

Premier David Makhura: Gauteng 2015 State of the Province Address

23 Feb 2015

Madame Speaker Honourable Ntombi Mekgwe;
Deputy Speaker, Honourable Dikgang Moiloa
Chief Whip, Honourable Brian Hlongwa
Honourable Members of the Executive Council
Honourable Members of the Provincial Legislature
Honourable Members of Parliament here present
Leaders of Political Parties
Permanent delegates to the National Council of Provinces
Executive Mayors of Gauteng Municipalities
General Ike Maphoto and Mama Sophie Williams De Bruyn
Leaders of faith-based organisations, trade unions and other civil society groups
The CEO of the Johannesburg Stock Exchange, Ms Nicky Newton-King and other Business Leaders here present
CEOs of State Owned Enterprises and Public Entities
Provincial Commissioner of the SA Police Service, Lt Gen Lesiba Mothiba and Heads of Security Services;
The Director General and Heads of Departments
Your Excellencies Members of the Diplomatic Corps
Members of the media
The people of Gauteng:

Allow me to take this opportunity to acknowledge the presence in our midst of a veteran of our struggle, a former member of this Legislature, Mama Sophia Williams-De Bruyn. Aunt Sophie, thank you for taking time to be with us today.

We are honoured by your presence as our mother and as an invaluable source of wisdom and inspiration.

I would like to also extend a special welcome to my guest of honour, General Ike Maphoto, a veteran of the liberation struggle who sacrificed and suffered enormously as a fearless freedom fighter and tireless crusader for democracy and justice in our motherland.

Ntate Maphoto is one of the few surviving members of the Luthuli Detachment. He spent more than 30 years in exile and more than 28 years on death row in a prison in the then Rhodesia after being captured by Ian Smith's security forces during the Wange and Sipolilo campaign in 1968.

To this day, even at his advanced age of 84 years, Ntate Maphoto continues to be a tireless crusader who criss-crosses the valleys, rivers, hills and mountains of Limpopo raising funds to educate children from rural communities, often using his own pension, to assist less fortunate young people to get university education.

Honourable Members, our Constitution enjoins us to honour and respect those who sacrificed and suffered as well as those who continue to work hard for a better South Africa.

I am sure you'll agree with me that General Ike Maphoto's life of selfless service to the people of our country is worthy of recognition and emulation.

Let us therefore pause to convey our gratitude to Ntate Maphoto for the priceless gift of an exemplary life of putting the interests of the people above all else. Rea leboga Mokone, mmina Tlhantlhagane! Thobela!

Madame Speaker, on 27th June 2014, I delivered my inaugural State of the Province Address in which I tabled a ten-pillar programme of radical Transformation, Modernisation and Re-industrialisation as a strategic roadmap to move the Gauteng City Region forward over the next five to fifteen years.

Today, I once more stand before this august House as a humble servant of the people of our province, ready to give a full account of the work we are doing and to share plans related to the work we will do over the next four years to transform, modernise and re-industrialise this beautiful and resilient province.

Let me restate the Ten Pillars which constitute the core mandate of the fifth administration:

- Radical economic transformation
- Decisive spatial transformation
- Accelerating social transformation
- Transformation of the State and governance
- Modernisation of the economy
- Modernisation of the public service and the state
- Modernisation of human settlements and urban development
- Modernisation of public transport and other infrastructure
- Re-industrialising Gauteng as our country's economic hub
- Taking a lead in Africa's new industrial revolution.

These ten pillars constitute a vehicle through which we seek to transform, modernise and re-industrialise Gauteng in order to build a seamlessly integrated, socially cohesive, economically inclusive City Region; a leading economy on the African Continent; with smart, innovation-driven, knowledge-based and sustainable industries; an accountable, responsive, transparent and clean government as well as an active citizenry. This is our vision.

Honourable Members, I am pleased to report to you that our vision and the Ten Pillars of radical Transformation, Modernisation and Re-industrialisation has been embraced by most sectors with whom we interacted extensively during our first nine months in office.

The overwhelming support for the TMR is particularly relevant given the fact that this is the year which marks the sixtieth anniversary of the Freedom Charter, the seminal vision upon which our Constitution is based.

The Freedom Charter remains our lodestar that continues to guide us to a South Africa of our dreams as we constantly search for and surge forward to a more humane and just society.

Our father, Tata Walter Sisulu, had something profound to say about the non-partisan nature of the Freedom Charter:

“Its significance does not lie in its fine words, but in the fact that it is a document drawn up by the people themselves. It is the expression of the collective demands of the people, even from the remotest corners of the country. It is the embodiment of their aspirations, the total sum of their demands; and it is therefore the creed of the people.”

Drawing from the Freedom Charter, our Constitution declares boldly that South Africa belongs to all who live in it; black and white. It also enjoins us to: “Heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights.”

The National Development Plan envisions a South Africa in which the destiny of its entire people is intertwined, where we are able to say to one another:

“I cannot be without you, without you this South African community is an incomplete community, without one single person, without one single group, without the region or the Continent, we are not the best that we can be.”

We have a responsibility to build stairways and bridges to a common and prosperous future across all the diverse and cosmopolitan communities of Gauteng.

Our province occupies a special pride of place in our country’s economy and this should be fully exploited to overcome the triple challenges of poverty, inequality and unemployment.

Madame Speaker, Gauteng remains the economic and industrial hub of South Africa and the SADC region and a significant player in Africa’s rising economic fortunes.

At current prices, ours is now a more than R1-trillion economy. Our province contributes 36% to the country’s GDP, 40% of total industrial output and 60% of exports.

Our province is the biggest contributor to national employment and the number of employed people grew from 2.7 million in 1995 to 4.88 million people in 2014.

Gauteng accounts for more than 10% of Africa’s GDP. The recent Ernst & Young Survey (2014) shows that since 2010, Gauteng has been the most popular foreign investment destination for projects in Africa. We are a Gateway to Africa.

Between 2003 and 2013, the provincial economy has consistently grown above the national average. In 2013, provincial economic growth recovered to 2.2%. Noting that the National Development Plan and Vision 2030 sets an annual national growth target of 5%, Gauteng needs to grow at a much higher rate to help pull the national economy.

Despite our relative strength, it is common cause that our economy has major structural problems which mirror those of the national economy:

- Exclusion of the overwhelming majority of black people, women and youth as key participants in key sectors of the economy.
- Dominance of a racialised monopoly sector and a subdued role of the SMME and co-operative sector.
- Dominance of the primary and tertiary sectors, with a serious decline in the role of manufacturing in the structure of the economy.
- Dominance of unskilled and semi-skilled labour over skilled labour force.
- Small size of domestic market and skewed income distribution; which dampens national aggregate demand and economic growth.
- Apartheid economic geography and spatial inequalities contribute towards higher costs of living for those on the periphery.

