

FOURTH POLITICAL REPORT TO THE GAUTENG PROVINCIAL LEGISLATURE BY PREMIER DAVID MAKHURA.

07 December 2017

Madame Speaker, Honourable Ntombi Mekgwe;
Deputy Speaker, Honourable Dikgang Uhuru Moiloa;
Chief Whip of the Legislature, Honourable Brian Hlongwa;
Colleagues in the Executive Council;
Honourable Members of this House;
Director General, Ms Phindile Baleni, Special Advisors, Heads
of Departments and Senior Officials of Government;
Fellow Citizens;
The People of Gauteng:

Today, I dedicate this 4th Political Report to the youth of our province in the context of the unfolding 4th Industrial Revolution.

Madame Speaker, allow me to start by acknowledging the presence in this House, my special guest who is South Africa's most accomplished Hip Hop artist, the youthful Refiloe Phoolo, popularly known as Cassper Nyovest.

Cassper is here with his mother, Mme Muzuki Phoolo, and his crew of young people - Tshepo Seone, Jabulani Nkosi, Lerato Moiloa, Sibu Mabena.

They are fresh from setting a gold standard in attendance of hip hop concerts through #FillUpFNBStadium, by packing Soccer City Stadium with 68 000 young people. Well done Cassper. Filling up FNB Stadium is not easy. You can ask me!

I would like to further congratulate you for employing 70 young people who are interns to help with mobilization and marketing for #FillUpFNBStadium. Cassper has also contributed R50 000 to the student fundraising initiative at Wits University and another R100 000 to the campaign against xenophobia and he is one of the young ambassadors against women abuse and gender-based violence.

Honourable Members, as a popular genre loved by South African youth, hip hop has become a dominant voice in the South African music scene which grew out of some form of rebellious political and cultural expression by the youth in the late 80s and early 90s.

The story of Cassper and many young creative minds of our country is an economic inspiring example of how the creative and cultural industries of our province offer huge economic opportunities to many young entrepreneurs and talented artists.

South African hip hop grew out of Kwaito music with its own pioneers like Mandla Spikiri, Mdu Masilela, Arthur Mafokate, Senyaka, Black Noise, Prophet of da City, Brasse vannie Kaap, Pitch Black Afro and Skwata Kamp prepared the ground for today's generation of Cassper Nyovest and AKA.

It is self-evident that combination of the ICT revolution and emergence of new media platforms is giving rise to new industries at the centre of which is the energy and creativity of the youth.

As a result of the fact that this year marks the Centenary of the birth of Oliver Tambo, one of the greatest freedom fighters that our country has produced, it is proper to quote from him about the place of youth and children in any country's development:

“A country, a movement, a person that does not value its youth and children does not deserve its future”.

Yes, this Report is dedicated to the youth who are at the cutting edge of fourth industrial revolution that is upon us.

Fellow Compatriots, there is mounting evidence that humanity is living in an era of profound and rapid technological change which will fundamentally transform the way we live, work and relate to one another. It is affecting all aspects of life - society, economy and state.

Klaus Schwab, the founder and Executive Chairman of the World Economic Forum characterises the fourth Industrial Revolution as a time of great promise and great peril. The fourth industrial revolution brings with it enormous opportunities and major threats. It needs to be prepared for and anticipated if the threats are to be mitigated.

Uzair Younus, an analyst at Albright Stonebridge Group in Washington D.C. had this to say:

“If developing economies are to grow, they must implement policies that equip people with the skills required to operate and develop new technologies. Basic reading and writing skills will not be enough; the workforce of the fourth industrial revolution must know how to write and read computer codes and work in conjunction with sophisticated hardware and software. The fourth industrial

revolution is like a bullet train coming and it is up to policy makers to prepare and enable the masses to either get on board or risk being a casualty in its path.”

The World Economic Forum estimates that 65% of children entering primary school will find themselves in occupations that today do not exist.

This is because the fourth industrial revolution has placed artificial intelligence, big data and knowledge at the centre of future production processes and ecosystems.

Madame Speaker, our ten-pillar programme for radical transformation, modernisation and re-industrialization of the Gauteng City Region is very much attuned to the imperatives and opportunities of fourth industrial revolution.

