquor Authority with the KZN Gaming and Betting Board, which is still under the Premier's Office

#### ***KWAZULU-NATAL FILM COMMISSION:***

The R1.1 million invested into the movie, *Keeping up with the Kandasamys* yielded a return of over R16 million. More than 90% of the crew was from the Province of KwaZulu-Natal and also featured 86% black filmmakers. Other productions that took place injected around R38 million into the province. A 3-year agreement to the value of R3-million with the SABC has been secured to co-fund and mentor young filmmakers.

#### ***DUBE TRADE PORT CORPORATION:***

Dube Trade Port had signed R1.7 billion worth of investments of which R1.6 billion was awarded to black-owned companies and the creation of overall 953 temporary job opportunities and 432 permanent jobs. Last week we announced that British Airways will be introducing direct flights between Durban and London as of October this year. The airline will use its latest aircraft on the route, the Boeing 787-8 Dreamliner which will fly three times a week between Heathrow and King Shaka International Airports. Our focus, going forward, is on attracting new flight routes to the Germany and India. We are confident of a sustained development at DTP with an additional R1.3 billion worth of private sector investment expected to flow into this special economic zone during this financial year.

#### **TRADE & INVESTMENT KWAZULU-NATAL:**

Trade and Investment KZN attracted R2.1 billion worth of new investments into the province last year – with property development taking the highest



share. These new investments will create over 3650 new jobs. The agency has assisted companies to retain and create over 2 200 jobs as a result of its interventions on expansions and business retention initiatives. TIKZN will be working closely with the President's Special Envoys on Investment Attraction as well as Invest SA in ensuring that the province features prominently and benefits substantially from the R1.2 trillion investment drive.

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***ITHALA DEVELOPMENT FINANCE CORPORATION:***

Business finance loans for 2017/2018 financial year amounted to R209.7 million against a target of R123.7 million. The total number of businesses funded for the year totalled 664 against a target of 160 and this represented an estimated 3 810 jobs facilitated through Ithala's funding activities. In Ithala's properties business, maintenance and capital expenditure totalled R170.8 million which translated to an estimated 785.

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We remain committed to securing a permanent banking licence for Ithala Bank. In this regard, the Minister of Finance granted Ithala SOC conditional exemption from the licencing requirements till 30 November 2019. This will allow the entity time to address certain issues relating to its systems, people and capital requirements.

Ithala hopes to be able to re-apply for a full banking license during the 2019/2020 financial year. As at 31 March 2018, Ithala SOC had total assets of R2.7 billion which represents a total growth of 6.4% in assets. Of these assets, a large component is the loan book which grew from R1.4 billion in 2017 to R1.6 billion in 2018 financial year which represents growth of 11.1%. This loan book is funded by a retail deposit book of R2.4 billion.

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***KWAZULU-NATAL GROWTH FUND:-***

The KwaZulu-Natal Growth Fund approved projects to the value of R87 million and this resulted in the creation of 704 job opportunities. This agency has become self-sustainable and has raised R40 million through its earnings to be redeployed into new projects.

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The agency further intends increasing its 40% BEE shareholding requirement to 51% in 2018/2019 and will also continue actively mobilizing new Black Industrialists to increase the participation of black Africans in the mainstream economy.

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***"Sikhulisa umnotho, siwubuyisela ebantwini"***

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***EZEMVELO KZN WILDLIFE:-***

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A total of 2 340 young people were employed to remove invasive and alien plants within Protected Areas. A sum of R35 million was spent under this programme. We also employed 422 Environmental Monitors. Ezemvelo in partnership with various stakeholders introduced a number of initiatives which minimised poaching incidents though the figure was still higher than the previous year. In the past financial year, 222 rhinos were poached in both Private and State Game Reserves. At this time last year, we had lost 76 rhinos to poaching - a figure that has reduced to 47 rhinos lost over the same period. Madame Speaker, while we are not at liberty to divulge too much information around our fight against rhino poaching, our partnership with law enforcement agencies to fight rhino poaching is paying off. We have also managed to bring to book rhino poachers; the latest being four syndicate members who were earlier this year given a combined 30-year prison sentence. Ezemvelo has agreements with various funders that will result in 3 000 work opportunities created in the 2018/2019 financial year.

Ezemvelo will also employ the following seasonal workers at a total cost of R19 million broken down as follows:

- 47 game capture seasonal workers at a cost of R2.4 million,
- 41 Hospitality seasonal workers at a cost of R3 065 million
- 1 040 Seasonal workers for fire management duties at a cost of R13.932 million

***KWAZULU-NATAL LIQUOR AUTHORITY:***

KwaZulu-Natal had 8 291 legally registered licenses. A total of 106 joint inspection blitzes were held by the KwaZulu-Natal Liquor Authority; the South African Police Services and other law enforcement agencies, which resulted in 244 illegal liquor traders being charged and closed down.