Madame Speaker, allow me to outline the key elements of radical economic and decisive spatial transformation which will help us to address the structural problems of our provincial and national economy:

- Changing ownership patterns to bring black people into the economic mainstream and creating black industrialists;
- Changing the current industrial structure of our economy to privilege manufacturing and industrialisation through the processing of rich mineral resources and other raw materials locally;
- The development of new modern, innovation-driven industries in the areas of high-tech, biotechnology, the green economy and blue economy;
- Investing in skills development to change the skills profile of the citizenry in line with the new strategic sectors and modern industries;
- Changing income distribution to ensure equity and decent living standards for all;
- Transforming the apartheid spatial economy and human settlement patterns to integrate economic opportunities, transport corridors and human settlements;
- Growing the SMME sector as a key driver of growth and revitalising and mainstreaming the township economy;
- Strengthening the capacity of the state to direct economic development and enhance the competitiveness of strategic economic sectors;
- Significant investment in economic infrastructure as the key stimulator of growth and investment;
- Transformative partnerships between the private and public sector in addressing the developmental challenges outlined in the NDP.

Madame Speaker, I am pleased to report to this august House that over the past nine months we have met many business organisations and industry leaders who share our TMR perspective and the Gauteng City Region vision.

The major plans we will announce today illustrate concrete commitments and transformative partnerships between different spheres of government and the private sector in addressing the priorities and pillars of the TMR.

Accordingly, we are making three macro interventions – spatial reconfiguration, township economy revitalisation and massive infrastructure investments - jointly with municipalities and the private sector partners to change the space and structure of the economy of our province in order to address unemployment, poverty and inequality.

Going forward, we want to reconfigure the Gauteng City Region's space and economy along five development corridors that have distinct industries and different comparative advantages:

- The Central Development Corridor is anchored around the City of Joburg as the hub of finance, services, ICT and pharmaceutical industries;
- The Eastern Development Corridor anchored around the economy of the Ekurhuleni Metro as the hub of manufacturing, logistics and transport industries;

- The Northern Development Corridor anchored around Tshwane as our nation's administrative Capital City and the hub of the automotive sector, research, development, innovation and the knowledge-based economy;
- The Western Corridor encompassing the economy of the current West Rand district and the creation of new industries, new economic nodes and new cities;
- The Southern Corridor encompassing the economy of the Sedibeng district and the creation of new industries, new economic nodes and new cities;

Honourable Members, we have engaged all municipalities extensively in order to agree on the type of economy we want to build across the City Region.

Together, we have arrived at a conclusion that we will strategically use land owned by government and the development approvals to prioritise and earmark the location of specific sectors and industries in the five development corridors of our province. These corridors will ensure balanced economic growth, infrastructure development, sustained employment and significant economic empowerment across the entire City Region.

Gone are the days when some regions and municipalities will be neglected as the cinderellas on the periphery of the provincial economy. We need deliberate and conscious action by the entire City region leadership to reverse spatial injustice and economic marginalisation of Sedibeng and the West Rand.

How do we achieve this noble goal?

Madame Speaker, allow me to go into greater detail about the key undertakings we are driving with different spheres of government and the private sector in the corridors.

The economy of the central corridor will be consolidated around Joburg as the financial capital and hub of the services industry of our continent. In addition, Joburg has a critical presence of global high-tech companies and the pharmaceutical industry. We will continue to deliberately work with the City, national government and the private sector to enhance the competitive position of Joburg with regard to these sectors of our economy.

The provincial government will continue to work and support the City to regenerate the inner-city and other areas that have experienced a significant de-industrialisation and decline.

We invite the private sector to partner with us in improving the face of our central business districts and inner-cities through investing in better buildings, cleaning the streets and greening the City's open spaces as part of building liveable and sustainable cities.

Over the next five years, we will mobilise more than R10 billion in public and private investments in the regeneration of the Joburg CBD as the seat of the provincial government. Having spoken to private sector leaders, I am confident that there is an appetite and passion to invest in the revitalisation of the CBD of Joburg.

We applaud the banks, mining houses, state-owned enterprises and other major companies that continue to invest in both the Joburg CBD and its financial district of Sandton.

In strengthening the position of the Central Corridor as the financial hub of our country and the continent, we will work with national government and the City to ensure that it becomes the home of the BRICS regional development bank.

We are also working with national government and the City of Joburg on a definite and concrete plan to revitalise the old townships of Kliptown and Alexandra. The two townships are in a terrible and sorry state of disrepair.

In order to change human settlement patterns over the next five years, 140 000 housing units will be built in Lion Park, in Diepsloot East, in Fleurhof, Cosmo City, Malibongwe Ridge and Goud Rand.

In addition we are working with the private sector and the City of Johannesburg on the following initiatives to radically change the spatial landscape of the Central Corridor – Masingita city, Reitfontein, Waterfall city, Modderfontein city and Steyn city. All these developments will have major socio-economic benefits with regard to decent employment and economic inclusion.

The Masingita city, an integrated commercial and industrial hub, is a R3 billion private investment that will create 15,500 jobs during the construction stage and approximately 10,000 jobs during its full operation.

It will also contribute to the township economy revitalisation by supporting township enterprises and SMMEs in Soweto, Lenasia and Bekkersdal/Randfontein. The first phase of construction will commence in March this year.

Rietfontein is a complete mixed-use node with more than 8 000 proposed residential units, including commercial property, distribution and warehousing; retail and education facilities. This investment is estimated at R 20 billion and has the potential to create 17 000 jobs, during the construction phase and beyond.

Waterfall City is the largest city to be built in post-apartheid South Africa. The estimated investment during construction is R71 billion with, an estimated 100 000 jobs could be created by the project. The Modderfontein development will inject R 84 billion into the economy of the Gauteng City Region and is expected to create 150 000 jobs over the next twenty years.

Our partnership with the private sector and the City of Johannesburg has resulted in a R 6.5 billion injection into Steyn City development, including the construction of a new arterial road (R511) and infrastructure for basic services.

Phase 2 of the development will inject in excess of R50-billion into the economy of the Gauteng City Region.

As part of propelling spatial transformation, the City of Joburg is expanding the existing Reya Vaya Bus Rapid Transit System to cover more areas in the city. The City has invested a total of R 2 billion in this project.

We fully support the City's Corridors of Freedom spatial transformation and Blue economy initiatives, which will see significant infrastructure investment that will reshape the political economy of space in one of Africa's largest city.

The cumulative effect and combined impact of all the aforementioned public and private sector investments will be the creation of new cities and mega economic nodes that will change the economy and space of the Central Corridor.

Madame Speaker, let us now set our eyes on the Eastern Development Corridor. Ekurhuleni was the manufacturing and transport hub of SADC over many decades during South Africa's industrial evolution.

However, it has experienced dramatic de-industrialisation over the past twenty years. Bold thinking and decisive action is required to reverse this trend and build a new economy in this corridor.

Together with the Ekurhuleni Metro and national government, we are now undertaking 29 industrial initiatives, under the banner of the Aerotropolis, to revitalise manufacturing, aviation, transport and logistics industries linked to the OR Tambo International Airport. This will dramatically transform the current industrial structure of the economy of Ekurhuleni.

Because of the interregional nature and transformative magnitude of the Aerotropolis and its effect on the GCR economy, this project has now been elevated to being a Gauteng City Region-wide initiative.