At the beginning of this year, we decided to upscale our youth initiative, Tshepo 500 000 to #Tshepo 1 Million. This initiative provides young people with demand-led skills and competencies to enhance employability (both permanent and transitional jobs), self-employment and entrepreneurial development through a public-private partnership. This includes the training of one million youth in digital skills demanded by the digital economy and the integration of the youth in the

exponential and explosive growth of the township economy. The creative industries are an integral part of these major developments in the township economy.

Since December 2014, 437 000 young people have benefitted from Tshepo 1 Million. Our target is to reach one million young people by 2019. Working with the private sector and young people like Cassper and his peers in the cultural and creative industries, we can surpass this target.

I would like to commend all forty companies who have signed up for groundbreaking public-private partnership and further call on others to join this initiative to give hope to our youth.

I also convey my gratitude to those in the media establishment who have joined hands with us in giving hope to our youth.

As a result of our major efforts in empowering the youth and revitalising the township economy, Gauteng is making notable strides in enabling the youth to start their own businesses.

According to the 2017 Ventureburn tech Startup Survey, Gauteng has gained significant ground over the past two years. Today, 44% of startups list Gauteng as their home, as compared to only 26% in 2015, while 47% of startups are

based in the Western Cape. While the Western Cape remains the most popular region in South Africa for tech startups, Gauteng is challenging this coveted position of being the startup capital of South Africa.

The survey also indicates that 53% of startups owned by Black young entrepreneurs are Gauteng-based while most of the Western Cape startups are owned by older white entrepreneurs who have worked before. In addition, Black startups are struggling – 61% are yet to generate revenue because they are still in the seed stage. Funding and access to markets are two most critical issues facing Black startups. The private-public partnership on Tshepo 1 Million is also addressing this gap.

Honourable members, the evidence that our interventions are working should spur us to do much more in initiatives that seeks to stimulate the township economy and support SMMEs and cooperatives as major job creators.

I am glad to report that the number of township enterprises that do business with the provincial government has dramatically increased from 642 in 2014 to 4 182 in October 2017. Public procurement spend on township enterprises by provincial departments and municipalities in Gauteng is now more than R10 billion.

The township economy is much friendlier to the youth start-up enterprises and through Tshepo 1 million, there is a dedicated focus on supporting youth enterprises, especially in franchising.

The Innovation Hub has been doing very good work in stimulating entrepreneurship and innovation among the youth, through Ekasi Labs and innovation Centres. Seven Labs are focusing on supporting entrepreneurs and youth with their innovations and fast track the establishment of sustainable and innovative businesses.

We have been focusing on unlocking opportunities in various sectors that are labour absorbing.

Accordingly, we are pleased to report that last month we convened the second BPO Action Lab with key industry players in the BPO and ICT sectors. The work we are doing in the BPO sector has already created 6000 new jobs this year. Going forward we have committed ourselves as well as our partners to work towards the creation of 24 000 new jobs over the next thirty-six months – 20% of these jobs will be for the exclusive inclusion of young people who have never worked before.

However, the ICT industry, the knowledge economy and creative industries hold the greatest prospects for the youth.

The majority of Foreign Direct Investment projects into Gauteng economy are directed towards ICT and knowledge economy. Currently software and ICT services are attracting the most FDI, benefitting 104 firms involved in 110 projects. This is followed by 57 communication firms involved in 64 projects.

What these trends and numbers tell us is that not only is the Gauteng economy shifting significantly towards the knowledge economy, so too is FDI. These trends and numbers confirm that indeed in Gauteng, the fourth industrial revolution and the knowledge economy are upon us.

It is for this reason that, this year we signed a Memorandum of Understanding with all Gauteng-based universities to foster collaboration on skills development, infrastructure development as well as investment in innovation and R&D.

In particular, we have partnered with the University of the Witwatersrand in the development of the Tshimologong ICT Precinct in Braamfontein. We are emboldened that IBM has taken the important decision to locate its R 700 million

Research Laboratory, servicing the rest of our Continent at Tshimologong.