***KWAZULU-NATAL SHARKS BOARD (KZNSB):***

The service rate of shark safety gear exceeded the target average throughout the year which contributed to a reduction of the capture of non-target species. The removal of some of the nets and the installation of drum-lines is proceeding well and this intervention has resulted in a 47.5% average reduction in the capture of non-target species.

The KZNSB is pleased to announce a shark attack incident free year at protected beaches along the province's coastline. Electrical Shark Repellent Cables providing protection to swimmers against shark attacks without harming the sharks were developed and appropriate sites were identified for installation.

***MOSES KOTANE:***

In the 2017 academic year the MKI supported 142 learners. A total of 10 of the twenty-five grade 12 learners excelled by achieving overall aggregates greater than 70% with two learners obtaining 6 distinctions each.

From 2018/2019, the MKI will begin its transition in becoming a PFMA Schedule 3C public entity focused on research into the diverse skills required for sustainable economic growth and in evolving a co-ordination role in the roll out of education and skills programmes in the province.

***RICHARDS BAY INDUSTRIAL DEVELOPMENT ZONE (RBIDZ):***

The R53 Million Medway Road Project was completed and created about 720 cumulative construction jobs in the 16 month period. The RBIDZ is on track to conclude the purchase of a piece of land which is earmarked to host the 2000 to 3000 Mega Watt gas to power plant, as well as another 162 hectare site where the old Bayside Aluminium Smelter is located. The acquisition of these properties, valued at a combined R407 million, will more than double the RBIDZ's land footprint. The total value of pipeline investments at the RBIDZ is R12.2 billion with 3 696 construction jobs and 1939 permanent jobs expected.

***TOURISM KWAZULU-NATAL***

The province of KwaZulu-Natal, through the Durban KwaZulu-Natal Convention Bureau, continued to successfully bid for and host major conferences and events in the province.

These included, *inter alia*: The World Economic Forum on Africa, Maritime Terminal Operations Conference, Pan African Health Tourism Congress, World News Media Congress and the Loeries Creative Week. The total economic

impact of all the business events that we have secured is in the region of R600 million. We launched the KwaZulu-Natal Travel Guide Application which is currently available on all Android and apple phone phones for free. The TourismApp has features such as Geo-location which helps users to find tourism activities, accommodation, restaurants and many more.

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#### • NEW ANNOUNCEMENTS

#### **KZN TVET COLLEGES TO TRAIN COOPERATIVES**

In our drive to capacitate and prepare cooperatives to play a meaningful role in the economy and, in particular, to drive the radical economic transformation project, the Department has concluded a partnership agreement with all nine KZN TVET Colleges to train cooperatives in the 2018/19 financial year. In terms of this partnership, each TVET College will provide technical and business management skills to cooperatives in the district municipality in which it is based. Each district is allocated 53 cooperatives to be trained resulting in a total of 583 cooperatives with a minimum membership of 2 915 individuals. The budget allocated for this training is R33.1 million

#### **B-BBEE VERIFICATION**

We shall undertake B-BBEE auditing/verification of the province's top 100 private sector companies as well as all the Provincial Departments and EDTEA Public Entities. The verification will include the identification of opportunities for small enterprises and will also analyse the procurement spend and who benefits from these opportunities.

The Department will utilise the B-BBEE Codes of Good Practice as a tool to carry out this task. The report from this exercise will be forwarded to the KZN Economic Transformation Monitoring Council for processing and further action. We have set aside R6,5-million towards this exercise.

#### **SELF SERVICE TERMINALS:**

A partnership has been concluded with Companies and Intellectual Property Commission (CIPC) through the conclusion of a memorandum of understanding where stand-alone self-service terminals (SST) will be installed at our provincial office in Pietermaritzburg and also at various municipal offices to assist in fast tracking business registration. The CIPC envisages that 2 SSTs will be set up at our Head Office by the end of June 2018.

The business registration through SSTs will automatically generate SARS Registration and issue B-BBEE compliance certificates.

#### **RASET & SPAR PARTNERSHIP**

An agreement is being finalised between government and the Spar Group on farmer support at primary production, processing and access to market levels. This partnership is based on the common objectives between RASET and the Spar Rural Hub model. In terms of the model, farmers get supported to produce, own a portion of the processing facility and are guaranteed access to markets. About 400 farmers will benefit from the partnership. This first of its kind pilot project, situated in Jozini in the uMkhanyakude District, targets identified mainly rural, poverty nodes in the province.