Honourable Speaker, the Aerotropolis is one of the major projects that will help us move the Gauteng City Region forward. The footprint of the Aerotropolis will also cover the Lanseria Airport in Johannesburg and the Wonderboom Airport in Tshwane.

In addition there are also a number of unfolding initiatives by state owned companies that will contribute to the reindustrialization of Ekurhuleni. PRASA is rolling out approximately 7 224 new rolling stock units with a projected investment of R123 billion over a period of 20 years. A total of 30 000 jobs will be created over the same period.

With regard to freight and logistics, Transnet's investment in the inland ports of Tambo Springs and Sentrarrand will also have a major impact in revitalising the economy of Ekurhuleni.

The Tambo Springs Inland port development will have an estimated R7.5 billion investment over five years. This project will create a total of 110 000 jobs over fifteen years.

Airport Company SA, Denel and major private sector companies are positioning themselves in line with the imperatives of the Aerotropolis. There is huge potential for these projects to attract massive foreign direct investment into the OR Tambo Industrial Development Zone and the Special Economic Zone.

To further change the spatial geography of this Corridor, we are rolling out the Bus Rapid Transit System in Ekurhuleni whose first phase will be operational by March next year. Over the next five years, more than R 500 million will be invested in the BRT system in Ekurhuleni. Public transport infrastructure has the potential to transform the Ekurhuleni spatial landscape and integrate the desperate towns, cities and human settlements of Ekurhuleni.

In order change the human settlements paradigm, more than 100 000 housing units will be delivered over the next five years in areas such as Chief Albert Luthuli, John Dube Extension 2, Tsakane Extension 22, Germiston South, Leeuwpoort, Rietfontein and Clayville Extension 45.

The cumulative effect and combined impact of all these public and private sector initiatives and investments will create a new economy and new spatial landscape in Ekurthuleni and generate massive employment and opportunities for economic inclusion.

Honourable Speaker, allow me to now turn to the Northern Corridor, the administrative Capital of our country and the hub of the automotive industry.

This is the main anchor for research, innovation and the knowledge-based economy in Gauteng.

The Provincial Government is supporting the City of Tshwane's initiative to reshape the City's space and economy into a new and more dynamic Capital City.

In order to respond to the imperative of inner-city regeneration, we will work with the City of Tshwane to establish the West Capital development project which will include the development of a student village, sport incubatory centre, retail and commercial components, inner city housing and health facilities.

The development of the African Gateway in the heart of Centurion in partnership with the private sector is major boost to the economy of this corridor. This will be comprised of the biggest Convention Centre, a massive hotel, residential, commercial and additional office space will create a more resilient economic node in Centurion.

The City of Tshwane will invest R525 million to establish a Business Process Outsourcing Park in Hammanskraal. The Park will offer on-site training, technical support, incubators for SMMEs. The project is expected to create over 1 000 jobs during construction and over 1 000 indirect jobs.

Working with the private sector, the City of Tshwane is rolling out free wi-fi within the City. To date R150 million has been invested in this initiative.

We continue to support the automotive sector in the Rosslyn cluster through the Automotive Industry Development Centre. In the coming months, the AIDC will launch its second incubation centre in Rosslyn, Tshwane, to accelerate the development of sustainable SMMEs within the vehicle assembly industry. The establishment of a freight and logistics hub that will support the automotive industry is currently being investigated.

From a human settlements perspective, more than 160 000 houses in Hammanskraal, Winterveldt, Sterkwater, Lady Selbourne, Soutpan Phase 1 to 7, Lotus Garden, Fortwest, Capital Park, Vermeulen, Olievenhoutbosch, Nelmaphuis, Zithobeni, Kirkney and Danville.

Honourable Speaker, all these interventions will change the face of Tshwane and contribute towards building a new economy that is more modern and transformed, inclusive and sustainable in the capital city of the Republic.

Honourable members, the fourth corridor that will now get my attention is the Western Corridor. The West Rand district has experienced significant de-industrialisation due to the decline of the mining industry, which was the main employer and source of revenue for municipalities.

Over the next five years, we shall work with national government, municipalities and the private sector to transform, modernise and diversify the West Rand economy and revitalise the mining towns.

The economy of the Western Corridor, will focus on the green and blue economy initiatives, tourism, agro-processing and logistics. The Lanseria Airport and Maropeng World Heritage Site will be the main anchors of the new city and new economy of the West Rand.

We are working with the the municipalities and private sector partners to unlock the potential of Lanseria Aiport logistics hub. Thus far the private sector is injecting at least R 500 million in Capex for the development of the airport, with over R10 billion expected to be invested in Lanseria over the next 15 years.

In order to position the Western Corridor as the hub of our agri-business and agro-processing industry, work is underway to leverage this corridor's high value horticultural potential.

As part of the transformation of the agricultural sector, to ensure food-security and in order to stimulate economic activity in the Corridor, we have invested in the Randfontien milling facility.

In addition, we are partnering with the private sector to upscale the aquaculture potential of this Corridor, in particular, in the breeding of prawns. This initiative will create a total of 6 512 jobs in the West Rand over three years.

We will also invest in light manufacturing industries. In this regard, we will work with the University of Johannesburg and other partners around the deployment of solar technologies and solar manufacturing plant or solar farm in the Western Corridor as an area earmarked for renewable energy industrial development.

Furthermore, in the Western Corridor, working with national government and Busmark, we will support the manufacturing of coaches to supply various mass transit bus fleets.

With regard to human settlements, more than 160 000 housing units will be built in Syferfontein, Chief Mogale, Kagiso Extension 13, Leratong, Westonaria Borwa, Thusang, Waagterskop, Kokosi Extension 6 and 7, Droogheuwel, Mohlakeng Extension 11, Khutsong South Extension 1, 2 and 3 and Vaarkenslaagte.

Madame speaker, let me now shift my attention to the work we are doing in the Southern Corridor, which represents the Sedibeng district and the Vaal triangle. Our goal is to shift the economy of this corridor away from its overreliance on the steel industry and diversify to include tourism and entertainment, agro-processing, logistics.

The development of the new Vaal River City (hydropolis) aims to unlock the potential of the waterfront developments in the Emfuleni and Midvaal areas.

Already the private sector is planning to invest more than R4 billion into this development, which will stimulate much needed economic activity in this corridor. The development is estimated to be worth between R7 and R11 billion, and will create up to 7 500 jobs in the construction phase alone.

On 21st March, we will do sod turning for the new Vaal River City which entails a unique residential and commercial development.

The second area of focus is to unlock the agricultural potential of Sedibeng as the food basket of the Gauteng City Region and position the region as an Agropolis.

In this regard, we are working with the private sector to support 32 black farmers to plant barley and maize to be supplied to the nearby Heineken Brewery. The project will create 1 000 permanent jobs per annum over three years.

Over the next five years, more than 120 000 houses in Sedibeng will be built in Boiketlong; Golden Highway; Evaton; Vereeniging, Savanah City, Ratanda and R 59 Corridor.