As part of building our innovation ecosystem, Gauteng will host a major conference on ICT and Innovation in February 2018. This conference will bring together leading individuals, companies and public institutions from across the world.

We will work with the University of Pretoria and other universities of technology in partnership with the private sector to turn The Innovation Hub into the Silicon Valley of Africa.

With regard to the modernisation of basic education to equip our youth with skills relevant to the current and future economy, we are focusing on smart schools and schools of specialisation.

Currently, our smart schools programme, is benefiting more than 64 000 Grade 12 Learners in 377 township no-fee paying schools. Over 1 800 classrooms have now been converted into smart classrooms and more than 9000 educators have been retrained with digital skills and issued with laptops. Every new school we are now building in Gauteng comes fully equipped with state-of-the-art technology, free Wifi and smart classrooms.

Madame Speaker, to turn around the fortunes of our economy and improve its global competitiveness is to pay adequate attention to skills, infrastructure and investor confidence. We in the Gauteng City Region have been hard at work.

Let me now turn my attention to the rollout of infrastructure.

Honourable members, consistent with our understanding that infrastructure development is the lifeblood of a modern, growing economy, we continue to invest in infrastructure development focusing specifically on public roads and transport, ICT, mega human settlements, energy, water and sanitation.

Accordingly, this year we hosted the Second Gauteng Infrastructure Investment Conference in July in order to attract global and domestic investors to help finance our fifteen-year Infrastructure Master Plan and promote intra-Africa trade.

The Gauteng provincial government will spend R46 billion on infrastructure investment over the next three years, while our cities and municipalities will spend an additional R50 billion. This infrastructure spend will have a major social, economic and spatial impact on the people and the economy of our province.

One of the major successes of Gauteng's aggressive drive to attract private sector investment into our infrastructure projects is in public transport, post-apartheid cities and mega human settlements. In particular, the Gautrain expansion and new mega human settlements being launched, have already attracted more than R40 billion in private-public partnerships.

It is expected that the 31 mega projects on human settlements and post-apartheid cities will attract more than R100 billion into the Gauteng economy.

Madame Speaker, although our national economy is going through tough times, we in Gauteng have continued to work hard to sell our province as a preferred investment destination in Africa and a key player in intra-Africa trade.

In 2017, we undertook several trade and investment missions to cities and regions in SADC, West Africa, Australia, Argentina Brazil and USA. We also hosted government and business delegations and trade seminars here in our province.

In October we hosted the South Africa-Italy Summit which was attended by Ministers, Governors, Diplomats and Business leaders from SADC countries and EU representatives.

Madame Speaker, there is no doubt that our work is bearing fruits. Last year, we attracted 75 FDI projects into our provincial economy, worth R36 billion and these projects created 9 354 jobs. Over three years (2014-2016), our province attracted more than 200 FDI projects worth R69 billion, which created 19 000 jobs.

With regard to intra-Africa trade, Gauteng is the leader. By August 2017, Gauteng companies invested 169 projects worth R356 billion across the continent. Gauteng accounts for 71% of South Africa investment into the different regions of our continent. Intra-Africa trade generated a total of 46 732 jobs to the Gauteng economy.

Trade between Gauteng and the rest of our Continent strengthened by 19% between 2011 and 2016, from R 204 billion in 2011 to R 242 billion in 2016. On the other hand Gauteng's imports from the rest of the Continent increased by 28%, faster than exports which increased by 16%. On the other hand Gauteng's imports from the rest of the Continent increased by 28%.

Fellow Compatriots, although the Gauteng economy performed better in Quarter 2 of 2017, than in the first quarter, the overall provincial economic growth trend is downward. In 2016 the

Gauteng economy grew by 1.3%, down from the 2014 growth rate of around 2.2%. Our employment numbers are also a cause for concern – we continue to shed jobs. Year on year our job numbers remained unchanged and generally the unemployment trend in our province is upward.

In order to eliminate unemployment in Gauteng, we need to create 5 400 jobs per day and to halve unemployment, we need to create 2 700 jobs per day.

