

OPENING ADDRESS BY GAUTENG PREMIER DAVID MAKHURA TO THE SPATIAL PLANNING SUMMIT OF THE GAUTENG CITY REGION. SANDTON CONVENTION CENTRE

24 NOVEMBER 2015

Programme Director, Mr Tim Modise;

The Minister of Cooperative Governance and Traditional Affairs

Minister Pravin Gordhan;

MECs, Executive Mayors and Members of Mayoral Committees;

Chief Whip and Members of the Provincial Legislature;

Distinguished Leaders of Business, Developers and Investors;

Leaders of Civil Society and Representatives of NGOs;

Policy Makers, Regional Planners and Researchers;

DG, HODs, senior officials from local, provincial and national government;

Ladies and Gentlemen:

We are pleased to welcome you all to this inaugural Gauteng City Region Spatial Planning Summit. We are particularly happy to give a special word of welcome to Minister Pravin Gordhan, who will give a keynote address to the summit. We thank you for making time to be with us this morning.

Ladies and gentlemen, this Spatial Planning Summit is a direct follow-up to the inaugural Gauteng Infrastructure Investment Conference held in July where we emerged with a comprehensive framework of what the content and cost of the Fifteen-Year Infrastructure Master Plan of the entire Gauteng City Region will be.

This was followed by the e-Government and ICT Summit earlier in November, wherein a City Region-wide e-Government and ICT Summit strategy was adopted in order to give effect the idea of building a smart, knowledge-based and innovation-driven economy and society in our province.

Last week we hosted the Aerotropolis Industrial Cluster Development and Investment Conference together with the City of Ekurhuleni, where we were able to galvanise, especially the private sector and major state-owned companies around the vision of re-industrialising Ekurhuleni as a major aviation hub and biggest airport city in Africa.

All the gatherings I have referred to are about the vision of building Gauteng into a seamlessly integrated, economically inclusive, socially cohesive and globally competitive Afropolitan City Region.

For more than a decade, we in Gauteng have been pursuing the idea that given the reality that we are a highly urbanised and densely populated province with an increasingly integrated cluster of cities and towns and constellation of industries that constitute a single regional economy, the best way to govern our province is through the model of a City Region.

This means that although we have different spheres of government in the economy and space of Gauteng and its neighbouring towns and cities, we have to plan and work as a single entity in order to enhance the global competitiveness and spatial efficiency of Gauteng as an industrial and financial hub of Sub-Saharan Africa.

In the past year, we have gone further to place emphasis on the need for our type of City Region to be more inclusive, more equitable and more sustainable in order to avoid the trap that many globally competitive City Regions are highly unequal, socially polarised, spatially inefficient and ecologically unsustainable geographic and economic entities. That is not where we want to be. Spatial justice, economic equity and environmental sustainability are key principles underpinning our vision.

We also have a vision of governance in our City Region which entails tight cooperation and coordination between different spheres; partnership and collaboration between the public and private sector on major issues of common interest; a more accountable, responsive and transparent government that works in partnership with citizens; and a metropolitan system of local government.

With regard to industrial strategy of the City Region's economy, we have put forward the thesis of five development corridors with differentiated and specialised cluster of industries that will enhance comparative advantage and global competitiveness of our cities.

The Central Corridor – City of Joburg – is the hub of the City financial, ICT, pharmaceutical and services industry.

The Eastern Corridor – City of Ekurhuleni – is the hub of advanced manufacturing, transport and logistics, as well as the defense and aviation industry.

The Northern Corridor – City of Tshwane – is the administrative capital and the hub of the automotive industry and leader in research, development and innovation.

The Western Corridor – West Rand District – was an area whose economy was built around the mining industry. We are undertaking major initiatives to diversify the economy so that it is not only dependent on mining. We seek to enhance the tourism, agricultural, agro-processing and renewable energy potential of this corridor.

The Southern Corridor – Sedibeng District – was an economy built around the steel industry. We are undertaking major initiatives to diversify this economy in order to enhance its potential as an agricultural, logistics and tourism hub of Gauteng.