Also in this Corridor we will continue to support the Gauteng Highlands development; a mixed-use development comprising of industrial and residential space. This is a R40 billion investment aimed at creating 25 000 direct and indirect jobs.

Honourable Members, all our development corridors must be environmentally sustainable and promote the creation of liveable cities.

In this regard we will intensify the Bontle ke Botho campaign, through which we will ensure clean cities and towns. We will mobilise communities to work with us to contribute to the cleaning of streets and the greening of parks and all spaces within the Gauteng City Region.

Furthermore we will introduce blue economy initiatives, which will entail intense recycling and re-use of waste to protect the environment. Our cities are currently too dirty. We need to go back to basics as we build new cities.

Township Economy Revitalisation

Honourable Speaker, during the State of the Province Address last year, we committed ourselves to place the township economy at the centre of our programme for radical economic transformation.

We said townships can longer be mere sites for the reproduction of cheap labour and for trading of goods and services that township communities do not produce.

We said we must work towards conditions where every rand generated from the township economy circulates within the township economy and benefits township residents.

Last year, we held the Provincial Township Economy revitalisation Summit which was preceded by consultations with more than 50,000 township enterprises from 65 townships.

In these interactions we agreed on the key steps needed to radically transform our townships from their historic role as reservoirs of cheap labour into centres for productive and light manufacturing activity.

Our consultations have produced a strategy through which we will create an enabling and supportive environment for existing and future township enterprises to grow and flourish.

The township economy is now firmly part of our national economic policy. During his State of the Nation Address and response to the debate on SONA, President Zuma indicated that “economic transformation to unlock growth also means improving the support provided to small enterprises especially township and rural enterprises which will promote economic activities at local level.”

The Provincial Government has already committed more than R160 million to the township economy. In the 2015/16 financial year, we have allocated more than R 300 million to support township enterprises and cooperatives.

At the same time municipalities have made substantial investments in the township economy focusing on township enterprise hubs.

Over the next five years, the City of Johannesburg, a component of the township economy, has set aside R3 billion, Tshwane R22 million and Ekurhuleni has made available more than R150 million to support the township economy and township entrepreneurs.

We are advocating for the establishment of a Township Economy Partnership Fund involving the corporate sector, township enterprises and government to promote investment in the township economy and development of township enterprises and cooperatives.

In addition we will work with the Cooperatives Banks Development Agency to facilitate the establishment of cooperative banks that are owned by communities (including burial societies and stokvels), as part of promoting financial inclusion and broadening access to credit by township enterprises and communities.

Honourable Speaker the Provincial Government, currently, spends at least 5% of its R10 billion procurement budget for goods and services on township enterprises. We have now committed to set aside 30% of public procurement budget for township enterprises over the next five years.

Some of our government vehicles will be repaired by township-based enterprises at selected repair hubs supported by our Automotive Industry Development Centre (AIDC).

We will strengthen three existing township economic hubs in Mohlakeng, Winterveld and Tembisa in the coming months. Seven new township hubs will be established in Ennerdale, Hammanskraal, Mabopane and Reiger Park. We will also revitalise the Industrial Parks in Katlehong, Orlando, Residentia, Khutsong and Ennerdale.

We are prioritising the development of agri-parks on the periphery of urban settlements where young people will be given opportunities to farm.

Honourable Speaker, we are encouraged by the level of support shown by the corporate sector on the township economy revitalisation and mainstreaming.

We particularly would like to mention the automotive industry, which has made significant strides in introducing township entrepreneurs to the automotive industry.

In Diepsloot, about 160 township entrepreneurs involved in light manufacturing and other productive activities will benefit from the R1.6-billion investment in the Riversands/Diepsloot SMME Incubation Hub, with state-of-art facilities.

The Riversands Incubation Hub is at the heart of the new Riversands Commercial Park, which will provide mentorship and enterprise support to ensure that when SMMEs graduate from the programme, they are better placed to grow and expand.

Coupled with the adoption of the five development corridors as the drivers of radical economic transformation, decisive spatial transformation and re-industrialisation, the second major lever to change the economy and space of the Gauteng City Region will be through a massive and well coordinated infrastructure investment programme.

Madame Speaker, I would like to focus on the work we are doing with national government, municipalities and private sector players in infrastructure development.

Our infrastructure investment programme focuses on the following key areas:

- Public Transport
- Broadening the Energy Mix
- ICT and Broadband
- Water and Sanitation

Over the next four years, as the Gauteng Provincial Government our total investment in infrastructure development will be more than R32 billion, while Gauteng municipalities will spend R94 billion over the next five years. This investment will have a massive multiplier effect on the economy of the Gauteng City Region.

Honourable Members, we have adopted a 25-year integrated transport master plan focusing on developing a city region wide transport system and an efficient transport network to underpin spatial transformation and inclusive growth.

As part of strengthening our investment in public transport, we are conducting a feasibility study with a view of expanding the existing Gautrain Rapid Rail System.

We have already outlined the work being done together with municipalities in investing in the rollout Bus Rapid Transit systems in the metros.

We have also indicated the extent to which PRASA's new rolling stock of passenger coaches will revitalise and modernise the public transport infrastructure and create a big stimulus for re-industrialisation and local production.

We wish to reiterate that only a massive increase in public transport infrastructure, including a significant expansion of the rail network will help us drive industrialisation and spatial transformation. More innovative solutions will be required to fund public transport and infrastructure requirements.

The people of Gauteng, I wish to reiterate that transformation, modernisation and re-industrialisation will not be possible without paying serious attention to the critical issue of energy security.

In order to broaden the energy mix plan in the Gauteng City Region, we adopted a plan with six interventions:

- We have been working with municipalities to finalise plans to bring in additional 1200 megawatts of electricity by increasing generation capacity of the current coal-fired power stations in Tshwane (Rooiwal and Pretoria West Power) and Joburg (Kelvin Station).
- We are installing roof top solar panels for all our government buildings. Our estimate is that we have available 8 million square metres of roof top space suitable for this and will be able to generate 300-500 megawatts of electricity.
- We are implementing a programme to retrofit our coal fired boilers with natural gas.
- We are implementing the Tri-generation programme in six hospitals. Tri-generation is a technology that is able to produce electricity for heating and cooling using gas.
- We are initiating the waste to energy programme. This programme is aimed at converting waste from our facilities into bio-gas.
- We will continue our energy efficiency programme through which we aim to replace existing lights in all our facilities and government buildings with LED lights. We have thus far replaced 45 000 lights in our health facilities.

Honourable Speaker, working together with the private sector, we will also invest in local solar technologies. In this regard, we are supporting an initiative by the University of Johannesburg and the private sector to build a manufacturing plant and a solar plant in Gauteng.

This project, which is worth R7 billion, will supply 500 mega-watts of solar energy and will create more than 15 000 direct and indirect jobs

We have to take every step to ensure we power the massive industrial, human settlements and public transport developments that we outlined earlier.

Honourable Speaker, our goal remains that of being a smart province.

For this reason, we continue to invest in ICT infrastructure and most importantly e-government services. The Provincial Government's total investment in ICT infrastructure is more than R 300 million over the next three years.