Increasing intra-Africa trade is a key element of how we can get out of the current slow growth trap. In addition, we need better leadership of our efforts to create structural transformations and inclusive growth. Leadership from all sectors of society and genuine partnership in arresting the downward slide of our country and economy. This includes prudent management of public resources and ethical leadership.

Madame Speaker, this year Gauteng has experienced sustained improvement in key area of governance. This year, the Auditor General gave two-thirds of our departments and entities clean audits. This is a major achievement that outperforms all the years over the past decade-and-half.

In addition, the MPAT performance assessment conducted by the national Department of Monitoring and Evaluation has ranked Gauteng in second position, after Western Cape. This is a significant improvement from the number 4 and 5 in the previous administration prior to 2014.

The main area of concern for me remains wasteful and irregular expenditure and delays in disciplinary processes and lack of criminal prosecution of those found guilty of corruption. This is a matter that is receiving the attention. Please watch the space.

As part of our efforts to institutionalise clean governance, build a culture of integrity and fight corruption, I have appointed a civil society-led Ethics and Anti-corruption Advisory Council, Chaired by Dr Terrence Nombembe, former Auditor General of South Africa. The Council includes prominent integrity champions and civil anti-corruption campaigners - Advocate Fay Mukaddam, Ms Nonkululeko Gobodo, Ms Puseletso Madumise (SANGOCO), Mr David Lewis (Corruption Watch), Professor Stella Nkomo (Unisa), Father Smangaliso Mkhathshwa (Moral Regeneration Movement), Mr Dennis George (Fedusa), Mr Lerata Joel Motsiri (Cosatu) and Professor Deon Rossouw (Ethics Institute, SA).

This Ethics Advisory Council has already started working. I have already referred to them the KPMG issue so that they can advise on how the Provincial Government should deal with ethical questions facing companies that do business with government. The same will apply to McKinsey, SAP and others.

This body is going to help me and the Executive Council to clean up government departments and galvanise society against corruption in the public and private sector in our province.

Honourable Members, the Life Esidimeni tragedy has exposed deep institutional problems within our public health system. Serious governance failures which has compromised the quality of care of millions of people who depend on our public health system, especially the poor and most vulnerable sections of society such as those who use mental health services.

Urgent steps need to be taken to turn around the performance of the Gauteng Department of Health. It is for this reason that, in addition to appointing the Special Cabinet Committee, provincial and national government have jointly appointed an intervention team of public health experts and managers to support Health MEC, Dr Gwen Ramokgopa, in turning around

the performance of the Gauteng Department of Health by attending to all the deep structural and financial problems. We are confident this intervention will succeed.

The death of 143 mental health patients is a tragedy that could have been avoided. We are working with the affected families to ensure that all the recommendations and corrective steps outlined in Health Ombud Report by Professor Malegapuru Makgoba, are fully implemented to ensure that there is full accountability, justice and closure for the families. All those involved in this tragedy need to understand that there can be no closure for the families without full disclosure. No closure without accountability and answerability.

The disciplinary processes and criminal investigations are also underway to ensure that everyone responsible is brought to book. No one must escape accountability and answerability.

Honourable Members, due to the rate at which crime against women and children is escalating, we have launched a campaign that draws the focus of our nation on the plight of girl children and young women. The campaign is called “Empower the Young Women, Invest in the Girl Children”.

Specifically through this campaign we are galvanizing a multi-disciplinary response to the multiple challenges facing girl children and young women; including increased levels of violence, femicide, increasing rate of new HIV infections, high pregnancy and school drop-out rates; increased vulnerability and dependency as a result of lack of economic opportunities.

I have appointed a Cabinet Committee that is coordinating a comprehensive, multi-sectoral and multi-disciplinary response to crimes against women and girl children. A key focus of this response is the empowerment of young women and girls.

Our interventions aimed at reducing the dependence and vulnerability of young women, include the distribution, to date, of more than 239 000 dignity perks to girl learners across Gauteng – our target is to reach more than 1.2 million by 2019. This intervention is also helping us ensure that no girl learner misses school in our province.