This summit seeks to give practical effect to our aspiration to *take radical steps to transform the spatial configuration and landscape of Gauteng province through better coordinated land use management and balanced spatial development.*

Gauteng is now the most populous province in our country, with StatsSA population estimates pointing to more than 13 million people. And yet we occupy only 1.4 percent of SA's land mass, a mere 18 178km².

Between 1996 and 2001, our population has grown by 2.7%, while between 2001 and 2011 the province's population grew by 3,6%.

In practical terms, more than 5 million people moved into Gauteng over fifteen years. By 2030, it is estimated that Gauteng will be home to 18-20 million people.

One of current major capability constraints is the inability of municipal and provincial authorities to plan effectively in order to manage the impact of rapid rate of urbanisation. Our infrastructure is not coping with the number of arrivals – schools, health facilities, housing and social amenities. The economy is also not absorbing large numbers of those looking for employment.

Let us also note that the average household size in Gauteng has decreased across the entire province. In 2001 it stood at 3,4 persons per household. It is currently at 3,1 persons per household. Based on current trends, we estimate that the average household size is likely to decline further to 2,9 by 2020.

These emerging trends have profound implications for the delivery of public services. They imply that we now have a responsibility to provide more services to an increasing number of households. These trends require of us to be innovative in the manner in which we provide services to our people.

In fact we need to rethink and perhaps reverse the logic of development such when we identify land for development it must be inclusive and responsive to the needs of all LSM. Linked to this is the demographic dividend that exists in Gauteng.

While this offers massive opportunities to build a vibrant, productive and innovative Gauteng City Region, there are also dangers of increased marginalisation and social polarisation if the young people from the townships and rural areas don't have the skills and competencies required by our increasingly modernising economy, and this can lead to increased tensions, violent protests and escalation of crime and other social ills such as drug abuse.

Proper planning, effective urban management and integrated urban development capabilities are sorely needed in the

provincial and local sphere to manage the rapidly changing urban landscape.

Across the world, the urban transition is a reality that poses major challenges to policy makers and city planners as more people move to cities that are not ready to cope with the new arrivals who have their own aspirations for a better life.

This summit must also note the spatial profile of our province which includes the following:

- Human settlement delivery replicates and reproduces the racial and spatial legacy of apartheid. Most residential areas still remain segregated along racial and income lines. There exist in our province spatial marginalisation of townships with the majority of poor households located on the periphery, far removed from economic opportunities.
- Persistent urban sprawl; a legacy of apartheid spatial planning, remains a reality in our province. However as the democratic government we must also take responsibility for the part we have played in promoting urban sprawl, especially in the manner in which we, in the recent past, used to build houses for our people.

- We continue to witness the emergence of new middle-to high-income residential neighbourhoods that almost exclusively take the form of gated communities or exclusive lifestyle estates. Because of the relatively central location of some of these estates, they also have a detrimental impact on spatial restructuring and urban redevelopment. They effectively sterilise land from future dynamic urban uses.
- Gauteng has a well-developed road network which may serve as a disincentive for the use of public transport. Related to this is that our province's road infrastructure is severely congested by not only private vehicles but also by heavy vehicles for the purposes of freight and logistics. This can be attributed to, among others, a long term disinvestment in rail infrastructure.
- Our province still has a fragmented public transport system and the drift of jobs away from mining and industry to tertiary activities has compounded spatial dislocations, including poverty and inequality.

- De-industrialisation and the closing of mines, have also had a detrimental impact on areas that have a strong economic link to these activities such as Sedibeng, which was reliant on the now shrinking steel industry and the West Rand, which for many years relied on the mining industry which has now effectively ground to a halt.

Programme Director, the policy choices we make, therefore, as well as the decisions and partnerships that are likely to emerge at this summit must take into account the realities of our country and specific challenges of our province

We are of the view that the current spatial form and profile of Gauteng provides a unique opportunity to demonstrate how innovative local solutions can be used to ensure a prosperous and inclusive Gauteng in the long term. This must be done in partnership with the private investors as well. When we approve land for development going forward it must include specific requirements such that we change the apartheid spatial patterns forever.

Accordingly, out of this summit, we must emerge with a new paradigm on the efficient and developmental use of the Gauteng space!

At all times, in our deliberations, let us be reminded that the economy is space and that space is the economy.