We will also work with private sector network companies to discuss how we can fast-track the realisation of our goal of achieving 100% connectivity over the next five years and unleash the potential of the local ICT industry to promote SMME development and township economy revitalisation..

Madame Speaker, we are pleased to announce that we are extending ICT connectivity to public schools to facilitate e-learning.

As we implement our ICT strategy, we will ensure that we create new local industries across the ICT value chain. These include industries for the device manufacturing, maintenance, repairs, creation of new applications and the provision of services in the ICT sectors.

Honourable Speaker, water scarcity can serve as a major stumbling block to the achievement of the goals of our TMR. For quite some time, experts have been warning that our country is a water scarce country.

In Gauteng, we are working with national government and municipalities to address major concerns pertaining to water security and infrastructure development. The recent water supply interruptions have brought to the fore these concerns.

We have established a water and sanitation coordinating forum which will enable us to rapidly develop and implement a City Region-wide plan on water and security, including on the urgent need to find a strategic solution to the problem of Acid Mine Drainage.

We will also focus on encouraging rain water harvesting in households, government and business premises and eradicating water leakages through focusing on infrastructure maintenance.

Public awareness campaigns to encourage responsible water usage will also be up scaled. Our target is to reduce water losses by 15% in line with national government's Water for Growth Strategy.

Honourable Speaker, as a result of our initiatives to radically transform the spatial geography of Gauteng, to industrialize and reindustrialise our economy; Gauteng will never be the same again!

The infrastructure development and investment programme will be coordinated through the recently established Gauteng Infrastructure Coordination Commission chaired by the Premier, and comprising all mayors to ensure authority and swift decision-making that supports the new spatial development perspective of five development corridors.

Accelerated Social Transformation

Honourable Speaker, as we endeavour to reindustrialise our economy, to modernise and transform our society we must continue to pay equal attention to accelerated social transformation.

We need a decisive citizenry to move the Gauteng City Region Forward!

Honourable Speaker, as Gauteng we started off 2015 on a high note.

We say this because the Matric Class of 2014 made us proud. They were the top performers in the country with a total pass rate of 84,7%.

I take this opportunity once again to congratulate the Matric Class of 2014 for a job well done. They have set a new and decent standard with which we will measure those who come after them.

Performance of one of the great successes of our policies is the phenomenal improvement of the township schools in the matric exams.

Township schools have performed at 78,6%, just 6,1% behind the provincial average. In 2010, township schools were almost 10% behind the provincial average.

The achievement gap between fee and no-fee schools, has reduced from 18% in 2010 to 12,4% in 2014. In 2014, the matric performance of Alexandra was 72%, Evaton was 80%, Katlehong was 78%, Soshanguve was 75%, Soweto was 81% and Tembisa was 82%.

These achievements are due to our interventions through programmes such as the Secondary School Interventions Programme and the role of civil society and communities in supporting and monitoring of schools and learners in their areas and contributing to creating conditions to achieve quality education.

Learners from township schools are among the top achievers in the 2014 matric exams. Out of the 26 learners that achieved full marks in subjects such as Maths, Physical Science, Accounting and Life Science, 25 learners were African learners from township schools.

Gauteng is also proud to have produced one of our brightest young minds, Reginald Champala, from Dr Harry Gwala High School in Daveyton. His achievements in 2014, include being the best learner in Geography, Life Science, Physical Science and Mathematics and Top Learner from a Priority School.

Reginald is on his way to realising his dream to become a Maths professor. He is now studying BSc in Maths and Science at Wits University.

We are also proud of Sigourney Lishman, from Afrikaanse Hoer Meisieskool, who wrote 8 subjects and achieved seven distinctions. Congratulations to Reginald and Sigourney.

Young People like Reginald and Sigourney indeed are moving the Gauteng City Region Forward!

We also want to acknowledge the Phumlani, Eqinisiwini and Reitumetse Secondary Schools, which are the top three township schools in the province.

Honourable Members, as the Gauteng City Region we must compare ourselves with the best in the world. Our goal is to produce learners who will compete globally.

This requires that we continue to improve the quality of public education across the schooling system, with a particular focus on improving education outcomes in maths and science.

We have taken major steps towards modernizing the delivery of education in the Gauteng City Region. This we did through the launch of our highly acclaimed paperless, technologically enabled “smart schools” and “schools and classrooms of the future”.

We have allocated a total of R2.6 billion for education infrastructure delivery.

We are converting existing schools into smart schools. In addition to the seven schools launched in December, six more schools have been identified.

We have, in addition, provided 88,000 tablets for use in our schools and will continue to advance e-learning.

Through this programme we are moving closer to the kind of society envisaged in the National Development Plan; a society where opportunity is not determined by birth but by ability, education and hard work.

We are well on track to universalising Grade R as we believe we must invest in our learners from the foundation phase onwards.

We have already increased the number of learners in Grade R from 65,000 in 2009 to close to 113,000 in 2014. By 2019, we aim to have achieved full access to Grade R with over 200,000 learners in public and private facilities.

As part of building our schools as centres of excellence, we will continue to work with parents, communities and teachers in creating an environment in which all our learners thrive.

This is our collective responsibility. We need to develop these young minds in order to move the Gauteng City Region Forward!

Honourable Speaker, in the past few months we have observed with great shock racism and intolerance in our schools. This unacceptable behaviour is fuelled by adults as no child is born a racist.

Let us remind ourselves that South Africa belongs to all who live in it; Black and White; we are one people, one nation and with a shared destiny.

Honourable Speaker, to strengthen and develop our future skills, we have allocated additional resources to our bursary scheme for outstanding performers.

In 2014/15 financial year, the Gauteng City Region Academy has awarded 5122 beneficiaries at a cost of over R1 80, 000, 000 in order to support to students studying towards various qualifications including scarce skills.

In the last three years, we invested a total of R450, 000, 000 to support 8 400 students, 70% of these bursaries were offered to females and 30% to males. We are aiming to expand the bursary scheme and to increase allocations by 25% in partnership with the private sector.

We would like to acknowledge partners who are already assisting in the bursary programme such as the South African Institute of Chartered Accountants and SETAs. We also hope to increase our TVET students' bursary allocations.

Whilst we have made significant progress in supporting students, through the NSFAS and the GCRA Bursary Scheme, we need to do more.

We will continue to partner with the private sector, parents and the rest of civil society to ensure that no deserving and qualifying students are excluded because of lack of funds.

In this regard I would like to congratulate the Wits SRC who took it upon themselves and launched a fund to support their fellow students. This is very commendable and is an example worthy of emulating.

I also like to thank those that have contributed to the fund. In particular I would like to thank Ms Basetsana Thokoane, who donated R553 000.00. Basetsana was educated by the African National Congress in exile and

she is very passionate about ensuring that young people who work hard are supported to achieve their dreams. This is the spirit in which we will have to continue if we are to move Gauteng Forward!

Honourable members, you may recall that during the last SOPA, we announced that we will launch Tshepo 500 000 in March 2015 to facilitate the training, entrepreneurship development and employment opportunities restoring hope among young people in our province.