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#### **DYNAMIC APPROACH TO RASET IMPLEMENTATION**

Madame Speaker, we are concerned about the slow pace of the implementation of the RASET programme. The challenges we experienced included a lack of

capacity in our district development agencies and delays from participating departments in signing off take and service level agreements.

To deal with these challenges, we will do the following:

- Adopt the labs approach, similar to Operation Phakisa, in implementing RASET.
- The provincial Director-General will convene RASET laboratories in each District, starting with the Harry Gwala where the programme was launched.
- The Cabinet will also conduct an Operation Siyahlola Campaign in each district to monitor RASET laboratories.

#### **KZN YOUTH BUSINESS DEVELOPMENT FUND**

We want to confirm our support for the R50-million KZN Youth Business Development Fund as announced by the Honourable Premier during the SOPA.

We commit that we will be engaging with the private sector to contribute to the fund as well as our public entities. At the level of implementation, we have set up a Steering Committee made up of officials from the Office of the Premier and EDTEA to work out the modalities of the implementation approach.

#### **EDTEA RESPONSE TO SUKUMA 10, 000**

Madame Speaker, in response to the Premier's announcement of Sukuma 10 000, which is a call to action for us as the province to create employment opportunities for especially the youth, we have identified a number of programmes, including our EPWP Alien invasive plants clearance programme, Tourism Monitors and Ezemvelo Seasonal workers, through which we will actively contribute towards achieving this target as set out by the Premier.

#### **ON-LINE BUSINESS REGULATORY & INFORMATION MANAGEMENT SYSTEM**

We will launch the online business regulatory and information management system to enable KZN Businesses to make Business Licence and Informal Economy Permit Application on-line and be able to trace the progress in relation to each application. The System will also provide authentic and real time verification and information management for the government and its entities. We will be embarking on this project with SITA.

#### **CASE MANAGEMENT SYSTEM DEVELOPMENT**

In our quest to empower consumers and improve turnaround times on complaints resolution, we have come up with an innovative case management system which will have a GIS coding and mapping component.

#### **• CONCLUSION**

Madam Speaker, as stated earlier, the nation is celebrating the lives, contributions and achievements of Madiba and Mama Albertina Sisulu.

We are indebted to Mama Albertina Sisulu who despite constant harassment that included prolonged periods of detention in solitary confinement, maintained a glowing hope that one day South Africa would join other nations of the free world that freedom would triumph over oppression.

This is succinctly reflected in her optimistic address about the future of this nation at the height of apartheid repression in 1984, during the first anniversary of the United Democratic Front (UDF) when she said: *"I am very happy to be one of those in the UDF, because in all these 17 years that I've been banned*

*it has been my wish that one day, I would get to such a gathering, a multiracial gathering, a gathering that gives me hope that this South Africa, one day, will be a just South Africa for everybody.”*

Therefore, our proclamation today of “*Sikhulisa umnotho, siwubuyisela ebantwini*” is about building the just South Africa that Mama Albertina Sisulu envisaged. We call on all the members of this House and the public at large to join us as we engage in the campaign to grow the economy and, critically, to ensure economic distribution and job creation.

In conclusion, I wish to thank the Honourable Premier, Mr TW Mchunu for his continued support and guidance. Equally, I would like to thank my colleagues in Cabinet and our social partners in the province for their continued resolve to our development’s ideals. The support and co-operation respectively received from the chairpersons of the Portfolio Committees for Economic Development and Tourism and as well as Nature Conservation, Mr Nhlakanipho Ntombela and Ms Zanele Ludidi couldn’t be adequately appreciated.

I would also like to thank the Head of Department, Ms Pumla Ncapayi and her entire team for always going the extra-mile. I owe my gratitude to my political home, the African National Congress, for entrusting me with the privilege of contributing to our vision of achieving radical economic transformation.

My utmost gratitude is reserved for my wife, uMaZondi and our children for their continued support and sacrifice, particularly during those long periods of absence from home when I am taken away, sometimes for days on end, by the call to bring about economic freedom to our people.

<b>PROGRAMME</b>	<b>2018/2019 (R’000)</b>
1. Administration	271,110
2. Integrated Economic Development Services	419,310
3. Trade & Industry Development	901,244
4. Business Regulation & Governance	120,145
5. Economic Planning	40,024
6. Tourism Development	247,786
7. Environmental Management	1,009,677
<b>TOTAL ALLOCATION</b>	<b>3,009,296</b>

I now table the Department of Economic Development, Tourism and Environmental Affairs for consideration by this august House.

I now move the budget of **R3 009 296.00** for the 2018/2019 financial year, I so move.

I thank you,

**Mr Sihle Zikalala, MPL**  
**MEC for Economic Development, Tourism & Environmental Affairs**