This summit must also help us make new and decisive advances in our quest to promote even and balanced development across the Gauteng City Region. Gone are the days of Cinderella or step child regions in our province. Development must be integrated and must happen across the Gauteng City Region.

This summit must also strengthen our ongoing efforts to eliminate the spatial divide that exists in our province. This we must do because to quote from the National Development Plan, Vision 2030, “*Spatial divides hobble inclusive economic growth.*”

Programme Director, we reiterate that a Gauteng City Region-wide spatial development framework, which will be the outcome of this summit, is not meant to deal with detailed planning at municipal level. Rather it is aimed at providing a spatial logic for the province as a whole that will guide municipal spatial development frameworks. In fact we are allowed to question

our plans and as I said before we must also question the current paradigm of development and this we must do because in the past twenty years we have somehow perpetuated apartheid spatial developments.

As the provincial government, we move from the understanding that, the Gauteng City Region is an important spatial entity, whose influence and implications stretches across and beyond municipal boundaries. We must therefore ensure alignment and coordination between municipal spatial development frameworks and the Gauteng City Region spatial development framework. We must work towards a shared spatial vision across the Gauteng City Region.

It is our view that a sound Gauteng City Region wide spatial framework is critical in directing national, provincial and local infrastructure investment in the province in a manner that will achieve the most benefits with limited fiscal resources. It will help us ensure value for money in our infrastructure investment.

This is particularly relevant since, as you know, infrastructure investment is one of the critical drivers of our programme for radical Transformation, Modernisation and Reindustrialisation.

Infrastructure is a critical game changer in spatial planning. It stimulates economic growth and job creation, it promotes easy and efficient mobility, it leads to the integration of communities – it promotes both social and economic inclusion.

The spatial structure and framework that will emerge with from this summit, must allow for a greater choice of how and where people want to live and work. It must also help us deal with the challenges of water and electricity shortages in our province.

Equally, our spatial plan and interventions must strike a balance between the different and sometimes conflicting demands for land use – human settlements, economic development, food production and environmental conservation. Our approach is long term sustainability of the Gauteng City Region cannot be compromised for short term imperatives.

Accordingly, we must ensure that economic growth and development is in harmony with spatial efficiency, social equity and environmental sustainability.

Programme Director, to us this summit marks a critical milestone in our quest to decisively transform the Gauteng's space and bring prosperity to all her people. To succeed in this endeavour, we need to work together and form transformative

partnerships as various spheres and entities of government, as the private and the public sector as well as society in general.

I wish to make it clear that the goal of planning is not to stop development but to direct it towards achieving balanced outcomes - socially and economically desirable and environmentally sustainable outcomes.

Sometimes I get the impression that developers want to pursue commercial objectives at all cost, regardless of negative consequences of their planned development. I also get the impression that government bureaucrats try to stop or delay development approvals in pursuit of regional spatial development frameworks that bear no relevance to the needs of local communities.

We need to ensure that our spatial vision is understood and shared by all stakeholders so that private sector developers and investors can develop proposals that are in line with the vision of the entire Gauteng City Region.

Government authorities have made a commitment to speed up all approvals, including the environmental impact assessments within one month. Officials must not and will no longer be

allowed to take eighteen to thirty six months to tell developers if their plans are approved.

I also want to make it clear to developers that those who often proceed with construction work without obtaining approvals will face the full consequences of the law.

We also have been very firm in taking action against illegal land invaders in any part of our province. Between April and September we prevented more than hundred illegal land invasions through coordinated and collaborative work between the provincial government, municipalities and law enforcement agencies.

As I conclude, allow me to leave you with this profound quote from the National Development Plan, Vision 2030, our country's development blue-print:

“Human development is an essential part of inclusive growth. Lower living costs (through, among others sound spatial planning),... will reduce pressure on households, particularly for low-income households with limited earnings from work. This will improve individuals’ ability to respond to labour-market opportunities and downturns, reducing the prevalence of crises that many households experience.”

Ladies and Gentlemen, we learn from this quote that sound spatial planning is part of the human development effort; it is part of efforts to unleash the human potential, and it is part of helping to ease the burden on the shoulders of our people.

I wish you a successful summit. We look forward to the outcomes of this summit. It is now my pleasure to invite Minister Gordhan to address us.

Thank you.