I am glad to report that we launched the programme in December last year, three months ahead of target. The response of the private sector and young people themselves has been overwhelmingly positive. Our target is to create 500 000 decent and sustainable jobs and entrepreneurship opportunities for young people by 2019.

I am pleased to announce that, since December last year we have received 2987 applicants and have been able to place 517 young people in jobs. I would like to thank the following companies who have already employed a number of our young people as part of this initiative; Dischem, Stallion Security, MacDonaldis, Prestige, Florence Waiters, Steers, Burger King and ABI Logistics.

We are also pleased that many other companies and State Owned Enterprises have made pledges to contribute to Tshepo 500 000.

This year we aim to create 50 000 of these opportunities; 150 000 in 2016 and 125 000 in 2019.

This is yet another example of future partnerships between government and the private sector.

I urge other private sector companies to come on board so that together we can continue to inspire hope and create a better future for our young people.

Honourable Speaker, Health is an integral to the well-being of our communities and to the effective functioning of our economy.

Primary Health Care is the backbone of our health system and ensuring that we are responsive to the needs of communities.

We now have 375 primary health care facilities in the province.

By 2019, we will have over 200 clinics which comply with norms and standards. We will also increase the number of ward-based primary health care teams to over 400.

Our interventions have led to increased life expectancy at birth over the period 2001-2006 compared to 2011-2016 from 56.1 to 62.9 for males and for females from 60.2 to 66.4. We have also shown significant successes in reducing the incidence of TB and in achieving a treatment cure rate of 85.1%, above the target of 84%.

In intensifying the fight against HIV and Aids, we have tested over 8 million people for HIV and initiated close to one million people on anti-retroviral therapy.

We have reduced infant positivity to 1.4%, through the programme to prevent the transmission of HIV from mother to child. We are intensifying our campaigns on HIV and Aids and TB and paying particular attention to encouraging our people to live healthy life styles.

We are making good progress in the rollout of the National Health Insurance, which has been piloted in Tshwane. We are also pleased to note that we are the best performing province in assessments of compliance with national core standards in health. Gauteng was rated at 75.6% against the national average of 65.8%.

Honourable Speaker, as result of problems in the financial management and administration within our health system, in the previous term of office we introduced the Health Turnaround Strategy and the Department of Health was placed under section 18 of the PFMA. I am pleased to announce that we are making good progress in improving performance in all these areas and that we will be in a position to return to normality by May 2015.

This includes stabilising the finances and other aspects of the administration. In particular, we are registering improvements in the timeous payment of our suppliers, elimination of accruals and revenue management.

As part of the modernization of public health services, we will prioritise the development of e-health systems.

We officially opened and handed over to the community the new state of the art Natalspruit Hospital within the first 100 days of the fifth administration.

This is our hospital of the future; a sign of things to come; an indication of what we mean by modernising health care.

We are proud to announce that in two hospitals Zola-Jabulani and New Natalspruit are now on e-health programme, which includes the introduction of electronic patient record.

This will reduce queues and improve the efficiency of our health facilities. We are also working towards rolling out this programme throughout the province.

During one of my unannounced visits to the Tembisa Hospital I came face to face with the reality that many of our people grapple with on a daily basis.

There I met an elderly woman who had been waiting in long queues to either collect medication or see a doctor. Some of them had been waiting since 5am.

They told me that part for the reason they have to wait for long hours in queues was that the Hospital was using a manual filing system making it difficult to locate patient files with ease and speed. Some of the files were getting lost.

Our e-health programme will help us bring an end to this totally unacceptable state of affairs.

Honourable Members, I am pleased to announce that following a community participation process, we will rename three of our hospitals to honour some of outstanding martyrs who have sacrificed their lives for our freedom. Zola-Jabulani Hospital, will be named after the late Bheki Mlangeni; the Natalspruit Hospital will be named after the late Thelle Mogoerane; and Far East Rand Hospital will be named after the late Mme Ruth First.

As part of improving our health infrastructure, we will commence with the building of new hospitals in Soshanguve and Lilian Ngoyi as well as revitalisation of the Jubilee, Kalafong, Sebokeng, Yusuf Dadoo, Tambo Memorial and Kayalami Hospital.

Honourable Speaker, last year we made a commitment to work with various sectors of society in the fight against crime. Our aim is to build safer communities. Our people must feel safe in places of work, homes, recreational facilities and everywhere they find themselves in this province.

While crime dropped in almost all the key crime categories in the period 2010 to 2012/13, the 2013/14 figures show a reversal in this regard, with increases in murder, robbery and other areas.

Dealing decisively with crime is critical to the social fibre of our communities and economy. We will therefore need to intensify our common efforts to bring crime under control.

Among the important interventions in this regard are improving access to policing through sector policing; increasing police visibility and ensuring quicker response times. We are also building working relations across the criminal justice cluster.

In September 2014, we held a Summit Against Crime with key stakeholders to develop a comprehensive strategy involving all sectors of our society.

As part of improving civilian oversight of policing, we will by the 1st of April 2015 appoint the Head of the Civilian Secretariat in Gauteng and ensure that the secretariat is effectively capacitated.

Honourable Members, our children are killed. We appeal to the community to continue to work with the police to ensure that child killers are arrested and convicted.

We will continue to strengthen community-police relations and build a strong movement against crime. We commend civil society organisations who are doing good work in partnership with government, including SABRIC and Business against Crime.

We also commend those honest and hard-working men and women in uniform who daily put their lives on the line to keep us safe in our homes and in our communities.

People of Gauteng, I am deeply concerned that the fight against crime is undermined by in-fighting and conflict among the top echelons of the SAPS in our province. Our concerns have been brought to the attention of the National Minister of Police and the National Commissioner. We hope these concerns will be speedily addressed so that the leadership of the police can focus on their job: keeping our communities safe in partnership, with community-based structures.

Honourable, Speaker, drug and alcohol abuse remains a major problem in our communities.

As parents in Gauteng, we are deeply worried about whether our children will become victims of drug abuse. Nyaope in particular is ravaging our townships and tearing families apart.

We will intensify the implementation of our comprehensive response to this scourge. We are enhancing our capacity to deal with the prevention and treatment of drug abuse and working with the police to clamp down on the production and distribution of illegal substances.

We have designed a prototype treatment centre which will service as a one stop centre to provide integrated and comprehensive treatment of substance abuse and improve access.

In addition to in-patient and out-patient treatment, the centre will also provide skills development, and serve as a half-way house to ease integration back into society. Building of the first centre will commence in 2016 and we will complete centres in each of the province's five regions.

The role of civil society is crucial in building a social movement against drugs.

Eradicating gender-based violence requires active collaboration across civil society sectors and government. We will in the year ahead actively mobilise communities and join hands with civil society organisations, in particular men, to join in the fight against gender based violence.

We will build on work to date to improve forensics capacity in the province, including the training of forensic social workers, to improve conviction rates. We will continue to expand access to victim support services and places of refuge for victims of abuse, bringing the total number of green doors in the province to 50 over the next few years. Ikhaya Lethemba will continue to provide support to victims, including in assisting them in bringing their perpetrators to book. We will further upscale the number of victims of abuse who are assisted with access to economic opportunities.