Madame Speaker, crime remains a major issue of public concern in our province. This year, we have worked much better with the SAPS and other law enforcement agencies. We have agreed on the targets to reduce crime by 50% in the 40 police stations that contribute more than 50% to crime in Gauteng. We have increased police resources with regard to

vehicles and personnel, with the support of Minister Fikile Mbalula. We have re-introduced the specialised police units to focus on priority crimes such as gender-based violence, trio crimes, drugs, farm murders and car-jackings. We are confident we shall succeed.

We have intensified work on Social Cohesion through the Social Cohesion Champions. We now have a comprehensive strategy to build social inclusion, equity and unity in diversity. The Annual Gauteng Carnival continues to bring together different sectors of society to celebrate our unity in diversity. This year the Carnival, held in City of Tshwane, attracted close to 40 000 people, from all walks of life.

We are strengthening Ntirhisano Service delivery response system in order to ensure that all spheres of government respond effectively to community needs and concerns.

While significant progress is being made in the resolution of the commitments made by the provincial government departments, I am deeply concerned by the slow pace of response by some municipalities.

We have got to work together with all mayors to ensure they understand that Ntirhisano is a programme to help all of them

to deliver on their mandates and meet their needs of communities, instead of developing a new list of programmes that are not informed by the concrete situation in communities.

Tomorrow, I will be meeting with all the mayors of our municipalities as part of the cooperative governance system to discuss a common response to challenges facing Gauteng residents on all matters pertaining to the economy and jobs, infrastructure development and service delivery. We have no choice but to work together in the best interest of the people of our province.

Madame Speaker, the Gauteng provincial government and its cities were honoured to be elected Co-President of Metropolis, World Association of major metropolitan regions and cities, at the 12th World Congress in Montreal.

Our participation in the Metropolis will help us to benchmark our performance among the best of our peers in the world with regard to managing urbanisation, building inclusive economies and livable cities, promoting social cohesion and implementing the seventeen sustainable development goals of the United Nations in order to give our citizens good quality of life.

Honourable Members, as the Premier and the Executive Council, we will continue to pay attention to the disciplined and rapid implementation of the ten-pillars of our TMR, with a specific focus on:

- Working with the private sector and other social partners to improve the performance of major sectors with regard to employment, empowerment and exports.
- Making politics more constructive, transformative and impactful on the lives of citizens through Ntirhisano outreach programme.
- Empowering the youth through access to better educational and entrepreneurship opportunities so that they can live meaningful lives as productive citizens.
- Empowering women to break the shackles of patriarchy by empowering them to play their full role in the economy and society as equal citizens.
- Empowering the girl children and young women.
- Building a compassionate society that protects the most vulnerable including mental health patients and taking steps to ensure that never again should so many people die out of total neglect, arrogant treatment and lack of care and compassion from us in government.
- Through the Premier's Social Cohesion Champions and Games, host social cohesion campaigns in communities to encourage the values and spirit of "living together"

regardless of their nationality, religion, origin, gender, sexual orientation, class or race.

- Building an accountable, responsive government which manages public finances prudently and creating a corruption-free province.
- Building a capable state by enhancing the capacity of all departments to deliver on their targets and ensuring accountability on the delivery of all plans.
- Playing a strategic role in the Association of Major Metropolises to position Gauteng City Region as a preferred destination for investment and as the leader in the implementation of the United Nations Sustainable Development Goals and the New Urban Agenda.

Honourable Members, all these issues are about giving hope to our communities and citizens in the face of an economy that is deteriorating and governance that is in trouble due to the spectre of state capture, which we must collectively defeat as a nation.

We dare not fail to make our province a model for good governance, social cohesion and inclusive economy that offers opportunities to all and leave no one out. Let us build an inclusive economy, promote shared prosperity inclusive and participatory politics for all our citizens!

I would like to thank all members of the Legislature for their contribution to our dream of building a province that works. I thank my colleagues in the Executive Council for tolerating my impatience with slow progress and accepting my uncompromising insistence integrity and excellence.

In conclusion, I thank the DG, HODs, Special Advisors, management and staff for their diligence and tireless sacrifices. I also welcome Michael Sachs to the team in the team.

May you all have a safe, peaceful and restful Festive Season.

God Bless You! Thank you.