In this regard, we will continue to work in our communities to reach thousands of men through the Men as Safety Promoters groups and work in collaboration with the movement of men and boys against gender-based violence.

Honourable Members, too many of our people die on our roads. We will improve traffic law enforcement and pedestrian safety. Intensified road safety education will be undertaken and included in school curricula.

Honourable Speaker, poverty and inequality remain a challenge for all of us.

We are determined to strengthen the fight against poverty including urban poverty.

In this regard we have adopted a comprehensive strategy against urban poverty.

Our work includes the provision of food parcels to the most vulnerable and children in the poorest wards support for small-scale farmers and cooperatives and the training of 14 500 youth beneficiaries through our 40 job centres in the province.

An additional 4000 beneficiaries will be provided with economic, entrepreneurial opportunities and skills.

As part of our efforts to improve access to productive economic activities and in order to reduce dependency, we will link more than 3600 beneficiaries to employment opportunities and other economic activities.

We will also work with township enterprises to engage those in need in the production of goods such as paper towels, plastic, furniture, tombstones, bricks, upholstery, hydroponics, paint, condoms and baked goods.

To reduce poverty, hunger and food insecurity, we will expand urban agriculture, including community and school food gardens to ensure that our people have the capacity to produce their own food. This will also entail working with our municipalities to identify suitable land for community farming cooperatives.

As government we will work together with civil society to promote our vision of a more caring society which raises our common humanity, promotes mutual respect and support and protects the most vulnerable.

We will therefore pay particular attention to promoting social development, social cohesion and eradicating urban poverty in collaboration with civil society organisations.

In particular we will continue to build moral communities, healthy and skilled people as well as stronger families and socially inclusive and cohesive communities.

We have thus far developed a number of strategies to fast track social development and social cohesion within the Gauteng City Region.

Our immediate task is to coordinate these strategies for better and effective implementation.

Honourable Members, last month we witnessed in Soweto and several parts of the province incidence of violence against foreign nationals. We reiterate our condemnation of these violent acts and any form of discrimination against our people.

We call upon our people to continue to embrace all foreign nationals who call South Africa and Gauteng in particular their home.

We will during the month of May as part of the Africa Day celebrations organise dialogues with the foreign nationals from other parts of the continent and the rest of the world to discuss how we can live and work together and contribute to the growth and development of our province.

The Expanded Public Works Programme (EPWP) has now entered its third phase since its launch ten years ago.

Against the back drop of high-levels of unemployment and current economic situation, the EPWP remains relevant to provide work opportunities and income support to the poor and the unemployed through labour-intensive delivery of public, community and environmental services.

The main thrust of this phase is promoting development through job creation and skills development; increased community participation and community-ownership; increased infrastructure maintenance; and improved quality in implementation.

Gauteng will contribute to the national target of 6 million work opportunities by creating 1 million of such work opportunities by 2019, with specific focus on women, youth and people with disabilities.

Already the Gauteng Government has created 42 284 work opportunities. Our municipalities have created 64 960 work opportunities.

However, much still more needs to be done!

Honourable Speaker, the Gauteng City Region, in terms of population its mainly constituted by the youth. In this regard our efforts are directed towards youth development because the youth are the future of Gauteng.

The recent Quality of Life Survey done by the Gauteng City Region Observatory indicates that the majority of the people of Gauteng are satisfied about the work of government.

We will continue to harness the positive public mood that is currently sweeping our province. In particular we will work with youth formation to respond to their ongoing challenges.

In March, we will work with the youth to engage further on how we can enhance existing initiatives aimed at addressing the plight of the youth.

Honourable Speaker, we have been investing in various sporting codes to ensure that we remain the home of champions. Our work has included investing in school sports and developing sporting talent within communities,

We have in this regard unveiled the Mabaleng programme, which is about building sports and recreational facilities in our communities. This programme will also contribute to township revitalisation and ensure that our children are off the streets.

People of Gauteng, our goal is to build a socially inclusive society, hence we will continue to focus on strengthening the fight against crime, building moral communities, strengthening the family structure and its support mechanisms, promoting healthy lifestyles, building national pride and a common nationhood.

During the State of the Province Address last year, we made a commitment to preserve and promote our heritage, including heritage sites and celebrating heroes and heroines of our struggle.

This year being the 60th Anniversary of the Freedom Charter, together with the City of Joburg, we are investing in preserving the museum at the Walter Sisulu Square of Dedication and will convert the house of Mme Charlotte Maxeke in Kliptown into a museum and an interpretation centre.

As part of Human Rights Month, we will commemorate the 55th Anniversary of the Sharpeville massacre.

I am also pleased to announce that we will this year complete and handover the Women's Monument in Tshwane.

As part of celebrating the heroes and heroines of our struggle, we will officially unveil the statue of Mam Bertha Gxowa at Ditselane Cultural Village in Vosloorus.

Honourable Speaker, we remain committed to building an activist and clean government and in this way fundamentally change the way our people experience government.

Since assuming office, we have been hard at work to improve the way government works so Gauteng's people can see their elected representatives in action responding to all their concerns and aspirations.

Team Gauteng has gone directly to where there are problems to engage with those affected to find solutions. We are joining up with the leadership of municipalities in this task. Consequently we can say with certainty that we are a government in action, at work and on the ground with the people at all times.

We comforted distraught families of murdered children and calmed angry communities frustrated by the barbaric and vicious killings. We are succeeding in turning anger and frustration into a positive community force for mobilisation against crime and all social pathology.

We have engaged directly with community protesters who are frustrated by poor service delivery and corruption. We are succeeding in shifting communities from violent protests by offering instead a rapid response culture and meaningful participation.

Let me say what I have said before; "an activist government is not afraid of communities, however angry they may be. Leaders must never be afraid to face communities, whatever insults they may face. It comes with the

job of being a representative of the people. It requires men and women with a big heart, who can listen, who care and act on people's genuine problems".

Where communities face serious challenges to galvanise the energies of our people we have worked together addressing all challenges - from Bekkersdal to Mamelodi, Bronkhorspruit, ReigerPark, Mogale City, Daveyton, Tembisa, Alexandra, Princess, Westbury to Lenasia South and Soweto.

We will continue to do so.

Honourable Speaker, in order to institutionalise our rapid response to community concerns as well as our proactive engagement with communities, we launched the Ntirhisano Service Delivery Rapid Response System; our Service Delivery War Room.

The War Room allows us to respond with speed to issues raised by communities thus preventing escalation into violent protests.

The Service Delivery War Room is currently being rolled out to all our municipalities.

As part of improving our responsiveness to concerns raised by communities, we are delighted to report that we have been able to respond to 75% of public concerns raised through our Hotline within 72 hours.

A total of 85% of calls that come through our Hotline are responded to in less than 20 seconds.

In a concerted effort to improve the quality of service delivery, we will continue with unannounced visits and inspections to service delivery sites.

Through these visits, as public representatives, we are able to experience first hand the hardships that some of our people are exposed to at our service delivery sites.

We are thus better informed of the direct interventions needed to improve the way our people experience government. We have also interacted with informal traders in Johannesburg and Tshwane to address their concerns and reaffirm that they too are an important stakeholder in our economy.

Recently we met the people of Soweto as well as with those business people who were affected by the sporadic attacks on foreign nationals.

We did this to express our condemnation of the senseless violence, criminality and intolerance taking place at the time, and to comfort those affected by these acts.

Our message was clear: those who come to our country legally to make an honest living and a contribution to the development of our society must be allowed to do so without hindrance.

Equally those who come to our country must acquire the necessary documentation and those who become traders should do so within the relevant prescripts.

We were on the ground again recently in Mohlakeng to help address the challenges in that community.

We applaud the young people of Mohlakeng who are reported to be collecting books for their own underground library, in response to the burning of the community library in that area a few weeks ago.

Honourable Speaker, as part of our overall commitment to building a government system founded on principles of integrity and accountability we are taking concrete steps to strengthen the integrity of our government and its institutions and promote corruption free, clean government. In doing this we move from the premise that corruption is a major stumbling block to development. It is also a serious crime against the poor.

We will therefore continue to act without fear or favour on all proven cases of corruption!

In order to improve restore public confidence in government's procurement process, we are currently piloting an open tender process in Treasury and the Department of Transport.

As Honourable members know the Cedar Road Open Tender is well advanced and will be publically adjudicated in March. It has been joined in recent times by the Gauteng Banking Tender which is currently at the evaluation stage.

We believe this intervention will, by ensuring greater public scrutiny of the procurement process, eliminate incidences where the process of awarding tenders is manipulated.

Once the pilot is completed we intend to roll out an open tender process to all departments, particularly those with major budgets like Health, Education, Human Settlements and Infrastructure Development.

Honourable Speaker, we are undertaking a review of support services that are presently outsourced with a view of insourcing them. This we believe will strengthen the capacity of the state to deliver services effectively.

We welcome the recent report by Corruption Watch, which states that Gauteng is leading on reporting incidences of corruption. We note issues where there are serious challenges in the fighting corruption.

To demonstrate our willingness to fight corruption in our province, we continue to cooperate with state organs such as the Public Protector, Auditor General, Public Service Commission and society in general to build integrity and fight corruption in government and in society.

In line with the outcomes of the provincial Anti-corruption Summit we convened last year, we have begun setting up the Integrity Management and Anti-Corruption Unit in the Office of the Premier to drive the agenda of integrity promotion across government departments.

The Integrity Management and Anti-Corruption Unit will be fully operational by the end of this year.

Thus far we have trained the majority of our staff in ethics.

We are also strengthening our interventions aimed at achieving 100% disclosure of financial interest by our Senior Management.

We are determined to prevent civil servants from doing business with government, including politicians.

These issues have already been put firmly on the agenda of Senior Managers in Gauteng. Together with civil servants, we agreed that no civil servant will do business with government. This includes municipalities.

We are equally determined to build a credible and dependable government, worthy of the trust of our people.

Honourable Speaker, we also count among our successes in transforming the state over the past nine months the fact that we have now begun to establish Gauteng City Region institutions that will facilitate inter-governmental, planning, coordination, budgeting and implementation especially of our major projects.

At the core of these structures are the cordial working relations between myself as the Premier and all the Mayors, including the Mayor of Midvaal.

We are looking at a possibility of legislating relations between the various spheres of government, beyond the existing IGR Legislation. We are doing this because we know too well that unless the various spheres of government work together in a more coordinated and predictable manner all the plans we have put forward will not be realised.

Stronger intergovernmental coordination, planning and implementation are at the core of our GCR approach.

Honourable Speaker, we are determined to cut red tape, to reduce the cost of doing business and to make it easier to do business in our province.

In this regard, we are making regulatory reforms in the administration of the Environmental Impact Assessment system.

As provided for in legislation, we have developed a Gauteng Environmental Management Framework. This has allowed us to know in detail where the environmentally sensitive areas of the province are and where the development opportunities are at a spatial level.

Using this framework, we will demarcate certain areas such as like our Aerotropolis, Special Economic Zones, new cities and mega settlements in order to shorten the development approval process. Further, based on this framework we will demarcate inclusion and exclusion zones in pursuit of economic development.

Honourable Speaker in the highly competitive global environment facing Gauteng province, Research and Development, are an essential component of a knowledge based economy. In this regard I can report to this house today that last year I had intensive discussion with Institutions of Higher learning on how they could assist us to build our province's Research and Development capacity.

Through these engagements, we sought to build lasting partnerships with these institutions with a view to strengthening the Gauteng City Region's innovation, research and development capacity.

We also plan to engage with the private sector to create the link between institutions of higher learning and specific industry. This is a necessary intervention to strengthen our footprint in the knowledge economy.

Honourable Members, during the state of the province Address last year, I appointed an advisory panel on the socio economic impact of the Gauteng Freeway Improvement Project and the e-Tolls in response to the public outcry on the matter.

The panel's primary findings were as follows:

- The implementation of the Gauteng Freeway Improvement Project (GFIP) has benefited the economy and the people of our province in various ways namely better quality road system; reduced travel time; improved fuel efficiency; reduced vehicle operating costs; and improved logistics efficiencies for business.

- While there is general acceptance of the user pay principle and willingness to pay for current and future upgrades of roads and public transport infrastructure, in its current form, the e-Toll system is unaffordable and inequitable and places a disproportionate burden on low and middle income households. It is also administratively too cumbersome.
- The Panel recommended that elements of the current e-toll system must be reviewed to address the questions of affordability, equity, fairness, administrative simplicity and sustainability. After receiving the report of the panel, we engaged with the local and national government on the outcomes of the panel's recommendations to the people of Gauteng, the panel makes it clear that in its current form, the system needs to be reviewed to address mainly affordability by low and middle income motorists and administrative simplicity, while the user pay principle is reaffirmed.

The panel also recommended a hybrid funding model which will be made up of contributions by national and Provincial Government to ease the financial burden on motorists.

Madame Speaker, the Provincial Government is part of the current consultation process led by Deputy President Mr Cyril Ramaphosa to develop a better dispensation which will mitigate the negative impact of the e-tolls on the people of Gauteng, especially the middle and lower income groups. The final decision on the new dispensation will be made once the work of the intergovernmental team is completed.

I am confident that the new dispensation should provide major financial relief to motorists, while simplifying the payment system to make it easy for road users to pay.

The future can only be better than the past and the present for motorists who are law-abiding citizens who just wanted their plight to be heard by their government. We are a government that listens!

To political parties represented here let us continue to work together to move Gauteng forward.

I would like to thank the Gauteng City Region team, the MECSs the mayors and all the councillors.

I would also like to extend my gratitude to Gauteng's public servants for their dedication and support.

I also appreciate the continuous support from my family.

To the people of Gauteng from all sectors of society thank you for your unwavering support.

I remain your servant

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